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Index of Paper

LOGISTIC MANAGEMENT PRACTICES IN THE SELECTED STEEL INDUSTRIES OF INDIA – ANALYSIS OF PERFORMANCE INDICATORS

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Abstract

Logistic Management deals with planning, organizing, and managing the flow of goods, information and other resources between the point of production and point of consumption. The logistics and its processes have a good impact in almost every sector of the industries. There is a growing concern for the macro and micro level logistics of Indian steel industry since it is highly material intensive. The objective of this paper is to study the various performance indicators of logistic management such as Profit Before Interest, Depreciation, Taxes and Margin (PBIDTM), Earning Before Interest, Depreciation, Taxes and Margin (EBITM), Return On Capital Employed (ROCE), Working Capital Cycle (WCC) and Debtor Turnover (DT). The scope of this study is restricted to 6 Steel industries of Wardha zone. The facts and figures for this study are collected over past 10 years. The statistical tools such coefficient of variation and decisions under uncertainty like Criterion of Optimism, Pessimism, Savage and Laplace are implemented to find the best alternative for a respective performance indicator.

Keywords: Logistics, Coefficient of variation, Decision under uncertainty.

Introduction :

Logistic Management deals with planning, organizing, and managing the flow of goods, information and other resources between the point of production and point of consumption. Logistics management is amongst the most fascinating fields today. It is a science of

planning, organization and execution. It is frequently practiced in order to make sure the delivery of required products and services on time at the right location. Today logistics management has become very popular throughout the world. Therefore it has become an important need for modern day businesses and organizations.

Logistics management in trade and industry utilizes technology for preservation, appraisal, case study, scheduling, asset tracking, planning and execution. The art of logistics plays its critical role in connecting many businesses with others for accomplishing defined business goals and objectives successfully. Accounting, prerequisite analyses, performance judgment, transportation of manufactured goods and allocation of resources are truly engaged in logistics management. It also represents an insight to build up measures for improving the organizational operations and productivity effectively.

In short, logistics management is obligatory for a successful operational process of order processing, manufacturing, shipping, budgeting, distribution, allocation of resources and timely delivery of required goods and services. Then it is also very effective in various other fields like human resource management, financial services and sales. In addition, an effective logistics management would provide abundant benefits to the companies and organizations for instance improved delivery process, increased sales percentage, ample returns, customer contentment, increased employee focus and business identity development.

Logistics Management in Indian Steel Industries:

There is a growing concern for the macro and micro level logistics of Indian steel industry. The customer delivery times, inventory management, cargo handling at ports, procurement of iron ore and other raw materials are some of the areas in which steel manufacturers are focusing at micro level. Some of the concerns of logistics for the steel industry at macro level are:

☐ High transportation costs: This is one of the major concerns which is affecting the growth of the industry. Due to the problems in infrastructure and also with low levels of productivity in terms of handling and transporting cargo, the costs of transportation were soaring day by day.

☐ Lack of connectivity to the ports with sufficient rail and road networks is also one of the causes for high transportation costs.

☐ Along with the transportation costs, the costs of order placement and transactions costs are also increasing. Industry should look for the efficient flow of information from end to end in the supply chain. Implementation of technologies like EDI (electronic data interchange) and ERP (enterprise resource planning) will help to improve reliability of the information flow and also reduce the costs to a greater extent. The implementation of these technologies and also the other strategies like BPR (business process reengineering) are at the initial stages in the industry. Apart from some major producers of steel like Tata, JSW, ISPAT etc were able to successfully implement them in their steel plants which helped them in reducing the inventory lead times and also improved the information flow. These technologies must be implemented in a large scale at a macro level so as to increase the growth of Indian steel industry. Creating the virtual information networks from end to end will not only save in terms of costs but also the time for order placing and procurement can be done. Lead times and delivery schedules can be improved much better than ever before.

The advantage of a proper IT-based information system is that accurate information can be obtained at a much faster rate, reducing downtime and speeding up decision making process. Since, time is more than money; it would have direct impact on cost. The objective would be to implement IT in all operations and to integrate these with day-to-day decision-making process. IT applications will help in streamlining both process chain and supply chain and would thereby result in cost reduction and increase in productivity.

☐ Proximity and access to raw materials. Infrastructure development requires the transport of raw materials for steel production for achieving the goal of 75 million ton of additional capacity by 2019-20 will require the movement of an additional 300 million ton of raw material

☐ Freight movements are further delayed by onerous transport regulations, which include restrictions in the hours of the day that heavy vehicles can operate, interstate

border crossing closures and lengthy trans- border crossing procedures, frequent tolls and inspections, and road closures at night due to the risk of attacks by insurgents or bandits.

☐ The efficiency of Indian ports is affected by shallow draught, low productivity, high costs, long vessel 60 turnaround times, poor governance, and lengthy customs delays. Shipping costs are consequently high — a shipment from India to the United States can cost 20 per cent more than from Thailand and 35 per cent more than from China

☐ Unlike international ports like Singapore and Rotterdam, the shortage of storage space in the major ports in India had further compounded the problem of speedy evacuation of cargo from port premises.

Performance of Logistics in Indian steel industry

Some of the key performance indicators of logistics in Indian steel industry are:

Performance attribute	Factors	India	International standards
Reliability	Forecast accuracy	50- 70%	85%
	Delivery performance to customer request dates	40 – 65%	97.5%
Responsiveness	Order fulfillment lead times	20 – 30 days	14 days
	Response time to enquires	1day –1 month	Less than 3 hours
Flexibility	Re-plan cycle times	1 – 3 months	15 days
Assets	Inventory turns	3 – 5 times	7 times

From the above table it can be observed that the performance of India in terms of logistics is poor and has to improve drastically to be in the global competition. Though Indian companies are excelling in terms of production they are lagging far behind in terms of supply and distribution of the finished product which affects the industry considerably.

Objective:

The objective of this paper is to study the various performance indicators of logistic management such as Profit Before Interest, Depreciation, Taxes and Margin (PBIDTM), Earning Before Interest, Depreciation, Taxes and Margin (EBITM), Return On Capital Employed (ROCE), Working Capital Cycle (WCC) and Debtor Turnover (DT).

Performance Indicators of Logistics Management:

PBIDTM

PBIDT Margin measures the extent to which cash operating expenses use up revenue. PBIDTM is a rough approximation for cash flow and it is calculated as revenues - expenses (excluding taxes, interest & depreciation). PBIDTM is the acronym for Earnings before Interest, Taxes, & Depreciation. It is a non-GAAP metric that is measured exactly as stated. All interest, tax, depreciation entries in the Income Statement are reversed out from the bottom line Net Income. It purports to measure cash earnings without accrual accounting, canceling tax-jurisdiction effects, and canceling the effects of different capital structures.

PBIDTM differs from the operating cash flow in a cash flow statement primarily by excluding payments for taxes or interest as well as changes in working capital. PBIDTM also differs from free cash flow because it excludes cash requirements for replacing capital assets (capex).

EBITM

EBIT takes all operational profits into account, i.e. exclusive interest payments and income taxes and is an indicator of a company's profitability. The reason for the use is that the measurement excludes the effects of capital structures and tax rates, thereby making cross-company comparisons possible. This is one of the important measurements to judge the

logistical efficiency. EBIT in % is measured when the comparative study has to be done with competitors or with performance of earlier years of the same company.

ROCE

ROCE indicates how efficient and profitable a company's investments are, or in other words, How well the assets are used. As the operating profit is related to the investments it requires, this measurement should reflect more specifically the relative operational success of a company. This is one of the important measurements to judge the logistical efficiency. ROCE in % is measured when the comparative study has to be done with competitors or with performance of earlier years of the same company.

Inventory Turnover

In accounting, the Inventory turnover is a measure of the number of times inventory is sold or used in a time period such as a year. The equation for inventory turnover equals the cost of goods sold divided by the average inventory. A low turnover rate may point to overstocking, obsolescence, or deficiencies in the product line or marketing effort. Inventory turnover ratio measures the velocity of conversion of stock into sales. Usually a high inventory turnover/stock velocity indicates efficient management of inventory because more frequently the stocks are sold; the lesser amount of money is required to finance the inventory. A low inventory turnover ratio indicates an inefficient management of inventory. Inventory turnover is one of the important measures to judge logistical performance.

Working Capital Cycle

Working capital cycle, also known as the asset conversion cycle, operating cycle, cash conversion cycle or just cash cycle, is used in the financial analysis of a business. The higher the number, the longer a firm's money is tied up in business operations and unavailable for other activities such as investing. The cash conversion cycle is the number of days between paying for raw materials and receiving cash from selling goods made from that raw material. A short cash conversion cycle indicates good working capital management. Conversely, a long cash conversion cycle suggests that capital is tied up while the business waits for

customers to pay. The longer the production process, the more cash the firm must keep tied up in inventories. Similarly, the longer it takes customers to pay their bills, the higher the value of accounts receivable. On the other hand, if a firm can delay paying for its own materials, it may reduce the amount of cash it needs. In other words, accounts payable reduce net working capital. This is one of the important measurements to judge the logistical efficiency.

Debtors Turnover

Debtors' turnover ratio or accounts receivable turnover ratio indicates the velocity of debt collection of a firm. In simple words it indicates the number of times average debtors (receivable) are turned over during a year. The higher the debtors' turnover, the greater is the efficiency of credit management.

Research Methodology:

Research Methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In it we study the various steps that are generally adopted by researcher in studying his research problem along with the logic behind them.

Research methodology addresses the following topics. We will discuss each topic one by one.

Scope :

The scope of this study is restricted to 6 Steel industries viz. Wardha i.e. Lloyds Steel Industries. Bhushan Steel Limited, JSW Steel Limited, Pennar Industries Limited, Real Strips Ltd., & Ruchi Strips & Alloys Ltd of Wardha zone.

Research Problem :

To find the best alternative among the six industries for a respective performance indicator. Information was collected from the various literatures available on the subject. Sources of information were including various websites available, journals and books, etc.

Hypothesis:

H_o: The Performance Indicators of Logistic Management plays an important role in the Steel Industries.

vs

H_1: The Performance Indicators of Logistic Management plays an important role in the Steel Industries.

Data collection:

The study was based on primary and secondary data. The primary data was collected through personal interviews of the Logistics people of the industry. The primary data was collected in the predefined questionnaire.

Secondary data was collected through relevant books, journals, annual reports of the industries, website of the company- www. Lloyds group.com , and other related websites, etc.

After collecting primary data and secondary data, tabulation and analysis was done and inferences were drawn. Statistical techniques like coefficient of variation and decisions under uncertainty like Criterion of Optimism, Pessimism, Savage and Laplace are implemented to find the best alternative for a respective performance indicator.

Graphical Representation:
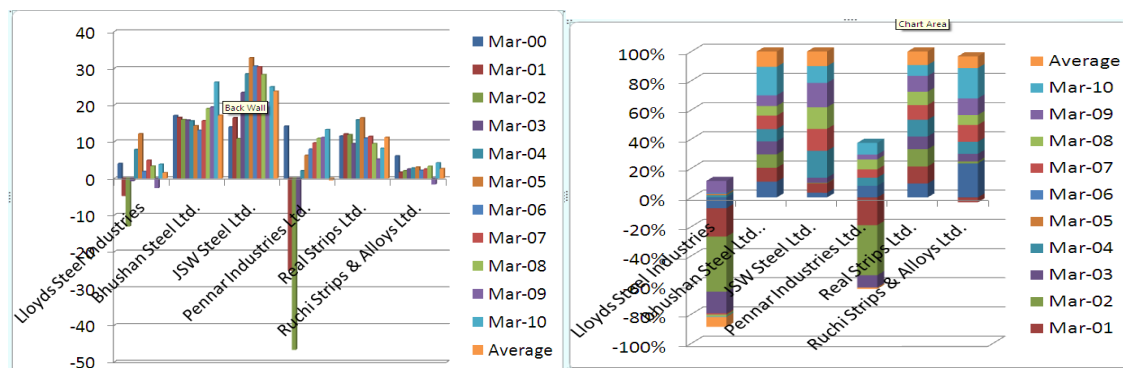
1.   Graph showing PBIDTM   2. Graph showing EBITM
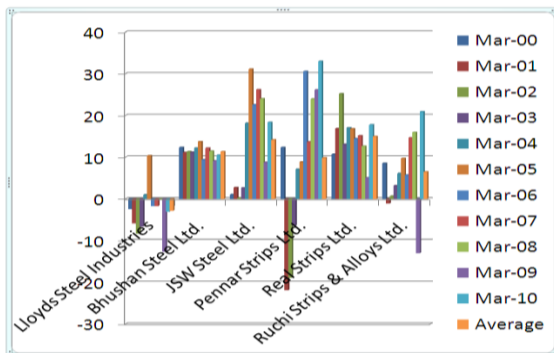
3. Graph showing ROCE

Times
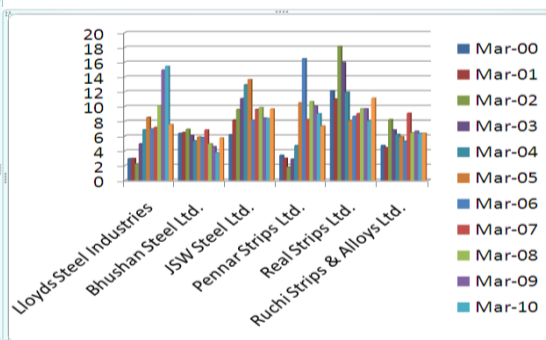
4. Graph Showing Inventory Turnover in
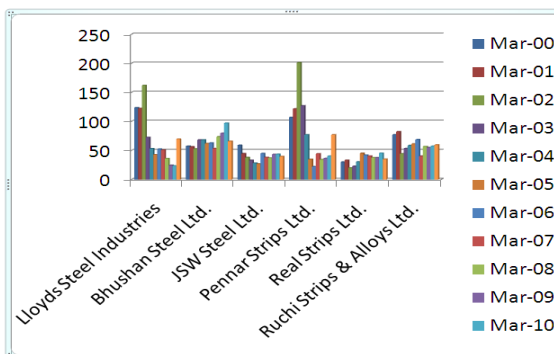
5. Graph showing Working Capital Cycle
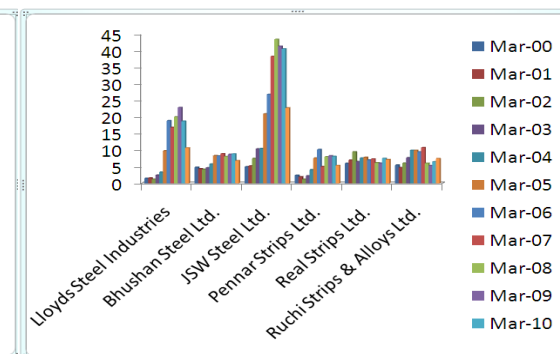
6. Graph showing Debtors turnover in

days.

Statistical Inferences:

Based on the data collected, the average and the standard deviation were calculated to determine the coefficient of variations. The following table reflects the ranking with respect to the consistency related to the each parameter under consideration.

Plants\ Factors	PBIDTM	EBITM	ROC	IT	WCC	DT
Lloyds Steel Industries	6	2	1	2	2	1
Bhushan Steel Ltd.	2	4	2	6	6	4
JSW Steel Ltd.	4	5	4	4	4	2
Pennar Industries Ltd.	1	1	6	1	1	3

Real Strips Ltd.	3	3	3	3	3	6
Ruchi Strips & Alloys Ltd.	5	6	5	5	5	5

Criterion \ Factors	PBIDTM	EBITM	ROC	IT	WCC	DT
Optimism Criterion	Pennar Industries Ltd	Pennar Industries Ltd	Lloyds Steel Industries	Pennar Industries Ltd	Pennar Industries Ltd	Lloyds Steel Industries
Pessimism Criterion	Pennar Industries Ltd	Pennar Industries Ltd	Lloyds Steel Industries	Pennar Industries Ltd	Pennar Industries Ltd	Lloyds Steel Industries
Savage Criterion	Bhushan Steel Ltd.	Lloyds Steel Industries	Bhushan Steel Ltd.	Lloyds Steel Industries	Lloyds Steel Industries	JSW Steel Ltd.
Laplace Criterion	Pennar Industries Ltd	Pennar Industries Ltd	Lloyds Steel Industries	Pennar Industries Ltd	Pennar Industries Ltd	Lloyds Steel Industries

Conclusions:

- On an average, PBIDTM has increased year on year basis.

- On an average, EBITM has increased year on year basis

- When logistics cost decreases operating profit may increase and vice-versa.

- Higher inventory turnover may not increase the operating profit.

- Fast working capital cycle increases the operating profit.

- Fast Debtor turnover results in higher operating profit.

- When logistics cost is lower, it may not reduce the overall cost.

- Pennar Industries Ltd is one of the consistent industry as compared to all the other competitors.

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ANALYTICAL STUDY ON QUALITY WORKLIFE PARAMETERS

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ABSTRACT:

QWL could be defined as "The Quality of the relationship between the man and task. Quality of work life has gained deserved prominence in the Organizational Behavior as an indicator of the overall of human experience in the work place. It expresses a special way of thinking about people their work, and the organizational in which careers are fulfilled. QWL refers to the relationship between a worker and his environment, adding the human dimension to the technical and economic dimensions within which the work is normally viewed and designed. QWL provides a more humanized work environment. It attempts to serve the higher – order needs of workers as well as their more basic needs. It seeks to employ the higher skills of workers and to provide an environment that encourages improving their skills. This paper studies the concept of QWL and its importance in an organization by taking **A**bhijeet Group as a case.

INTRODUCTION

Quality of work life means "The degree to which members of a work organization are able to satisfy important personal needs through their experience in the organization". QWL could be defined as "The Quality of the relationship between the man and task". Quality of work life has gained deserved prominence in the Organizational Behavior as an indicator of the overall of human experience in the work place. It expresses a special way of thinking about people their work and the organizational in which careers are fulfilled. QWL refers to the relationship between a worker and his environment, adding the human dimension to the

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technical and economic dimensions within which the work is normally viewed and designed. QWL focus on the problem of creating a human working environment where employees work co – operatively and achieve results collectively. It also includes.

- The program seeks to promote human dignity and growth

- Employees work collaboratively They determine work change participate

- The program assume compatibility of people and organization

QWL refers to the level of satisfaction, motivation, involvement and commitment individuals experience with respect to their line at work. QWL is the degree of excellence brought about work and working conditions which contribute to the overall satisfaction and performance primarily at the individual level but finally at the organizational level. QWL refers to the favorableness .The basic purpose is to develop jobs and working conditions that are excellent for people as well as for the economic health of the organization. QWL provides a more humanized work environment. It attempts to serve the higher – order needs of workers as well as their more basic needs. It seeks to employ the higher skills of workers and to provide an environment that encourages improving their skills.

Q	-	Quest for excellence
U	-	Understanding
A	-	Action
L	-	Leadership
I	-	Involvement of the people
T	-	Team spirit
Y	-	Yardstick to measure progress

The above said are very essential things to improve the work life of employees in the organization.

MAJOR FACTORS AFFECTING THE QWL

QWL means having good supervision, good working conditions, good pay and benefits an interesting and challenging, and a rewarding job. The major factors that affect the QWL may be stated as.

- **Pay**

QWL is basically built around the concept of equitable pay. In the days ahead, employees may want to participate in the profits of the firm as will. Employees must be paid their due share in the progress and prosperity of the firm.

- **Benefits**

Workers throughout the globe have raises their expectations over the years and now feel entitled to benefits that were once considered a part of the bargaining process.

- **Job Security**

Employees want stability of employment. They do not like to be the victims of whimsical personal policies and stay at the mercy of employers.

- **Alternative Work Schedules**

Employees demand more freedom at the workplace, especially in scheduling their work. Among the alternative work schedules capable of enhancing the quality of work life for some employees are:

- Flexi time: A system of flexible working hours,
- Staggered hours: Here groups of employees begin and end work at different intervals.
- Compressed workweek: It involves more hours of work per day for fever days, per week.
- Job enrichment: It attempts to increase a person's level of output by providing that persons with exciting, interesting, stimulating or challenging work.
- Autonomous work groups (AWGs): Here a group of workers will be given some control of decision-making and have responsibility for a task area without day-to-day supervision, and with authority to influence and control both group members and their behavior.

- **Occupational Stress**

Occupational mental-health programs dealing with stress are beginning to emerge as a new and important aspect of QWL programs. Obviously, and individual suffering from an uncomfortable amount of job-related stress cannot enjoy a high quality of work life. '

- **Worker Participation**

Employees have a genuine hunger for participation in organizational issues affecting their lives. Naturally they demand far more participation in the decision making process at the workplace.

- **Social Integration**

The work environment should provide opportunities for preserving an employee's personal identify and self-esteem through freedom from prejudice, a sense of community, interpersonal openness and the absence of stratification in the organization.

- **Work and total life space**

A person's work should not overbalance his life. Ideally speaking, work schedules, career demands and other job requirements should not take up too much of a person's leisure time and family life.

WAY TO CREATE HIGH QWL

QWL deals with the relationship between every employee and his or her work organization. This relationship is formal in sometimes less formal. This contract is psychological; contract. "Psychological contract is the set of expectations held be the individual specifying what the individual and the organization expect to give and receive from each other in the course of their working relationship". This contract represents the expected exchange of values that encourages the individual to work for the organization and motivates the organization to employ that person, (i.e.) Contribution and Inducements.

LITERATURE SURVEY

Quality of work life is a concept of behavioral scientist, and the term was first introduced by Davis in 1972 (Mathur, 1989; Hian and Einstein, 1990). According Robins (1990) QWL is "a process by which an organization responds to employee needs by developing mechanisms to allow them to share fully in making the decisions that design their lives at work". The key elements of QWL in the literature include job security, job satisfaction, better reward system, employee benefits, employee involvement and organizational performance (Havlovic, 1991; Scobel, 1975). QWL is defined as the favorable condition and environment of employees

benefit, employees' welfare and management attitudes towards operational workers as well as employees in general. QWL practice involves acquiring, training, developing, motivating and appraising for the best performance of the employees as per organizational objectives. Indeed, core elements of QWL are of working conditions, employee job satisfaction, employees' behavioral aspects, and employees' financial and non-financial benefits, growth and development, and supervision (Lau & May, 1998; Hackman & Oldham, 1975; Taylor & Bowers, 1972). Besides items relating to organizational climate, the level of support offered by the organization was also measured as an indication of the work-life quality at an institution. Perceived Organizational Support (POS) is defined as the extent to which employees perceive that the organization values their contributions and cares about their wellbeing. POS is a key factor in influencing employee commitment to the organization, job satisfaction, and general quality of work life. Many researchers have studied the relationship between perceived organizational support and work-life quality of workers and have found it to have a positive impact on organizational commitment, employee performance as well as job satisfaction (Rhoades & Eisenberger, 2002; Dixon & Sagas, 2007).

SIGNIFICANCE OF THE STUDY:

Quality of work life covers various aspects under the general umbrella of supportive organizational behavior. Thus, the QWL should be broad in its scope. It must be evaluate the attitude of the employees towards the personnel policies. This research helped in understanding the current position of the respective company. And provide some strategies to extent the employees' satisfaction with little modification which is based on the internal facilities of the company. This research can be further used to evaluate the facilities provided by the management towards the employees. This study also helps in manipulating the basic exception of the employees. QWL refers to the level of satisfaction, motivation, involvement and commitment individuals experience with respect to their line at work. QWL is the degree of excellence brought about work and working conditions which contribute to the overall satisfaction and performance primarily at the individual level but finally at the organizational level.
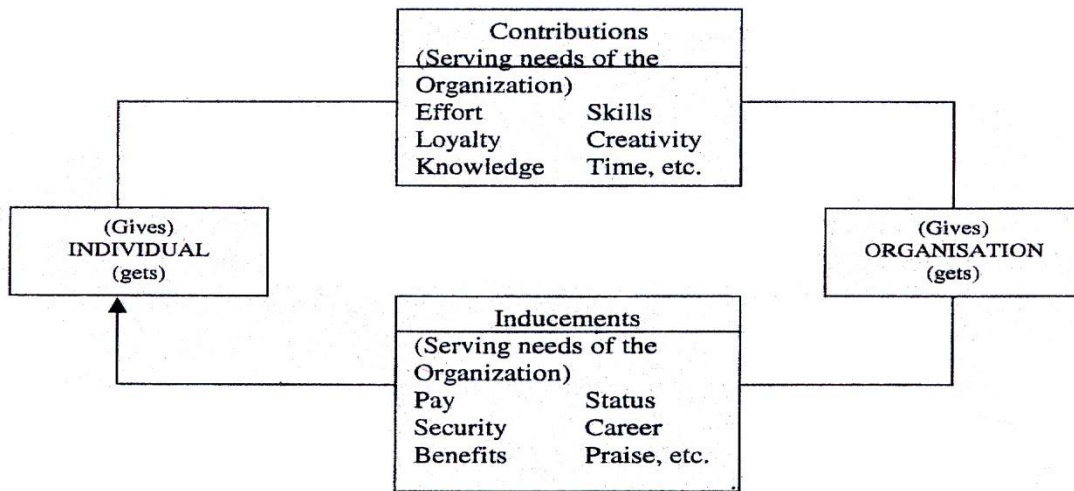
A healthy psychological contract means that inducements and contributions are balance.

INDUCEMENTS = CONTRIBUTIONS

(Organization to employees) = (employee to organization)

This is the way for organization to create healthy psychological contract and Jobs satisfaction for their members is to provide them with High QWL environment.

ASPECTS OF HIGH QWL

QWL are highlighted by the following Benchmarks of managerial excellence.

Participation: -   Involving people from all levels of responsibility in decision-making

Trust: -   Reside signing jobs systems and structures to give people more
                               freedom at work.

Reinforcement: -   Creating reward systems that are fair, relevant and contingent on work
                               performance

Responsiveness: -   Making the work setting more pleasant and able to serve individual
                               Needs.

QWL PROGRAMMES

QWL program concentrate on creating a working environment that is Conductive to the satisfaction of worker needs. This program assumes that a job and the work environment should be structured to meet as many of the workers needs as possible.

RESULTS OF HIGH QWL

- High Productivity

- Increase organizational effectiveness

- High employee satisfaction

- High morale.

- Reduce the absenteeism and labor turn over

- Increase the quality of life of employees

- High employee involvement

- Peaceful industrial relation

RESEARCH METHODOLOGY

POPULATION OF STUDY

Abhijeet Group, Nagpur.

SAMPLING SIZE:

The sample size was 142 employees.

COMPANY PROFILE

Abhijeet Group is a young, vibrant and dynamic Indian conglomerate into Industrial and Infrastructure Development. The Group, by virtue of its entrepreneurial skills, innovative strategies and seamless execution has emerged as well-diversified entity with significant business presence in the six core sectors of Mining, Steel, Ferro Alloys, Power, cement and Roads and is expanding its footprints across the Globe with concurrent projects in all the business verticals. The Group envisions emerging as Global Leader by continuously creating value for its Stakeholders and Society at large. The Group is driven by the vitality of its Honorable Mr. Manoj Jayaswal. The Group firmly believes that assess to raw material is the key driver for the growth of any enterprise. This not only ensures production consistency but also has a major impact on the commercial viability of the industrial venture. In line with this philosophy it has acquired Captive Coal and Iron Ore mines for its Steel and Power projects.

The Group has embarked upon to create a world class mining facility and has tied up with globally renowned Mining Company, Theiss Ltd. In tune with its Global Expansion Plans, the Group has already acquired mines in countries like Indonesia, Philippines and South Africa. The group is focused on Iron and steel sector and has targeted to set up Integrated Steel Plant to produce 10.0 MTPA in the states of Jharkhand and West Bengal. In Ferro Alloys business the Group is one of the largest producers of Manganese Alloys in India and has 46 MVA manganese Alloys Plant in West Bengal backed by a 33 MW captive power plant. In the Power Sector, the group is aggressively working toward implementing its 'Vision 5000' of setting up thermal Power Plants of capacity 5000 MW in the states of Jharkhand, Maharashtra, Bihar and West Bengal. The group achieved yet another milestone by being awarded the prestigious Power Project in the Multimodal International Hub Airport and Special Economic Zone (MIHAN) at Nagpur (the Corporate Headquarters of Abhijeet Group) by the Government of Maharashtra. HR at Abhijeet envisions to place **"Abhijeet Group"** among the 'Best Places to work', and is persistently working towards achieving this goal. A typical Abhijeetians spends a major part of his day at the office, & the HR Corner is an endeavor to improve their comfort at the workplace. This is an attempt to facilitate smooth communication of procedures and HR practices to the employees across the locations; disseminate & disburse vital information at the fingertips of Abhijeetians.

OBJECTIVES OF THE STUDY:

- To study the quality of work life of (QWL) employees in ABHIJEETS.

- To know the existing working conditions, Industrial Health and safety help to improve the quality of work life.

- To examine how the training and development programs helps to improve the quality of work life.

- To know how the various welfare activities and other benefits helps to bring a better quality of work life.

HYPOTHESIS:

- Quality of work life leads to high satisfaction in ABHIJEET.

- Working conditions, Industrial Health and safety help to improve the quality of work life.
- Training and development programs helps to improve the quality of work life.

Sr.No.	Factors
1.	Working environment plays important for Quality work life.
2.	Working condition is good at Abhijeet Group.
3.	Cooling's conditions at the work place results in QWL.
4.	Seating arrangement is good at Abhijeet group.
5.	Staff share a good rapport with each other
6.	Employees experience sense of belongingness at workplace.
7.	Employees are very cooperative in nature
8.	Interdepartmental coordination is there at the workplace.
9.	Management is open is comments & suggestions
10.	Regular training programs are organized at work place.
11.	Training provides job improvement skill.
12.	Employees are happy with the fringe benefits provided by the company.
13.	Company has proper recreational facilities.
14.	Grievance handling committee handles & settles the grievances effectively.
15.	Job is secured at Abhijeet group.
16.	Company provides opportunity for growth.
17.	Superior's behaves properly with subordinates.
18.	Transparency is there in company policies.
19.	Company organizes programs for employee development.
20.	Company takes care of the welfare measures of the employees well.

DATA ANALYSIS:

A :Respondent's Profile

Table :1

Designation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	top level	47	33.1	33.1	33.1
		47	33.1	33.1	66.2
	middle level				
	operating level	47	33.1	33.1	99.3
	4	1	.7	.7	100.0
	Total	142	100.0	100.0	

Table:2

Department

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	HR	24	16.9	16.9	16.9
	Finance	51	35.9	35.9	52.8
	Sales	40	28.2	28.2	81.0
	Admn.	13	9.2	9.2	90.1
	others	14	9.9	9.9	100.0
	Total	142	100.0	100.0	

Table:3

Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 1 yr	29	20.4	20.4	20.4
	1 to 2 yrs	47	33.1	33.1	53.5
	2 to 5 yrs	36	25.4	25.4	78.9
	5 yrs or more	30	21.1	21.1	100.0

Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid < 1 yr	29	20.4	20.4	20.4
1 to 2 yrs	47	33.1	33.1	53.5
2 to 5 yrs	36	25.4	25.4	78.9
5 yrs or more	30	21.1	21.1	100.0
Total	142	100.0	100.0	

Table :4

Descriptive Statistics

	Mean	Std. Deviation	Analysis N
work environment	3.21	.944	142
work condition	3.25	.812	142
cooling cond	2.97	.816	142
seating arrangement	3.07	.839	142
relationship with colleagues	3.08	.884	142
sense of belongingness	3.14	.822	142
cooperation among employees	3.23	.738	142
interdeptt cooperation	3.47	.638	142
openess to suggestions	3.23	.769	142
trainning pgm	2.88	.812	142
skill enhancement	2.36	.756	142
fringe benefits	2.30	.849	142
recreational facility	2.24	.683	142

grevience handling machinary	1.79	.556	142
job security	3.39	.651	142
job growth	3.32	.710	142
superior's behaviour	3.46	.649	142
company policy	3.39	.672	142
employment development	3.10	.737	142
welfare measures	3.22	.726	142

Table :5

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.751
Bartlett's Test of Sphericity	Approx. Chi-Square	626.641
	df	190
	Sig.	.000

Table :6

The ov**Communalities**

	Initial	Extraction
work environment	1.000	.641
work condition	1.000	.494

cooling cond	1.000	.464
seating arrangement	1.000	.546
relationship with colleagues	1.000	.519
sense of belongingness	1.000	.547
cooperation among employees	1.000	.554
interdeptt cooperation	1.000	.486
openess to suggestions	1.000	.746
trainning pgm	1.000	.629
skill enhancement	1.000	.680
fringe benefits	1.000	.659
recreational facility	1.000	.661
grevience handling machinary	1.000	.459
job security	1.000	.493
job growth	1.000	.566
superior's behaviour	1.000	.600
company policy	1.000	.672
employment development	1.000	.565
welfare measures	1.000	.542

Extraction Method: Principal

Component Analysis.

Table 7

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
dimension0	4.260	21.298	21.298	4.260	21.298	21.298	3.108	15.538	15.538
	2.105	10.526	31.824	2.105	10.526	31.824	2.236	11.178	26.716
	1.732	8.658	40.482	1.732	8.658	40.482	1.799	8.995	35.711
	1.196	5.978	46.460	1.196	5.978	46.460	1.598	7.989	43.701
	1.161	5.807	52.267	1.161	5.807	52.267	1.550	7.751	51.452
	1.070	5.349	57.616	1.070	5.349	57.616	1.233	6.164	57.616
	.980	4.898	62.514						
	.886	4.431	66.945						
	.844	4.221	71.166						
	.784	3.921	75.087						
	.666	3.329	78.416						
	.641	3.205	81.620						
	.624	3.122	84.743						
	.556	2.780	87.523						
	.521	2.605	90.128						
	.486	2.432	92.560						
	.440	2.200	94.760						

.395	1.974	96.734
.356	1.778	98.512
.298	1.488	100.000

Extraction Method: Principal Component Analysis.

Graph :1
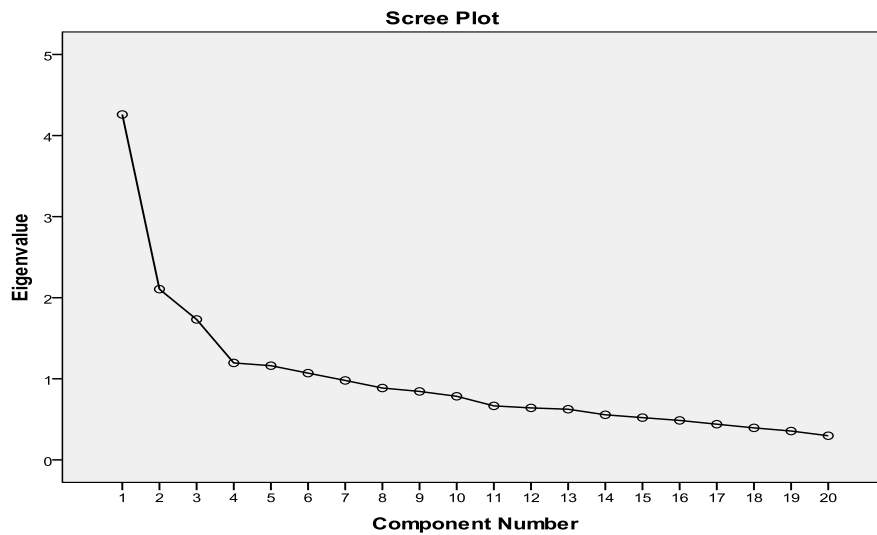
Table 8

Rotated Component Matrix^a

	Component					
	1	2	3	4	5	6
work environment	.287	-.141	.090	.008	-.048	**.727**
work condition	.377	**-.572**	.105	-.085	.059	-.054
cooling cond	**.576**	-.282	.019	.034	.080	.211
seating arrangement	**.595**	-.280	-.105	.193	-.181	.178
relationship with colleagues	**.696**	-.053	.107	.058	.081	.101

sense of belongingness	**.716**	-.117	.049	.105	.004	.084
cooperation among employees	**.687**	-.148	.192	-.136	-.034	-.063
interdeptt cooperation	.242	-.227	.053	**.606**	-.075	.025
openess to suggestions	.146	-.029	.351	.006	**.738**	.235
trainning pgm	-.237	.184	-.239	.209	**.643**	-.158
skill enhancement	.189	-.408	-.250	.057	**.581**	-.272
fringe benefits	-.338	**.687**	-.161	.111	.183	-.038
recreational facility	-.245	**.650**	-.021	-.327	.187	-.190
grevience handling machinary	.056	**.596**	.140	.066	-.238	-.142
job security	.045	.047	**.669**	.077	.070	.172
job growth	.275	.028	**.686**	-.020	-.139	.005
superior's behaviour	**.531**	.227	.190	.218	-.059	-.424
company policy	-.034	-.182	**.670**	.323	.014	-.291
employment development	-.103	.063	.103	**.681**	.157	-.227
welfare measures	.089	.312	.110	**.599**	.136	.216

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 8 iterations.

Sum of squares (Eigen values)	3.108	2.236	1.799	7.143

Percentage of Trace	15.538	11.178	8.995	35.711

Table : 9

Component Transformation Matrix

Compone nt	1	2	3	4	5	6
1	.791	-.504	.266	.135	-.056	.169
di 2	.068	.491	.595	.578	.165	-.198
me 3 nsi	-.060	-.318	-.354	.369	.783	-.145
4 on	.367	.295	-.647	.391	-.376	-.257
0 5	.436	.562	-.135	-.409	.453	.321
6	.203	-.036	.117	-.438	.100	-.861

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

T-Test

Table:10

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
work environment	142	3.21	.944	.079
work condition	142	3.25	.812	.068

cooperation among employees	142	3.23	.738	.062
interdeptt cooperation	142	3.47	.638	.054
trainning pgm	142	2.88	.812	.068
skill enhancement	142	2.36	.756	.063
confortable & satisfied with your job	141	3.27	.745	.063
employment development	142	3.10	.737	.062
welfare measures	142	3.22	.726	.061

Table:11

One-Sample Test

	Test Value = 0					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
work environment	40.535	141	.000	3.211	3.05	3.37
work condition	47.771	141	.000	3.254	3.12	3.39
cooperation among employees	52.081	141	.000	3.225	3.10	3.35

interdeptt cooperation	64.849	141	.000	3.472	3.37	3.58
trainning pgm	42.270	141	.000	2.880	2.75	3.01
skill enhancement	37.164	141	.000	2.359	2.23	2.48
confortable & satisfied with your job	52.093	140	.000	3.270	3.15	3.39
employment development	50.090	141	.000	3.099	2.98	3.22
welfare measures	52.855	141	.000	3.218	3.10	3.34

Table 12

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
work environment	Between Groups	7.336	3	2.445	2.846	.040
	Within Groups	117.699	137	.859		
	Total	125.035	140			

work condition	Between Groups	8.407	3	2.802	4.576	.004
	Within Groups	83.905	137	.612		
	Total	92.312	140			

Interpretation of the output:

The primary data consisted of 142 replied questionnaires with 20 variables pertaining to employee satisfaction, working environment, conditions, compensations so on. Factor analysis procedures are based on the initial computation of a complete table of inter-correlations among the variables (correlation matrix.) This correlation matrix is then transformed through estimation of a factor model to obtain a factor matrix. The loading of each variable on the factors are then interpreted to identify the underlying structure of the variables. In this paper in total 6 components were extracted.

It is noted that in the rotated factor solution, variables 3,4,5,6,7 & 17 load significantly on factor 1;variables 2,12,13 & 14 load significantly on factor 2; variable 15,16 & 18 load significantly on factor 3; variable 8,19 & 20 load significantly on factor 4; variable 9,10 & 11 load significantly on factor 5 and variable 1 load significantly on factor 6.

The factor solution was derived from component analysis with a VARIMAX rotation of the 20 statements related to QWL. The cutoff point for interpretation purpose in this research is all loadings +/-0.45 or above as our sample size is 142.

ANOVA test and the t-test conducted shows that, the hypothesis has proved right.

- Quality of work life leads to high satisfaction in ABHIJEET.
- Working conditions, Industrial Health and safety help to improve the quality of work life.
- Training and development programs helps to improve the quality of work life.

Factor No.& name	Components & weightage.	outcome
FACTOR 1 WORK PLACE ATTRIBUTES	cooling cond .576	**Q U A L I T Y W O R K L I F E**
	seating arrangement .595	
	relationship with colleagues .696	
	sense of belongingness .716	
	cooperation among employees .687	
	cooling cond .576	
	seating arrangement .595	
	superior's behaviour .531	
FACTOR 2 EMPLOYEE FACILITIES	work condition .572	
	fringe benefits .687	
	recreational facility .650	
	grevience handling machinary .596	
FACTOR 3	job security .669	
	job growth	

COMPANY POLICY	.686	
	company policy .670	
FACTOR 4 EMPLOYEE SATISFACTION	interdeptt cooperation .606	
	employment development .681	
	welfare measures .599	
FACTOR 5 EMPLOYEE DEVELOPMENT	openess to suggestions .738	
	trainning pgm .643	
	skill enhancement .581	
FACTOR 6 WORKPLACE ENVIRONMENT	work environment .727	

Conclusion

Quality of work life initiatives, however, can provide certain positive experiences for staff, especially when they promote the opportunity to socialise and build connections with co-workers and help to fulfill employee needs for humour, and balance. Hence, such initiatives should be taken at regular intervals. Positive influences on quality of work life, which can be provided through quality of work life initiatives, can leave staff feeling more confident and encouraged about the service they provide to the commuters. Relevant to the association between quality of work life and quality of service is the idea that professionalism lends to the employees itself. Commitment to professionalism can transcend the detrimental forces that impact both quality of work life and quality of service.

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ORGANIZATIONAL CULTURE - A CRITICAL DRIVER FOR PERFORMANCE

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Introduction

Abstract :-

Organization Culture is an active living phenomenon. Through Organization Culture people jointly create and recreate the world in which they live. In the increased competition on account of globalization, Mergers and acquisitions, diversity of workforce and even recession there is a greater challenge and a need for Organization Culture. There has to be a proper blend of HR policies and Organization Culture for improving organizational effectiveness. This paper aims to study the challenges in Organization Culture and also to suggest some solutions to deal with the crucial problem of managing and suggesting strategies for sustaining in turbulent times of Business and the importance of Organization Culture for an organization. The paper also studies the advantages gained due to Organizational culture at Indian Coffee House for sustenance, survival, growth and development. It also makes an attempt to correlate Organizational Culture with Performance

Key words: Organization Culture, HR policies, strategies, challenges, motivation,

In the past 25 years, the concept of organizational culture has gained wide acceptance as a way to understand human systems. From an "open-system" perspective, each aspect of organizational culture can be seen as an important environmental condition affecting the system and its subsystems. The examination of organizational culture is also a valuable analytical tool in its own right. Organizations have to survive everyday accepting the challenge and learning from past experiences and failures. The role of culture in influencing the employee behavior has increased in today's workplace due to severe competition.

Organization Culture improves the Organizational effectiveness by reducing the weakest links in the employee motivation. Organization Culture creates energy and momentum. The energy will permeate throughout the Organization and create a new momentum for success. Organizational culture is the workplace environment formulated from the interaction of the employees in the workplace. Organizational culture is defined by all of the life experiences, strengths, weaknesses, education, upbringing, and so forth of the employees. While executive leaders play a large role in defining organizational culture by their actions and leadership, all employees contribute to the organizational culture.

1.   **Organization Culture**

Culture is a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. (Schein 373-374)

Organizational culture is an idea in the field of organizational studiesand managementwhich describes the psychology, attitudes, experiences, beliefs and values (personal and cultural values) of an organization. It has been defined as "the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholdersoutside the organization." It is a pattern of learned behavior that is shared and passed on among the members of an organization. It is basically the personality of an organization. It constitutes the expected, supported and accepted way of behaving. It is a pattern of shared beliefs and values that give members of an organization meaning and provide them with rules of behavior in their organization. Organization Culture is glue that helps hold the organization together. In short it ensures that each employee will want to come to work every day and that he will put his best performance. A proper Organization Culture is beneficial to both the organization and the employees. The organization benefits from: Increased productivity and capability; a better linkage between individuals' efforts and business goals; commitment of valued employees; reduced turnover;

increased bench strength and a better fit between people's jobs and skills. Employees benefit from: Higher motivation and commitment; career development; increased knowledge about and contribution to company goals; sustained motivation and job satisfaction. In these days of highly competitive world, where change is the only constant factor, it is important for an organization to create, develop and maintain the most important aspect of business environment of all – Organization Culture.

According to Hofstede there are four <u>dimensions of culture</u>:

1. **<u>Power distance</u>**- The degree to which a society expects there to be differences in the levels of power. A high score suggests that there is an expectation that some individuals wield larger amounts of power than others. A low score reflects the view that all people should have equal rights.

2. **<u>Uncertainty avoidanc</u>**e reflects the extent to which a society accepts uncertainty and risk.

3. **Individualism vs. collectivism** - <u>individualism</u> is contrasted with <u>collectivism</u>, and refers to the extent to which people are expected to stand up for themselves, or alternatively act predominantly as a member of the group or organization.

4. **<u>Masculinity vs. femininity</u>** - refers to the value placed on traditionally male or female values. Male values for example include competitiveness, assertiveness, ambition, and the accumulation of wealth and material possessions.

3.1 Elements of organizational Culture:

- **The Paradigm**: It is what the organization is about; what it does; its mission; its values.

- **Control Systems**: The processes in place to monitor what is going on. Role cultures would have vast rulebooks. There would be more reliance on individualism in a power culture.

- **Organizational Structures**: Reporting lines, hierarchies, and the way that work flows through the business.

- **Power Structures**: Who makes the decisions, how widely spread is power, and on what is power based?

- **Symbols**: These include organizational logos and designs, but also extend to symbols of power such as parking spaces and executive washrooms.

- **Rituals and Routines**: Management meetings, board reports and so on may become more habitual than necessary.

- **Stories and Myths**: build up about people and events, and convey a message about what is valued within the organization.

Many a times these elements may overlap.

3.2 Aspects of Organization Culture:

The basic aspects of Organizational culture are the pillars on the foundation of which the structure of Organizational Culture stands which are -

- Assumptions

- Values

- Beliefs

- Norms.

- Rituals

- Language

3.3 Functions of Organization Culture:

The Organization Culture has manifold functions to perform for improving the organizational effectiveness as –

- Boundary defining role for performance of activities

- Sense of identity to the Organization as well as the employees

- Collective commitment of all individuals towards fulfillment of the goals that are set

- Encourages stability within the organization

- Helps in Socialization of members

- Defines desired behavioral pattern

It has been seen that tremendous effort are put into attracting employees to the company. It is more important to retain and develop talent through a proper Organization Culture. Creating an appropriate Organization Culture is to be a part of Business strategy which has to be implemented daily, throughout the company and as a whole. It has to be practiced at all levels of organization.

3.4 Stages of Culture in an organization :

(1) Pre-arrival Stage**: -** The gradual attempt is made to introduce the values, norms and expectations of organizations from employees.

(2) Encounter Stage**: -** The employee becomes aware of reality of work place as compared to his expectations of his job and organization.

(3) Metamorphosis stage**: -** It is the actual process of change.
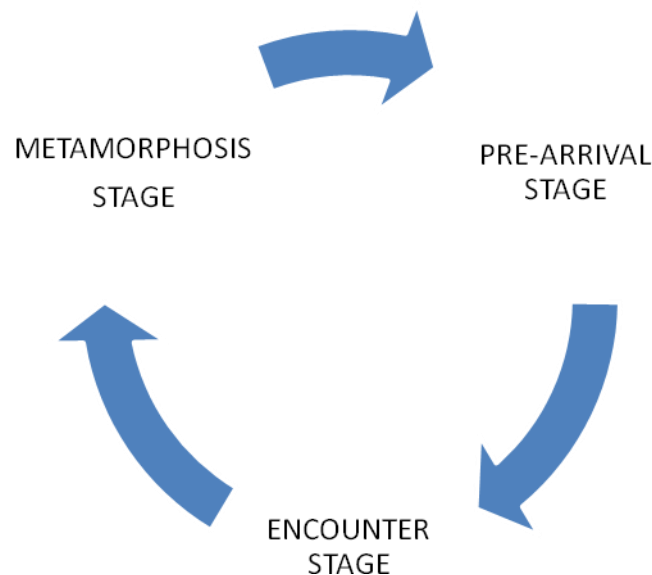
3.5   Need and Importance of Organization Culture :

Organizations have realized the burning and crucial challenge of managing talent in order to create a niche in the industry which has forced them to focus on human resources due to the impact of the following :-

- Globalization: Now for any jobseeker the whole world is the potential place to find employment. One can know the opportunities available in any part of the world easily and the number of talent seekers has also increased.

- Increased Competition: Increased competition in the market place has necessitated the need for consistently good performance on the side of organizations. These have made the companies to put in all efforts to hire and retain the best talent in the respective field of operation.

- Increasing Knowledge: The knowledge era has necessitated the retaining of those talents which have the ability to assimilate new technologies and knowledge, which are growing at a pace never seen before.

To deal with the challenge of managing talent and the realization that Organization Culture drives performance, Organization Culture is considered to be a crucial issue of focus of the management.The Key enabler is the Organization Culture which is the major competitive differentiator.

Fig. 1

As rightly observed by Isadore Sharp, Chairman & CEO, Four Seasons Hotels **- 'If** you don't understand theculture of the company, even your most brilliant strategies will fail. Your vision will be resisted, plans won't get executed properly, and all kinds of things will start going wrong."

Organizational Culture is marked by the deeply embedded beliefs and values that are shared by members of an organization which become visible in the way work gets done on a day to day basis.   The culture of an organization is like its DNA, showing some outward representation yet much is held below the surface which is much harder to identify and name. This is why being able to clearly understand the organization's culture is not an easy undertaking and requires objective assessment and evaluation. It is a challenge to measure, analyze and implement Culture within the Organization.

3.6   Four essential strengths of the organizational culture-

1. It focuses attention on the human side of organizational life, and finds significance and learning in even its most mundane aspects (for example, the setup in an empty meeting room).
2. It makes clear the importance of creating appropriate systems of shared meaning to help people work together toward desired outcomes.
3. It requires members—especially leaders—to acknowledge the impact of their behavior on the organization's culture. Morgan proposes that people should ask themselves: "What impact am I having on the social construction of reality in my organization?" "What can I do to have a different and more positive impact?"
4. It encourages the view that the perceived relationship between an organization and its environment is also affected by the organization's basic assumptions.

4   The challenge:

- Gap between organizational values and goals and the personal values and goals is one of the major reasons of the attrition rates. If they go parallel, there is no way both

would be satisfied and inevitably, the organization would lose out on a talented employee.

- Working environment is another major factor. Employees in the knowledge era demand creative and a democratic work environment. Failure on the part of the management to provide such an environment will result in a talented employee leaving the organization.

- The competitive world has made sure that there is high work pressure on the employees of any organization. This has led to psychological problems like stress, and in extreme situations, total burnouts. It also leads to other health related problems.

- Not taking proper care to fit the right person to the right job also breeds dissatisfaction among the employees.

- Bad or opaque policies from management on issues of succession planning and promotion, appointments for senior positions also is a major factor which makes the organization lose out on the talented employees.

- The professionals have different aspirations at different times of their career. During the initial years, they have good salary and foreign assignments. Next on the list is working on cutting edge technology. More seasoned professionals look for learning opportunities. So employees tend to move to those organizations which provide them with means to fulfill their aspirations.

4.1 **Strategies for managing Organization Culture :** It is now proved beyond doubt that, in the era of technology and knowledge, Organization Culture is in the driving seat. One who possesses it dictates. It is the demand of the time that business leaders elevate management of Organization Culture to a burning corporate priority. These are some of the measures that should be taken into account to be efficient and competitive in this highly competitive world: -

4.1.1. **Hire the Right People**: Proper care must be taken while hiring the people itself. It would be beneficial for an organization to recruit young people and nurture them, than to

substitute by hiring from other organizations. Questions to be asked at this stage are: Whether the person has the requisite skills needed for the job? Whether the person's values and goals match with those of organizations? In short, care must be taken to fit the right person to the right job in the right culture.

4.1.2. Keep the Promises: Good talent cannot be motivated by fake platitudes, half-truths and broken promises. Unfulfilled expectations can breed dissatisfaction among the employees and make them either leave the organization or work below their productive level. Promises made during the hiring stage must be kept to build loyalty among the employees, so that they are satisfied and work to their fullest capability. The culture of trust and loyalty should be the point of focus and attention.

4.1.3. Good Working Environment: It has to be accepted by the organizations that highly talented persons make their own rules. They have to be provided with a democratic and a stimulating work environment. The organizational rules must be flexible enough to provide them with freedom to carry out their part of task to their liking, as long as the task is achieved. Opportunities should also be provided to the employees to achieve their personal goals.

4.1.4. **Recognition of Merit**: It is highly motivating for any person if his talent is recognized and is suitably rewarded. One way is providing them with salary commensurate with their performance. Promotions and incentives based on performance are another way of doing it. Another way is by providing them with challenging projects. This will achieve two objectives - it makes employee feel that he is considered important (a highly motivating factor) and gets the work done in a efficient manner and brings out the best in the employee. The culture which has the foundation of appreciation and motivation brings out the best in an individual.

4.1.5. Providing Learning Opportunities: Employees must be provided with continuous learning opportunities on and off work field through management development programmed and distance learning programmed. This will also benefit the organization in the form of

highly talented workforce. This culture of learning and opportunities brings in positive reinforcement in the organization.

5.   **Organizational Culture At Indian Coffee House** :-

Indian Coffee House is a modest organization which in its own way has created a strong, relevant culture having shared beliefs and values without much of difficulty and pomp and show.

Indian Coffee House was started by Coffee Board in the early 1940's during the British Rule. In mid 1950's Board closed down ICH due to a policy change. Thrown out workers under the Leadership of communist leader A.K. Gopalan took over and renamed it Indian Coffee House. First Indian Coffee Workers Co-operative Society was founded in Bangalore in 1957. Gradually chain expanded across the country.

ICH is completely owned and managed by its employees. It is governed by managing committee of 11 elected members.

Culture at ICH :

- ICH has been able to create and sustain a well defined culture which is shared and respected among the members. The Culture and HR policies are all aligned and are people friendly.
- There is a close knot environment amongst all members
- ICH has adopted an easy socialization process
- They have been successful in creating a feeling of belongingness
- They are able to achieve a low attrition rate
- Feeling of equity and natural justice
- They are able to retain employees for 30 years
- Employees are in a position to maintain a good work life balance
- They have the distinction of having a Loyal, committed and productive team of employees
- Stress free environment
- More utilization of manpower as no importance is given to technology at   ICH

- There is a high degree of sharedness and intensity among employees

- Strong culture has increased behavioral consistency.

- The employees are satisfied and motivated.

- As all employees are shareholders there is imbibed feeling of ownership

5.2 **Learning from culture at ICH**:

- Due to the culture at ICH 72% of the employees at ICH strongly believe that they are a part of family in the organization.

- Employees are satisfied on account of participation and sense of belongingness

- There is a feeling of ownership as all are shareholders.

- Lower attrition rate due to the satisfied workforce

- Retention is not a major challenge at ICH as there is no discrimination in respect of salary, promotion, transfer and benefits.

- The benefits of bonding which is based on "each one knows one".

- The culture at ICH which is based on 2 way communication between management and employees. (Even the President of ICH directly interacts with the lowest ranked employee)

- Carrying tradition of providing quality products with simplicity

- Though they do not rely technology still they are successful in satisfying the customers

- It is an example of true democracy at work and worker's empowerment.

- The model of ownership has been able to keep them bounded, flourish and sail through under all odds.

- The focus is on survival and growth of the members with value for money and good quality food & service to its customers.

6.   **Suggestion and Conclusion**:

From the above it is realized that the culture imbedded in the Organization can be instrumental in creating an environment which motivates, excites and retains employees. The culture with core values turns the organization into a sort of clan. The organization itself may come to be regarded as precious in itself, as a source of pride, and in some sense unique. Organizational members begin to feel a strong bond with it that transcends material returns given by the organization, and they begin to identify with in. The culture should be the outward demonstration of the values that exist in the workplace.

The organizations will have to adopt strategies to win by imbibing within the organizational culture as follows –

- Capability of the organization to attract as well as maintain and retain talent through well defined organizational culture
- Commitment of all levels of Management in the implementation of Organization Culture within the organization.
- The organization should adopt an employee centric approach as a strategy as part of the Organization Culture.
- Create and sustain a well defined culture which is shared and respected among the members
- Culture and HR policies to be well aligned and people friendly.
- Relationship - The most important facet should be to improve the relationship between the employers and employees. The culture should be to treat Human resources as an asset and not as a tool.
- Synergy- The organizational culture should focus on cooperation and team work as the best talent can be pooled best within a team
- Taking a holistic approach to create and sustain Organization Culture.

Organizational Culture creates energy and momentum. The energy will permeate throughout the organization and create a new momentum for success. In short the culture should be such that each employee will want to come to work every day and that he will put his best performance. The culture should be such that organization itself may come to

be regarded as precious in itself, as a source of pride, and in some sense unique. Organizational members must begin to feel a strong bond with it that transcends material returns given by the organization, and they must begin to identify with in. The organization turns into a sort of clan. It is necessary to create a workplace with a foundation firmly based on core values.

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CONSUMER BUYING BEHAVIOUR TOWARDS ECO-FRIENDLY PRODUCTS

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Abstract:

On a global level, there is an increased awareness of global warming and adverse climate conditions and as a result there is a spur in interest toward environmental protection and sustainable development. One type of environmentally conscious behaviour is environmental consumerism (green buying)-purchasing and consuming products that are benign towards the environment. The rising number of consumers who prefer and are willing to buy eco-friendly products are creating opportunity for businesses that are using "eco-friendly" or "environmentally friendly" as a component of their value proposition. The present research paper assesses Indian consumers' pro-environmental concerns, knowledge of environmental issues, awareness of eco-friendly products, effects of educational levels and any potential effect that these factors may have on green buying behaviour. Today, environmental or green marketing, a strategic marketing approach is a recent focus in business endeavours (Ottman, 1998). Increasing focus on environmental issues can be seen as an indication that pro-environmental concerns have emerged as a potential strategic concern for businesses (Polonsky & Kilboume, 2005; Menon & Menon, 1997). The belief is that the consumer's pro-environmental concern is one of the determinants of their "green buying" behaviour i.e., buying and consuming products that are environmentally beneficial (Mainieri et al., 1997).

Green marketing is considered as one of the major trends in modem businesses (Kassaye, 2001; McDaniel & Rylander, 1993; Pujari & Wright, 1996). Environmental ecological or green marketing are similar terms used in literature, is a way to use the environmental benefits of a product or service to promote sales. Belz & Peattie (2008) stated that green marketing and environmental marketing in the late 198O's focused on green consumers who would be willing to pay premium prices for more environmentally friendly products. Some consumers choose products that do not damage the environment over less environmentally friendly products, even if they cost more. With green marketing, advertisers focus on environmental benefits to sell products such as biodegradable diapers, energy-efficient light bulbs, and environmentally safe detergents. Green marketing encourages consumers to use eco-friendly products and manufacturers to develop more environmentally beneficial products.

Keyword : Green Marketing, Value proposition

Introduction:-

On a global level, there is an increased awareness of global warming and adverse climate conditions and as a result there is a spur in interest toward environmental protection and sustainable development.

One type of environmentally conscious behaviour is environmental consumerism (green buying)-purchasing and consuming products that are benign towards the environment. The rising number of consumers who prefer and are willing to buy eco-friendly products are creating opportunity for businesses that are using "eco-friendly" or "environmentally friendly" as a component of their value proposition.

The present research paper assesses Indian consumers' pro-environmental concerns, knowledge of environmental issues, awareness of eco-friendly products, effects of educational levels and any potential effect that these factors may have on green buying behaviour.

Today, environmental or green marketing, a strategic marketing approach is a recent focus in business endeavours (Ottman, 1998). Increasing focus on environmental issues can be seen as an indication that pro-environmental concerns have emerged as a potential strategic concern for businesses (Polonsky & Kilboume, 2005; Menon & Menon, 1997). The belief is that the consumer's pro-environmental concern is one of the determinants of their "green buying" behaviour i.e., buying and consuming products that are environmentally beneficial (Mainieri et al., 1997).

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bulbs, and environmentally safe detergents. Green marketing encourages consumers to use eco-friendly products and manufacturers to develop more environmentally beneficial products.

Objectives:-

➢ To assess if consumers' pro-environmental concerns, awareness of eco- friendly products and knowledge of environmental issues affect their buying of eco-friendly products.

➢ To identify if consumers are willing to pay more for eco-friendly products.

➢ To identify if education level affect the buying behaviour on consumers for eco-friendly products

Scope of the study:-

Sample size

60 questionnaires were distributed to a conveniently generated sample.

Type of Sampling

The samples were selected through Convenience sampling.

Nationality of Sample

The respondents were Indians.

Age group of sample

Age ranging from 15 years to 40 years

Research Methodology:-

Methods of Data Collection: It details the procedure necessary for obtaining the information needed to structure or solve marketing research problems. The present study is a descriptive research and involves the use of "Survey Method". Quantitative data collection will be achieved via self-administration of the questionnaire. Both the personal and electronic survey

methods can be used as the mode of administration. In personal method, we will use in-home intercept method. In electronic method, links will be sent to respondents; also internet can be used as a medium to conduct the survey. The questionnaire also included general demographic questions such as age, gender education.

Data analysis:-

- Awareness about eco-friendly product among different education groups-

	Aware	Unaware
At least Graduate (40)	35	5
Under graduate (20)	5	15

- Will eco-friendly products purchasing contribute to the sustainable future-

	Yes	No
Contribution to sustainable future	44	16

- Preference to the product while purchasing:-

	Eco-friendly product	Synthetic product having same cost	Other low cost product

preferences	22	11	27

- Public consideration, their effect on the environment as a consumer before purchasing day to day product

	Yes	No
Public consideration	17	43

- Reasons for not purchasing eco friendly products yet:-

High cost of products	30
Unavailability	10
Unawareness	20

Findings and suggestions:-

One of the objectives of this study was to assess if pro-environmental concerns of consumers affect their green buying behaviour. From the findings and results, it may be suggested that educated consumers tend to be aware of eco-friendly products and are also knowledgeable about environment related issues.

Within the sample frame of this study, it may also be suggested that consumers' pro-environmental concern is a likely predictor of their green buying behaviour, although such conclusions may only be drawn after a more rigorous analysis based of a randomly generated dataset. The study suggests that educated Indian consumers are concerned about the environment and such pro-environmental concerns influence their green buying behaviour to some extent, thereby leading to purchase of eco-friendly products.

It is worth noting that respondents exhibit low levels of willingness to pay a premium price for eco-friendly products, suggesting that green marketers in India may likely consider cost cutting strategies. The results also show that fewer respondents know about environmental

problems and their solutions. Environmental concern is still not a strong motive for majority of these well-educated respondents to purchase eco-friendly products.

Limitations:

➢ This research was conducted by generating a non-random sample and hence the results may not be generalized beyond the sample frame.

➢ Results support a generally prevailing notion that more educated people tend to be green buyers and hence warrant a larger study conducted on a randomly selected sample

➢ The present research was conducted using a self-reporting questionnaire and hence respondents' bias may be a concern, especially in regard to the willingness to pay premium

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ACQUIRING AND MANAGING FINANCIAL RESOURCES.

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Abstract

Just as there are several organizational models for delivering extension services to the public, there are a number of ways to finance those services and to keep track of the money. Sound financial management may be fundamental to success. Poor financial management, on the other hand, often accompanies and contributes to failure.

This paper mainly focuses on principles related to money matters. Because people are more readily inclined to apply ideas that deal with practical concerns, this discussion will be organized around practical problems and also will address some of the major methods found to be most successful in resolving the problems like,

1. Keeping track of financial resources

2. Predicting organizational costs

3. Maintaining a balance in how resources are to be used

4. Decentralizing the decision-making process

5. Using information to improve efficiency

6. Using information to increase effectiveness

7. Wasting resources

8. Misappropriating resources

The process of managing financial resources involves establishing clear objectives, developing plans and budgets to predict and monitor the use of financial resources and the implementation of accountability arrangements.

Keywords: - Decentralizing, decision making process, organizational costs.

Introduction

There are several organizational models for delivering extension services to the public, there are a number of ways to finance those services and to keep track of the money. Sound financial management may be fundamental to success. Poor financial management, on the other hand, often accompanies and contributes to failure. I will address some of the major methods found to be most successful in resolving financial problems. The major financial concerns of an extension organization can be described rather simply:

Extension organizations have too few financial resources, given the nature and size of their missions.

Managers and other staff members do not know and apparently cannot find out how many resources are available for use in dealing with a particular problem or program activity.

·They do not know the costs of carrying out various activities or whether a particular approach is a cost-effective way to deliver programming. Money may be committed almost totally to salaries, leaving little to cover operating costs. Financial allocation decisions are made by people who are not in a position to know best how the money should be spent. Little is known about whether work is being carried out efficiently or what has been the impact of organization programmes. Financial resources are wasted. Resources are misappropriated.

Obtaining financial resources:-

- Leaders are responsible for acquiring and maintaining resources for their organization. These efforts tend to be more successful when requests deal with issues of high national priority and when an explanation is provided as to how the additional resources will be used.

- Extension organizations are supported financially from a variety of sources. Publically funded organizations receive support from:
    - · Public appropriations
        - · Contracts with other agencies, donors, or both
        - · Loans

- · · Gifts

  · Income from sales

  · User fees

- • Private extension organizations are financed by:

  · Endowment income

  · Private investment

  · Income-producing activities

  · The same sources as public extension organizations

Despite administrative complexity, managers often find that having more than one source of funding is advantageous. Several sources provide a hedge against adverse treatment by a single funding partner or source. Special funding sources often help the organization to focus on emerging, high priority concerns or to test new approaches. A practical goal might be to have a resource commitment from the principal funding partner (the most dependable source of continuing funding) that will maintain the "core" or basic structure of the organization (e.g., selected staff salaries and other expenses). Temporary resources permit experimentation and the carrying out of special projects.

Keeping track of financial resources

The function of management is to plan, organize, staff, lead, and control. Every one of these functions is influenced to a great degree by how much money there is. Managers and programme staff simply cannot carry out their assigned responsibilities effectively without understanding their financial constraints.

Managers need to have some means for knowing what is happening with respect to their financial resources if they are to make informed management decisions. The notion that leaders of extension organizations are accountable to funding partners is one of the reasons managers need to keep track of how money is spent. The organization will be expected to report how much money there was, how much was spent, what it was spent for, and how much is left.

This responsibility is carried out by installing and managing a financial accounting system. That system may well be automated at some point, but a manual system will serve most

needs at the outset. But regardless of how reports are produced and records maintained, they should be accurate and produced in a timely fashion so that staff can base their decisions on good information. A number of acceptable computer software programmes are available to meet this accounting need. It is generally unnecessary for most organizations to spend time and resources designing and implementing a unique system.

Predicting organizational costs

Resources to be committed to any activity are always finite. An extension organization's need for money and the benefits that accrue from that expenditure compete in theory for resources against all other potential uses.

Budgeting the use of resources to particular purposes and for specific accounting periods is an essential part of the planning and managing processes. This process combined with cost accounting makes it possible to make decisions based on expected costs and returns.

The budget then becomes a tool for managers to control rates of expenditure. The budgeting cycle perhaps can best be presented pictorially. The process may take one year or longer, depending on local practice and regulation, but it should include all of the following elements (See figure 1):

Figure 1. A typical budgeting cycle.
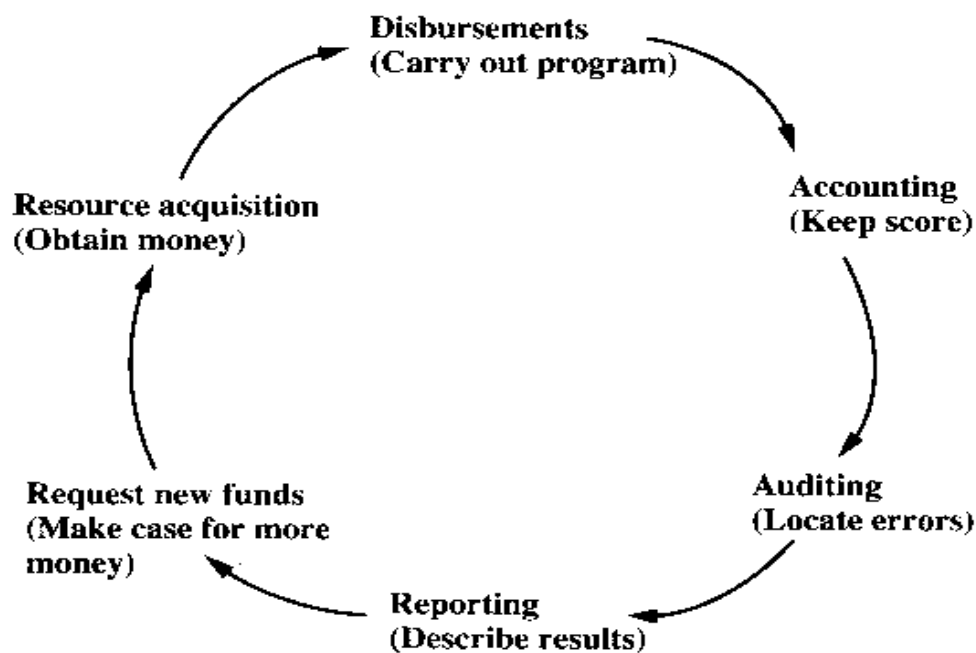
Maintaining a balance in how resources are to be used

Some extension organizations simply do not have enough resources to cover normal operating costs. This may be a result of previous decisions that had the effect of protecting staff salaries and staff size at the expense of allocations for operating costs. Or it may be that salary support is provided by a central authority and is not even a part of the organization's budget. In this situation, when budgets are cut (with little or no change in staff size), it merely means that staff members have fewer resources to use to carry out their work. Or it may be that funds have been provided, but that increases have not kept pace with inflation. The result is that too few resources are available to carry out the work of the organization. In some organizations, almost no resources exist to cover travel, publications, or any of a wide variety of other possible operating costs.

Managers should seek to align resources in ways that make it possible to accomplish organizational objectives. This usually suggests the need to maintain an appropriate balance between salaries and operating expenses.

There is no single "best" ratio to maintain between salaries and expense resources. The percentage of total resources spent on salaries might vary with the mixture of staff members. The amount of operating resources required to carry out the mission will be affected by geography, size of country, and method of programme delivery. However, as a general guide, if salary costs require more than 75 to 80 per cent of total resources, this is a fairly good indication that operating funds may be beginning to limit success.

Decentralizing the decision-making process

The purpose of an extension organization is to deliver practical problem-solving educational programmes and to carry out various other designated activities. These activities tend to be very location specific. Yet the tendency is to structure extension organizations according to a "command" or top-down decision-making model. However, this approach has been found wanting time and again. In fact, the opposite condition appears to yield the best results when it comes to actually carrying out programmes. It appears that decentralized decision making

is almost essential if an organization is to be responsive to the people being served. In short, central staff should limit their decision making to determining financial commitments to programme areas and leave decisions regarding how money is spent in support of programmes to others closer to the scene.

The determination of how money is to be spent may best be made by those who are directly carrying out activities that serve intended clientele.

If this kind of decentralized decision making is to be accomplished, organizational resources will have to be subdivided among programme units. And programme leaders and others will need to be given authority and responsibility to make decisions about how money is to be spent. If this is simply not possible under existing rules, then such decisions should be made by staff members who are as close to the programme level as is possible. Decisions regarding centrally managed financial reserves should be made so that needs with the highest priority can be addressed. And of course, it is a wise practice to maintain a reserve fund centrally to deal with emerging and unforeseen events.

Using information to improve efficiency

Organizations typically create some kind of feedback mechanism to collect needed data from staff and others when they want to take measurements of efficiency. Many organizations assign staff and other resources to coordinate the task of collecting the necessary information. Often, data collection and analysis are a full-time responsibility of a programme monitoring unit or a management information system (MIS) unit.

Efficiency is a relative measure. Efficiency can be implied by sets of physical data compared over time or among categories (e.g., number of pages produced per editor, this time period compared with an earlier time period).

The monitoring unit will need to obtain appropriate data from the organization's financial information system to determine costs of various undertakings and to compute input-output ratios. These cost estimates or ratios, when compared over time and between different approaches, help staff to know which methods or approaches are more efficient.

Using information to increase effectiveness

While it is important for organizations to efficiently carry out their missions, they also need to be concerned about effectiveness. An organization is said to be effective if it accomplishes its stated objectives. Ideally, an organization should be both effective and cost efficient.

Effectiveness is a measure of programme impact as compared with the intended goals. To measure effectiveness, organizations must collect programme impact data. An organization that is both effective and cost efficient is achieving its goals, and the benefits obtained are greater than the costs involved. To determine whether an organization is effective, it is necessary to look at programme impact. To obtain programme impact measurements, organizations either use the services of external specialists (to avoid the appearance or the reality of bias), or they create a capability within their organization to measure programme impacts. But whether external or internal resources are used, the effort needs to be conducted professionally and in an unbiased fashion.

The management responsibility is to determine which outcomes are important enough to measure at a particular point in time, to ensure that efforts to measure those outputs are properly carried out and analysed, and then to use the information in decision making. The first such use should be directed at making changes that will cause future programme efforts to be more successful.

Wasting resources

Waste can be found in all kinds of organizations: public and private, profit and nonprofit. A commonly held view is that public organizations tend to "waste" more resources than other kinds do. This view holds that private organizations are motivated by profits, and consequently they avoid waste to a greater extent than "nonprofits." Alternatively, public organizations often are required to adhere to a higher standard of accountability. Consequently, the profit-nonprofit question may not be the major determining factor. But whether public or private, profit or nonprofit, waste increases costs and decreases benefits. Resources can be wasted if decisions are poor or are not made in a timely fashion. They are wasted if they are not used to best advantage (e.g., if more is bought than is needed or if the

purchase price was not competitive). Resources can be wasted if decisions are poor or are not made in a timely fashion. They are wasted if they are not used to best advantage (e.g., if more is bought than is needed or if the purchase price was not competitive). Organizations can avoid waste by creating appropriate policies. Those policies then need to be translated into procedures designed to achieve policy goals. Finally, managers need to administer the procedures fairly and consistently, and staff members affected by the procedures need to cooperate in the effort.

Misappropriating resources

Organizational resources sometimes are used by staff members or others for personal gain. Resources may simply be stolen. Misappropriation of resources negatively affects an organization's reputation, and its ability to carry out its mission. Costs are increased, and thus its ability to accomplish its mission and to attract additional resources is jeopardized. To protect against these eventualities, organizations should institute and administer policies and procedures designed to discourage and prevent these behaviors. There should be appropriate supervision and a periodic auditing of financial records and procedures.

Organizational resources should be used to further organizational goals. Staff members should not be permitted to use their positions for personal gain.

The problem of misappropriation of organizational resources appears to be widespread. It is found in both developed and developing countries. It may entail pilfering supplies or taking money. It may involve payments to individual staff members who require such payments before they will render services or for special treatment.

To avoid waste, loss of productivity, negative impacts on staff morale, and loss of confidence by clients being served, organizations need to take steps to avoid losses from misappropriation. They should administer procedures fairly, and then act in ways appropriate to regulation and law.

Managing Financial Resources

Managing Financial resources is categorizes in three interrelated topic. The function of money, the financial Institutions, and the Federal Reserve systems are all leading topic of managing financial resource.

- The functional of money serves of the basic function such as medium of exchange, measure of value, and store of value. Money serves of medium of exchange because people will accept it in exchange for good and service. The measures of value are money simplifies exchanges because it serves as a measure of value. The store of value money serves as a store of value. This is because people are confident that money keeps it value over time they are willing to save it for future exchange.

- The financial Institution for financial transaction to happen money must change hands. This is where at any given point in time. Some individual business and government agencies have money than they need for activities some have less than them. This is where the banks play the role of managing the resources.

- The Federal Reserve's System has goals include price stability and full employment. It uses monetary policy to regulate the money supply and the level of interest rates. The role of the financial manager plays an important deal when New Company financial manager can grow and make it success and it cannot flow and goes into bankruptcy.

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Summary

A simple listing of the principles will summarize the concept:

- Organization leaders are generally held responsible for obtaining new resources from funders and stakeholders and for maintaining current levels of financial support

- Leaders of extension organizations are accountable for financial resources assigned to their organizations.

- Budgeting the use of resources to particular purposes and for specific accounting periods is an essential part of the planning and control processes.

- If resources are too limited to provide support for staff salaries and the various direct and indirect costs of carrying out the work of the organization, then resources should be reallocated.

- The determination of how money is to be spent often is best made by staff members who are directly involved in programme delivery.

- Programme monitoring efforts combined with information from the accounting system will provide information about efficiency.

- Resources can be wasted if decisions are not made in a timely fashion or if the wrong decision is made.

- Organizational resources sometimes are used by staff members or others for personal gain. Resources may simply be stolen. Misappropriation of resources negatively affects an organization's ability to carry out its mission.

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PRODUCT DIFFERENTIATION AND MARKET SEGMENTATION ARE ALTERNATIVE MARKETING STRATEGIES

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Abstract:-

This paper shows how product differentiation & market segmentation are acting as an alternative to each other. As there is cut-throat competition & to beat the competition it is need to differentiate the product or segment the market. But if one is changed there is no need to work on the other.e.g If product is differentiated then automatically producer get the segment, it is not needed to search for the segment & vice versa. If the already existing product is there & to expand the market merely by differentiating the product producer will get the segment.Again the producers are keeping the same product but with slight modification in the packaging can manufacture the new product, thus consumer those cannot afford the previous product because of higher pricing can easily purchase the product with price affordability. Segmentation that is being used or companies needs to use it as there is cut throat competition in the market and **segmenting the already existing segment depending on the changing habits & using differential concept of marketing to serve the specific need of that segment ,this is all to survive in the market.** Thus product differentiation & market segmentation are acting like alternative solutions to each other and this lead to the indigenous practice for the organization.

Keywords- Segmentation,Differentiation,Affordability,modification

Introduction

"Even More Car per Car." And "Connecting People " As per the punch line of two market leaders Tata Motor & Nokia "Product differentiation develops the concept of segmentation & segmentation helps to develop the product".

Segmentation-

Market segmentation is a concept in marketing. A **market segment** is a sub-set of a market made up of people or organizations with one or more characteristics that cause them to demand similar product and/or services based on qualities of those products such as price or function. A true market segment meets all of the following criteria: it is distinct from other segments (different segments have different needs), it is homogeneous within the segment (exhibits common needs); it responds similarly to a market stimulus, and it can be reached by a market intervention. The term is also used when consumers with identical product and/or service needs are divided up into groups so they can be charged different amounts for the services. The people in a given segment are supposed to be similar in terms of criteria by which they are segmented and different from other segments in terms of these criteria. These can be broadly viewed as 'positive' and 'negative' applications of the same idea, splitting up the market into smaller groups.

Examples:

- Gender
- Price
- Interests
- Social Status

While there may be theoretically 'ideal' market segments, in reality every organization engaged in a market will develop different ways of imagining market segments, and create Product differentiation strategies to exploit these segments. The market segmentation and corresponding product differentiation strategy can give a firm a temporary commercial advantage.

Segmentation is essentially the identification of subsets of buyers within a market that share similar needs and demonstrate similar buyer behavior. The world is made up of billions of buyers with their own sets of needs and behavior. Segmentation aims to match groups of purchasers with the same set of needs and buyer behavior. Such a group is known as a 'segment'. Think of your market as an orange, with a series of connected but distinctive segments, each with their own profile.

Of course you can segment by all sorts of variables. The diagram above depicts how segmentation information is often represented as a pie chart diagram - the segments are often named and/ or numbered in some way.

Segmentation is a form of critical evaluation rather than a prescribed process or system, and hence no two markets are defined and segmented in the same way. However there are a number of underpinning criteria that assist us with segmentation:

- Is the segment viable? Can we make a profit from it?
- Is the segment accessible? How easy is it for us to get into the segment?
- Is the segment measurable? Can we obtain realistic data to consider its potential?
- Dividing a market into distinct groups of buyers who have different needs, characteristics or behaviour, and who might require separate products or marketing programs.

  If the demand forecast looks good, the company next decides how to enter the market. The market consists of many types of customers, products and needs, The marketer has to determine which segments offer the best opportunity for achieving company objectives. Consumers are grouped in various ways based on geographic factors (countries, regions, cities); demographic factors (sex, age, income, education); psychographic factors (social classes, lifestyles); and behavioural factors (purchase occasions, benefits sought, usage rates). The process of dividing a market into groups of buyers with different needs, characteristics or behaviour, who might require separate products or marketing mixes, is market segmentation. Every market has market segments, but not all ways of segmenting a market are equally useful.

Product Differentiation

A company can differentiate its physical product. At one extreme, some companies offer highly standardized products that allow little variation: chicken, steel and aspirin. Yet even here, some meaningful differentiation is possible.

Differentiation can be a source of competitive advantage. Although research in a niche market may result in changing a product in order to improve differentiation, the changes themselves are not differentiation. Marketing or product differentiation is the process of

describing the differences between products or services, or the resulting list of differences. This is done in order to demonstrate the unique aspects of a firm's product and create a sense of value.

In marketing, **product differentiation** (also known simply as "differentiation") is the process of distinguishing a product or offering from others, to make it more attractive to a particular target market. This involves differentiating it from competitors' products as well as a firm's own product offerings. The concept was proposed by Edward Chamberlin in his 1933 *Theory of Monopolistic Competition*.

Differentiation can be a source of competitive advantage. Although research in a niche market may result in changing a product in order to improve differentiation, the changes themselves are not differentiation. Marketing or product differentiation is the process of describing the differences between products or services, or the resulting list of differences. This is done in order to demonstrate the unique aspects of a firm's product and create a sense of value. Marketing textbooks are firm on the point that any differentiation must be valued by buyers The term unique selling proposition refers to advertising to communicate a product's differentiation. In economics, successful product differentiation leads to monopolistic competition and is inconsistent with the conditions for perfect competition, which include the requirement that the products of competing firms should be perfect substitutes. There are three types of product differentiation:

1. Simple: based on a variety of characteristics

2. Horizontal : based on a single characteristic but consumers are not clear on quality

3. Vertical : based on a single characteristic and consumers are clear on its quality

The brand differences are usually minor; they can be merely a difference in packaging or an advertising theme. The physical product need not change, but it could. Differentiation is due to buyers perceiving a difference, hence causes of differentiation may be functional aspects of the product or service, how it is distributed and marketed, or who buys it. The major sources of product differentiation are as follows.

- Differences in quality which are usually accompanied by differences in price
- Differences in functional features or design

- <u>Ignorance</u> of buyers regarding the essential characteristics and qualities of goods
- they are purchasing
- Sales <u>promotion</u> activities of sellers and, in particular, advertising
- Differences in availability (e.g. timing and location).

The <u>objective</u> of differentiation is to develop a <u>position</u> that potential customers see as unique. The term is used frequently when dealing with <u>freemium</u> business models, in which businesses market a free and paid version of a given product. Given they target a same group of customers, it is imperative that free and paid versions be effectively differentiated.

Differentiation primarily impacts performance through reducing directness of competition: As the product becomes more different, categorization becomes more difficult and hence draws fewer comparisons with its competition. A successful product differentiation strategy will move your product from competing based primarily on <u>price</u> to competing on non-price factors (such as product characteristics, <u>distribution strategy</u>, or <u>promotional variables</u>). Most people would say that the implication of differentiation is the possibility of charging a price premium; however, this is a gross simplification. If customers value the firm's offer, they will be less sensitive to aspects of competing offers; price may not be one of these aspects. Differentiation makes customers in a given segment have a lower sensitivity to other features (non-price) of the product

Objectives of the Study

The apparent objectives can be listed as below:

It is to know & evaluate the product differentiation & segmentation as the alternative marketing strategies & along with this main objective following are the points in the study

1. To Know & Evaluate innovation in the existing segmentation
2. To study the product differentiation that is being used in the market.

A Study-

"Product differentiation develops the concept of segmentation & segmentation helps to develop the product".

Above statements can be explained as below through various examples Eg. Initially the Aerial & Surf excel were launched in the packets of 200 gm & 500 gm & those were successful in the higher section of the society as the quality was good but still they could not beat the Nirma washing powder. As the Nirma was famous amongst lower middle class & middle class population. Now to crack on this company come up with Rs.2 pouches & people with lower income group can easily afford this. This shows that merely differentiating the product company easily got the segment .Vice versa if we see if the company is having the segment it will get the other segment also by simply upgrading the product. Eg. Maruti automotive Ltd come with Maruti 800 & was famous because of the Price, Average, servicing centre etc through middle class people were generally preferring this but due to mouth publicity, it spreads among all the type of users ,now here company have to simply modify the product to jump on the other segment. then come up with Alto k10,Swift, Swift-Desire,   SX4etcProduct   can   be   differentiated   on   the   basis   of technology,packaging,design,environment-Hygiene,freshness.This can lead to the segment for the same product & again earning the premium than the counterpart.Different factors that leads to the product differentiatation & market segmentation are as

1)Increased in the purchasing power

2)Both in the family are earning

3)No time

These factors also leads to the different segment of the market. Family in which both the person are working will be having no time or very less time for the other activities, The activities which are very much essential for day to day life e.g. Purchase of vegetable,groceries,toiletaries,cosmetics.Now to save on time they need one stop for shopping that can save their time & again give them refreshment. On the basis of these different shopping mall ,Supermarket are opened. Eg.Eternity mall in Nagpur ,Big-Bazaar This is the segment who can pay more to save on the time factor. Segmenting on the basis of little product difference e.g. Mobile phone

1)Segment A- Requires phone for communication, no other facility is required- Product-Basic phone

2)Segment B-Requires radio with the phone

3)Segment C-Requires phone with radio & camera

4) Segment D- Requires phone with Radio,Camera,internet-connectivity

5)Segment E-Requires phone with Radio,Camera,Internetconnectivity,Facebook as icon on the desktop of the phone Thus utility of the product also leads to the market segmentation.

Coffee Café Day & other coffee outlet

Generally the coffee in the general Tea shop which we get cheaper & in the regular cup where in Coffee café Day we get different variety of coffees & also the cup is not regular cup. Developing the coffee as brand & also creating the segment for the the same type of product but by innovative differentiation. Again the producers are keeping the same product but with slight modification in the packaging in the way that those who are unable to purchase the product can purchase it with price affordability. Example product Differentiation- Product differentiation with extra benefits to the client. If you see the institute providing Management courses-Most of the business school are offering University recognised,AICTE approved courses but to stand different in the competition they are using product differentiation, Now Business institutes are offering university degree & along with that other industry oriented courses. Like providing NCFM certification for finance students In the same way colleges are offering dual specialization that is one university degree & other autonomous degree of that college i.e Offering MBA(university Degree) along with PGDBM orMBA(International Business) Above examples shows the segmentation can be structured with the help of product differentiation in the market. Example-Small Car Segment

If we take the example of Chevrolet company, Company is providing small car & again they have segmented the market on the bases of usage pattern. Like those who want to purchase vehicle with small price & vehicle to be more economical They have two models in this segment, SPARK & BEAT

Segment-Interested in small price-Can purchase SPARK Petrol

Segment-Interested in Small Price But economical in Future-Can Purchase SPARK LPG

Segment-Interested in small car, Look matters,-Can Purchase Beat

Segment-Interested in small car, look matters But economical-Can purchase BEAT Diesel Company has segmented the car with slight modifications & accordingly can segment the market.This leads to the statement "Product differentiations can leads to market segmentation & Vice Versa

Conclusion-

From the study it is clear that market segmentation & product differentiations are act as the alternative marketing strategies. Again from the study its is concluded that innovative methods of segmentation & product differentiations is being used to counter the competition.

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"BEST BANKING PRACTICES for BETTER BANKING"

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ABSTRACT:-

As seen with the global credit crunch sparked in 2008, which was triggered at least in part by innovative financial products such as exotic ATMs, there will always be a need for careful scrutiny of innovative financial products and their risks. The study focuses on the Best Banking Practices followed by Commercial banks under Indian Banks' Association while dealing with the customers. Today when "Innovative services" provided by the banks play a vital role for customer satisfaction resulting in business enhancement, the study highlights and provides valuable guidance to the customer to avail the best of what is being offered. Innovation in advances over time in the financial instruments and payment systems used in the lending and borrowing of funds. These changes, which include innovations in technology, risk transfer and credit and equity generation, have increased available credit for borrowers and given banks new and less costly ways to raise equity capital. The paper aims at threading together Indigenous Management Practices followed by Indian Banks and the study of the BCSBI "Banking Code" in an elaborative manner with numerous examples/references available in the context.

"Customer satisfaction is worthless, Customer loyalty is Priceless."

- Jeffrey Gitomer

Introduction:-

The Indian banking sector has made rapid progress in reforming and adapting to the new business environment. India's banking sector is undergoing an IT evolution. Technological infrastructure has become an indispensable part of the process of reforms in the banking system, the gradual development of more sophisticated tools and innovations in market practices.

Banking sector today is undergoing a rapid IT resolution wherein a combination of regulatory and competition, has led to the increasing importance of total banking automation in the banking sector in India. With the use of technology which is machine driven and where the customer saves time but at the same time pays for saving that time, it is very essential to highlight the fact that "customer is still the king", be it in the hands of machinery or the company where they are the cheque payers.

New players in Banking have resulted in a paradigm shift in banking practices in India. With the increase in competition and rising expectations of the banks' increased awareness of the role and importance of fair banking practices are highlighted and acknowledged. Moreover the foreign banks and the multinationals have made a remarkable arrival with their hi tech technology, thus it has become essential to go back to the basic where "Customer is the king" was the focus and thus the Banking Best Practices are highlighted for a better banking experience.

The India Banking sector is undergoing rapid transformation with reference to globalization. The most important point which Indian banks have to consider is to match and be aligned with the best banks worldwide is to adapt the best practices and cater their banking customers to the level of customer satisfaction turning into customer loyalty.

Objective of the study

This study focuses on how leading banks in India can achieve better investment generation if they practice best banking/ fair banking procedures and codes with a special emphasis on Customer Complaints Handling.

A Study

Bad banking experiences faced by customers can translate to low balances for the banks. Service recovery processes are the key to better banking for the customers. Now the question is, "How can banks improve on their customer service?" to build upon a good customer base for their business.

A survey conducted at United States suggested that 2100 customers of retail banking should be examined everyday and good, not so good, and evil suggestions should be noted.

These "moments of truth" will be based on customer's perception and will identify the various opportunities for the banks to assess their customer service capabilities and to ensure proper service delivery which will be aligned to the customer's investment needs.

Banks must examine the broader aspects on which customer's come to them for their banking needs. RBI and IBA (Indian Banks Association) has lay down and drafted certain banking codes which each bank has to follow so that it may comply with best banking practices and ensure better service delivery and conduct for its customer.

About BCSBI

Banking Code and Standard Board of India (BCSBI) is an independent and autonomous watch dog to monitor and ensure that the Banking Codes and Standards adopted by the banks are adhered to in the true spirit while delivering there services.

In accordance with the proposal contained in the Annual Policy Statement for the year 2005-06, The Banking Codes and Standards Board of India (BCSBI) was set up on 18th February 2006 as a collaborative effort of RBI and Banks, on the lines of a similar set up in UK to oversee the **"Banking Code"**, a voluntary Code, evolved by the British Bankers Association (BBA), which is adopted by all banks in UK. The proposal for setting up the BCSBI was based on the recommendation made by the Committee on Procedures and Performance Audit on Public Services (Tara pore Committee), in its Report No.6 dealing with Benchmarking, ISO   Certification   and   Performance   Audit.
The **"Banking Code"** of the BBA sets standards of good banking practices for financial institutions to follow when they are dealing with personal customers in the UK. It provides valuable protection for customers on a day-to-day basis as also in the times of financial difficulty. The code applies to savings deposits and current accounts, card products and services, loans and overdrafts and payment services including foreign exchange.

A Governing Council of the BCSBI has been constituted to look after its financial affairs and managerial policies. The Governing Council would consist of members drawn from different disciplines such as banking, law and accountancy.

The Changing face of Banking Services

 Banking doing business worldwide are continuously experiencing a rapid change in the mode of customer delivery. Customer's today are more aware about their rights and the compliances with the banks as system have to follow. In such a condition, banks have to be more focused and aware of customer's need and what type of want the customer is seeking. Customer preferences have changed. Today customers are seeking local banks over Multi nationals, are less loyal towards their bank because they move on to another where they are comfortable and get more opportunities. They are much cautious about the borrowings and are more technology savvy.

These shifts in the nature of banking relationships today where product and customer needs have to match and also should be given utmost importance and right judgment, banking worldwide has become a challenge.

In such a scenario it is important to discuss the criticality of Customer Complaints and also the handing of those complaints at a priority.

Customer Complaints Handling- critical to excellent customer service

Customer complaints handing should be highlighted in order to promote good banking practices. Handling customer complaints can minimize the unhappiness caused by bad customer service practices and processes.

Complaints are a goldmine of information

Complaints offer businesses an opportunity to correct immediate problems. In addition, they frequently provide constructive ideas for improving products, adapting marketing practices, upgrading services, or modifying promotional material and product information.

While occasional problems with service of merchandise are, to some extent, inevitable, dissatisfied customers are not. Companies can learn to recover from mistakes. A good recovery can turn angry, frustrated customers into loyal ones.

Recognizing the importance of responding fairly and efficiently to buyer disappointment in the marketplace, many businesses have established effective and innovative systems for resolving consumer complaints. Within any industry, those companies with a positive philosophy and a reputation for fair complaint-management have a competitive edge.

A management philosophy that embraces customer satisfaction as a primary goal of business, instead of defending the company in the face of complaints, can change the rules of the game for companies. It shifts the emphasis from the *cost* of pleasing a customer to the *value* of doing so, and trusts front-line employees to use their judgment.

Bank employees at front end and also at call centers act as customer-relations department and can claim to be a true champion of the customer. The retention rate among those who complain to customer relations has more than doubled; while return on investment (the value of business saved plus increased loyalty and new business from referrals relative to the department's total costs) can rise by 200%.

Complaints Handling- An Important Aspect in Generating Loyalty, Goodwill and Word-of-Mouth

By talking back when they believe they have not received their money's worth, customers give businesses an opportunity to correct the immediate problem and restore goodwill. Experience shows that customers who complain about products and services continue to frequent the businesses and buy the products they complain about if they believe the complaint was resolved fairly.

Research into complaint behavior reveals that only a fraction of dissatisfied customers complains to business and, thereby, gives the company an opportunity to correct the problem. There is evidence that some customers do not complain because they are skeptical about business's willingness or ability to resolve disputes fairly. Customers simply withdraw their patronage and criticize the bank or the product to others.

Such findings underscore the importance to business of a complaint management system that is well-publicized and easily accessible. An unregistered complaint may do as much harm as one that is mismanaged or not resolved.

Careful complaint management can save business unwanted costs. For example, negative word-of-mouth publicity from dissatisfied customers means lost revenue and necessitates additional investment in advertising to attract replacement customers.

Complaints and complaint trends tell business how to do its job better by alerting management to problems that need prompt attention and correction. Furthermore, they indicate long-range opportunities for product innovation and problem prevention. A well-planned system for screening and recording complaint data can provide business owners and managers answers to such important questions as the following:

- Are products "oversold" or "over advertised?"
- Is advertising clearly understood?
- Are salespeople overzealous?
- Do product disclosures (such as labeling, warranty information and service agreements) need to be improved?
- Are user's manuals clear, complete and easy-to-read?
- Would changing warranty coverage reduce complaints?

Complaints also provide information about product quality:

- Are there opportunities for product improvements or better quality control?
- Are there indications of safety defects that should be reported and corrected, or that justify a recall?

To get this valuable feedback, complaint-reporting must generate information swiftly and systematically to the appropriate managers or departments. Initial screening should trigger immediate action, when necessary, and statistical summaries should identify trends and long-range courses of action.

Demonstrate a commitment to complaints management Management attitudes are reflected in the conduct of employees and the performance of the company. Top-level

commitment to effective complaint management establishes the motive and incentives for all personnel to strive for consumer satisfaction.

Management's responsibility begins with the preparation of written policies and procedures for speedy and fair complaint resolution. These policies and procedures should be put in writing and communicated to all appropriate departments,emphasizing the accountability of individual employees to resolve complaints courteously and fairly. Employees whose primary responsibility is sales or service, for example, may have difficulty resolving complaints objectively if they feel their performance rating could be adversely affected. If management establishes clear lines of authority, consumer problems should be solved quickly and effectively.

Management should regularly review and, when necessary, find ways to improve complaint-management procedures, paying particular attention to refining communication and coordination between the complaint-management and operating departments. Periodic surveys of consumers will reveal whether they feel they have been well served by the complaint-processing procedures, and whether they find the company's policies on refunds, repairs, exchanges and other forms of redress to be fair.

In Banking System, where the banks are safeguarding an investor's money, this criterion is most important as employees have to meet their targets at the cost of investor's money.

Complaint Management Return on Investment

Even though a good customer retention strategy incurs cost, so does a badly performed service. No business can afford to lose customers, if only because it costs much more to replace a customer than it does to retain one -- five times more, most industry experts agree. A customer recovery service allows a business to shift its cost from constantly courting new customers to cutting customer defection.

Also keep in mind that dissatisfied customers almost always get stuck with certain costs: the money they spend for phone calls, the time they spend making their cases, and the aggravation they must endure throughout. The customer left stranded on the highway because her car was not repaired properly might miss an important meeting, have to pay for a tow truck, and spend time waiting for the repair to be made. Many service companies

conveniently overlook these hidden costs, but the customer surely will not. Companies known for excellent service will go the extra mile to cover all the costs a failure incurs or, if the inconvenience is so great that the company cannot completely compensate the customer, respond in a tone that signals the company's regret.

Complaint Handling Staff

Complaint managers need to be patient, articulate, and able to balance fairly the interests of the company with those of the consumer. They also should be able to communicate legitimate consumer complaints to management to help determine whether there is a need for changes in company policies or procedures.

All members of a complaint-management department should be familiar with the operations of the company and with its products and services. Prior experience in other departments may be an asset. Training can strengthen interviewing and communications skills and heighten the staff's awareness of the special needs of consumers from different cultural, economic or educational backgrounds. Also, complaint-management staff should be familiar with consumer protection laws and with the operations of third-party dispute-resolution mechanisms to which particularly difficult complaints may need to be referred.

Finally, customer-relations personnel should have professional status, adequate salaries and opportunities for advancement consistent with the importance management assigns to the function.

Publicizing the Customer Complaint Management System; Visible and Accessible Complaint Management System

A complaint management system must be visible and accessible in order to serve consumers and accomplish company goals. Management, sales, service and public relations personnel should all cooperate to make the complaint system accessible to consumers.

How to publicize the complaint management system:

- on posters and signs in the sales and service area
- on contract forms and sales slips
- in charge account mailings

- in the use and care manual

- in advertising -- your company's complaint system could be the theme of an advertising campaign

- on product packaging and labeling

Instructing consumers of their responsibilities can help avoid misunderstandings and unnecessary complaints. Include advice in the material that advertises your complaint system and have sales and service personnel encourage consumers to do the following:

- Carefully read promotional material and product literature before buying.

- Follow instructions in the use and care manual.

- Understand the terms of sale (warranties and guarantees, contracts, credit terms, refund policies, and so on).

Customer Complaint Resolution at the First Point of Contact -Empower Front Line Staff, Distributors, and Sales People

Investors are likely to turn first to the place of their purchase – a service branch, a main branch, corporate branch and so on -- to complain. Resolving complaints at this level avoids unnecessary consumer frustration and preserves the direct buyer/seller relationship. Moreover, it is likely to be relatively easy, quick and economical.

It is important that bank branches coordinate complaint management with others in their distribution network. In turn they will mutually benefit from keeping one another informed of complaints and complaint trends and cooperating when necessary to see that complaints are fully and satisfactorily resolved.

Third-party Dispute Resolution--Conciliation, Mediation and Arbitration

If complaints cannot be resolved directly between the investor and Bank branch, they should be referred to third-party dispute resolution. Third-party mechanisms use the services of unbiased individuals or panels to resolve disputes through conciliation, mediation and arbitration.

- Conciliation:

  A neutral conciliator brings the parties together and encourages them to find a mutually acceptable resolution to the dispute.

- Mediation:

  A neutral mediator becomes actively involved in negotiations between the parties. The mediator can propose a resolution, but cannot dictate a settlement of the dispute.

- Arbitration:

  An independent individual or panel hears the facts on both sides of a dispute and reaches a decision. Usually both parties have previously agreed to abide by the decision, but in some systems, only the business agrees in advance to abide by the outcome of the arbitration.

Third-party dispute resolution is advantageous to business because it enables expeditious, economical and fair complaint resolution without government regulation or legal action. In fact, government agencies encourage the use of third-party mechanisms when complaints cannot be resolved directly between buyer and seller. Proponents of third-party systems point out that their use can help make manufacturers and retailers more responsive to consumer problems. By submitting disputes to a neutral decision-maker, a business can demonstrate goodwill through its willingness to seek unbiased solutions to consumer complaints.

A small percentage of consumers and businesses seek more formal third-party complaint resolution in small claims courts. Use of the courts can be cumbersome and costly for both sides and can usually be avoided if a good faith effort is made to resolve disputes at the company level or through informal dispute resolution.

Basic Steps for Effective Complaint Management

- ➢ Designate a Location to Receive Complaints

  Investors need to know where and how to file complaints or make inquiries.

  - o Select a place to receive complaints that is visible and accessible to consumers.
  - o Publicize the complaint system to encourage investors to voice their dissatisfaction and to make the good intentions of the bank apparent.

➢ Develop a System for Record-keeping

Prepare forms for recording, categorizing and filing complaint records.

Design the system to perform functions such as the following:

  o communicating complaint data to top management;

  o permitting swift identification and response when complaints need to be reported to other departments in the distribution network, or to law enforcement or regulatory agencies;

  o providing market research through complaint trends; and

  o Enabling management to monitor the efficiency and effectiveness of the complaint- management system.

➢ Process and Record Complaints

  o Log in the complaint and any relevant data.

  o Categorize it for resolution and record-keeping. Categories must be clearly defined and exclusive of one another.

  o Assign the complaint to one person for handling.

  o Forward the complaint to another level of authority, if appropriate.

➢ Acknowledge Complaint

Investors do not register complaints with only a casual interest in their disposition. Complaining involves some inconvenience and, possibly, expense. Loyal customers with strong feelings are often involved.

  o Personalize the response.

  o Talk to the customer, if possible, by phone or in person.

  o Use letters when necessary, but avoid impersonal form letters.

  o Take extra time, if needed, to help consumers with special needs, such as language barriers.

➢ Investigate and Analyze the Complaint

  o Be fair.

  o Get both sides of the story.

  o Keep records in the complaint file of all meetings, conversations or findings.

➤ Resolve the Problem in a Manner Consistent with Bank Policy and the BCSBI

- o Forward the complaint to the appropriate level of authority for resolution.
- o Keep the investor informed through progress reports.
- o Notify the investor promptly of a proposed settlement.

➤ Follow-Up

- o Find out if the investor is satisfied with the resolution. Was it carried out?
- o Refer the complaint to a third-party dispute-resolution mechanism, if necessary.
- o Cooperate with the third-party.

➤ Prepare and File a Report on the Disposition of the Complaint, and Periodically Analyze and Summarize Complaints

- o Circulate complaint statistics and action proposals to appropriate departments.
- o Develop an action plan for complaint prevention.
- o Make sure the investor viewpoint is given appropriate consideration in company decision making.

Conclusion

Complaint management systems and company policies on refunds, exchanges and product service vary widely depending on the nature of the product or service, the terms of purchase, consumer use patterns, and so on. There is no single formula that will provide universal relief for dissatisfied investors who are the customers and ultimately the king.

The commitment and continuing involvement of company management is critical to successful complaint resolution and to the optimum use of complaints as a management tool. Managers will help discover new ways to improve both the complaint-management system and the fairness of remedies offered to customers.

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BRAND MANAGEMENT THROUGH SOCIAL MEDIA NETWORKING SITES

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Abstract:-

Nowadays, people are socially interconnected with each other through social media sites even they are living remotely, they are professional, house maker, students are the consumer of different companies, these consumer were targeted to promote products through traditional marketing till social media sites were not existed. Today time demands the change and companies no longer depend on traditional or SEO techniques for brand management to provide effective brand awareness. Face book, Twitter, MySpace, YouTube and LinkedIn social media sites have opened up new audiences to companies, without which reaching them was a tedious task. Social media sites have become highly dependable for companies to compete in the market. Ninety million Face book users are large audience, and Face book pages are crawl - able by the search engines. YouTube has a massive reach with viral potential to show live advertisement of product. Twitter allows constant communication in real-time. Using brand logo as an image company can follow, and participate in, the conversation of it with target market. Today it is not only important to pick the right sites, but also it's critical that how does we expose the right message. yes, that there is basic, but the efficacy of social media initiatives will largely depend on whether or not the messaging is appropriately designed to engage the target audience and positively affect them. FORD'S 2011 social media campaign for its model FIESTA can be a good example of Successful brand management. Specially, Social Media Networking sites are very useful for small scale companies as they can reach to the customers easily.

Keywords - SEO, Crawl-able, viral, real-time,

Introduction

Today , We read newspaper, watch television, listen radio but we can do these all three - read, watch ,listen and talking at a one moment it is possible because of social networking sites. As we all are the consumer of some companies are connected through Social Media Networking sites which target their customers (viewers or user) for build up brands through advertising on these sites. As consumer use of and time spent on social media sites increases the opportunities for effective advertising become more attractive to companies in search of customers to connect with. a company should participate and engage with communities of interest and then there is the start of Brand position work.

Relation of Communication Medium & Brand Positioning:

 Communicates the Positioning to the Consumers requires to understand the media consumption/habits of consumers. Or we can say to convey the positioning of any product is required to choose particular communication media because that would take same message to the target consumers. Hence, medium of communication much matter in respect of Brand building process

SEO and Social Media Networking Sites There was a time when social networks weren't used for brand management. Companies solely focused on SEO techniques such as keywords, contents, HTML code etc… these were the techniques used to make sure the companies topped the search engines. They will continue to do this but the focus will now turn to social Media Networking Sites.

Nowadays companies no longer depend solely on SEO for brand management to provide effective brand awareness. The trend that should be followed is the integration of SEO techniques with Social Media Networking Sites. Facebook, Twitter, YouTube and LinkedIn channels have opened up new audience to companies, without which reaching them was a tedious task. Social media sites have become highly dependable for companies to compete in the market.

Let's consider the phenomenal success of FORD'S 2011 social media campaign for its model FIESTA as an example. Here we can find how Ford Company use Social Media

Networking sites for their FORD FIESTA Campaign. They used social networks to create trust and reach people through word of mouth. In other words they used social media to amplify the message. Like: A) Reaching target audience and letting them do the talking to reach like minded people. B) Letting people know that they are real and interested in connecting with people by interacting to every user queries. C) Running competitions and polls on social Medias like "get a chance to drive all new FORD FIESTA by answering these questions"

There was really excellent result comes out from this campaign.

A) 11 million Social Networking impressions B)5 million engagements on social media networking site. 11,000 videos posted. C) 15,000 tweets with 13,000 photos. C) 50,000 hand raisers who have seen the product in person or on a video who said that they want to know more about it when it comes out and   D) 97% of those don't currently drive a Ford vehicle. 38% awareness by Gen Y about the product, without spending a dollar on traditional advertising In contrast Fords model "Fusion" didn't have that awareness after being out in production for 2 years and yet they have spent hundreds of millions of dollars in traditional marketing.

It's clearly visible that without social media sites companies are giving away inexpensive resources that create brand awareness and hypes Social Media Networking Sites continue to rise, online brand management will be the key factor in marketing, and companies should become proactive in managing their social media sites.

Objectives of the Study

The apparent objectives can be listed as below:

1. It is to know and evaluate the Social media networking sites as medium of communication and its effectiveness on brand management of product. And on the same aspects to decide the strategies of branding and implantation in respect of this new innovative medium of communication.

2. To Know & Evaluate innovation in social media networking sites for advertising.

3. 2To study the importance of Social networking sites as medium of communication to create position of brand.

4. To compare other medium of communication with social networking sites in term of profit margin by both sides of consumers & producers.

Making it work

Below is a 3-step plan to help us capitalize on the power of social media during a brand management crisis. However, before you take action, you must first step back to carefully, calmly, and thoroughly assess the situation at hand. 1st step to use current social media networking site

The first step in this process is to assess the current social media initiatives underway at your organization. For example, does your company have a presence in social networking, video sites, or micro-blogging? If so, consider them to be your baseline social media assets for replacing negative press with positive branding. In addition, you will also want to have a good understanding of your other marketing assets, like optimized videos or search leveraged press releases, which can be used within social media. In essence, before you move forward with this plan, you want to find out what you already have to utilize. 2nd step to pick up the right site and massage to target audience:

Time matters in short-term brand management challenges. You can be sure that there will be little or no opportunity for a "do-over." Given that, you not only need to pick the right sites, but it's critical that you expose the right message. Granted, that may sound basic, but the efficacy of your social media initiatives will largely depend on whether or not the messaging is appropriately designed to engage the target audience and positively affect them. Below are three examples of large, well-known social media sites, and how you can tap into them for short-term brand management challenges:

Some sites which can be beneficial for Brand Manager to take their massage to target audience.

Face book: Functioning as a single point of contact for your customers and end-users alike, your Face book page could be a crucial meeting center for updated information on the situation. The page can be used to host a new press release, product videos/pictures, an audio message from the CEO, and provide a link to your website. Naturally, all of these assets

should be optimized for search. Ninety million Face book users (comScore) is a large audience, and Face book pages are crawlable by the search engines.

YouTube: With ownership of over one-third of online videos viewed in the US, YouTube has a massive reach with viral potential. You could use existing video assets, or even produce a short video to post. The optimized videos can be geo-targeted, and a PPC element is now in beta in YouTube that will allow you to bid your videos to the top of the results in a time when high visibility is absolutely crucial. In addition, comments on YouTube are also crawlable and could help produce additional SERP "real estate."

Twitter: Twitter allows constant communication in real-time. Using your brand logo as an image, you can follow, and participate in, the conversation of your target market. Include links to your website in your "tweets" and try to direct people to your branded Facebook, MySpace, or other social networking sites/pages for further clarification about the situation. You might also want to set-up a "Tweet Beep" to get notification of relevant conversations, so you can immediately enter them and become a valuable resource.

3rd step of SEO through social media networking sites:

The convergence of search and social media is happening quickly. As the capabilities of these marketing strategies expand and overlap online, it is becoming increasingly necessary to coordinate the two. Given that, below are a few high-level search opportunities to be sure to address in conjunction with social media during a short-term brand management challenge:

Assets submitted to social media sites should be optimized for search

Be sure to supply links to your site within your keyword-centric social media contributions

PPC keywords that are relevant to the situation should be targeted, and should resolve to an appropriate company news landing page Overall, these three steps should help you capitalize on the power of social media to combat a difficult brand management situation. However, there's one more: You don't need to wait for a crisis situation. Start embracing social media today, so if a brand crisis hits, you'll be best positioned to quickly leverage its power to mitigate the damage.

In term of Revenue Generation:-

For the moment, MySpace and Facebook are hot. News Corp. paid $580 million last year for MySpace as part of a $1.3 billion Internet acquisition spree. Facebook just received an additional $25 million in venture capital. According to ComScore Media Matrix, MySpace, with its 70 million users, ranks second behind Yahoo in pages viewed and time spent on the site. Facebook, founded by a 21-year-old student on leave from Harvard and backed by Silicon Valley venture capitalists, has 7.3 million registered users.

Social networking sites in general rely mainly on a simple advertising model -- selling banner and text ads (although they ban uncoil pop up ads). Facebook also permits sponsored groups in which a marketer can build communities within the site. *BusinessWeek* recently reported that Facebook had rejected a $750 million buyout offer and was holding out for $2 billion.

In the case of MySpace and Facebook, it is found that the cost of gaining new customers is practically nothing because users join voluntarily and provide their own content through their profiles. In addition, the cost of running the sites' web servers is relatively low. If a classic advertising or subscription revenue model is used, he says, low-cost social network sites could be highly profitable. MySpace is rooted in linking emerging bands to new fans, which makes it a logical partner for a media company, such as News Corp. The company can use the site to test or build buzz around its products.

Today, social networks have power beyond ad revenue to act as a customer relationship management (CRM) tool for companies selling products or services. As there's a lot of focus on advertising and banner ads and the amount of traffic. But it's important to look beyond traditional forms of web adverting to see the real potential -- which is leveraging the connectivity of the sites and using them to form communities around products, media or services to really be in contact with your users.

Information management connectivity is nice, but the Internet bust of 2000 showed that revenue is what matters. As we learned from the first dot-com silliness, value is not in click-through or eyeballs. Value comes from revenues. for example Can you sell subscriptions to

your data or your service? Can you charge for referrals or for purchases that result from referrals? Can you sell stuff? If not, your revenue is zero and your market value is zero."

It is found that Orkut an invitation-only service was introduced by Google in 2006 that was little known in the United States, but wildly popular in India, where more than 70% of its users are based. But later on facebook has captured the market. It was sudden change taken place from Orkut to Facebook. Networking can be one of reason why facebook taken the place of Orkut.

Safety and Privacy Concerns

As MySpace and other social networking sites have grown, so, too, have concerns about Internet safety and privacy. The Center for Missing and Exploited Children reported more than 2,600 incidents of adults using the web to target children online in order to engage in sexual activity. InMarch, federal prosecutors in Connecticut charged two men with using MySpace to contact youths with whom they later had sexual contact. Following Congressional hearings about online sexual predators, MySpace hired a safety czar to improve the site's protections for young users.

The popularity of social networking sites may also have unexpected consequences for users. A gay student attending a Christian college was expelled after administration officials viewed photos of the student in drag on Facebook. Twenty middle school students in California were suspended after participating in a MySpace group where one student allegedly threatened to kill another and made anti-Semitic remarks. In Kansas, authorities arrested five teenagers after one of the suspects used MySpace to outline plans for a Columbine-like attack on the boys' school. Like in India there are numbers of cases are registered under the cyber law of hacking and most of them occurred on social networking sites. Many teen agers are found to be culprit who hack the sites with lot more profile on these sites were defaced or profile's information was changed. As a web-based business, social networks do have some advantages over traditional companies in tracking user behavior in order to detect problems early. If you are sophisticated, you can measure and

monitor the rate at which users join and you can detect early warning signs, such as a drop off in the number of people interacting

Different Best Practices for advertisement in different web networking sites:-

For marketers just getting started with advertising on social media sites, here's a quick rundown on programs available through Facebook, YouTube, Twitter, LinkedIn, Group on and Foursquare. As with organic social media marketing, each is appropriate according to your own goals, the customers you're trying to reach, resources, timeline and ability to measure.

Facebook: We all know there are over 500 million active users on Facebook, but interestingly, 50% of active users log on in any given day. Each average user has 130 friends and is connected to 80 community pages, groups and events. More than 30 billion pieces of content (web links, news stories, blog posts, notes, photo albums, etc.) are shared each month.

Facebook ad costs are pretty reasonable which allows companies of just about any size or budget to test them out.

Best Practices:-

- Set goals
- Target your audience
- Make the product/service stand out
- Keep the ad simple
- Have a strong call to action
- Make sure ads point to relevant landing pages

Of course, in the case of Facebook, many times the landing page isn't a page on the marketer's website selling a product, but a Fan page within Facebook.

YouTube: As the second most popular search engine after Google and with online video advertising expected to hit 5.7 billion by 2014 .YouTube presents a tremendous opportunity

for exposure and engagement in a social context. Adds appears with videos or alongside them.

18-55, with an equal mix of males and females. 51% of YouTube users visit weekly or more often, and 52% of 18-34 year-olds share videos often with friends and colleagues.

Marketers that come to grips with the reality that "make me a viral video" isn't something you can count on, but advertising and impressions are, may choose to leverage YouTube advertising as part of the mix for promoting video content. In fact, with YouTube you can promote your own video or advertise next to others' videos.

YouTube Video Ad Best Practices Include:

- Keep it short - The longer the message, the higher the possibility users will tune out. 60 seconds is a good benchmark.
- Keep it engaging - Entertain, inform and be relevant. Users will view the majority of a video if they are interested and engaged.
- Inspire, don't just educate - Avoid focusing solely on being educational; two minutes of talking heads doesn't work well.
- Deliver key messages early - Plan for user tune-out near the end of the video and deliver your message early.
- Include a call to action

LinkedIn: This is "the" B2B social network and with nearly 90 million members in over 200 countries, presents new territory for social network advertising. A new member joins LinkedIn approximately every second, and Executives from all Fortune 500 companies are members according to the LinkedIn facts pages.

LinkedIn launched its own self-service ad network a few years ago, called Direct Ads. Direct Ads Best Practices Include:

- Create effective ads (relevant, call to action, specific)
- Create multiple ads for each campaign
- Target the right audience
- Set an appropriate daily budget (ad rates vary during the day according to site usage)
- Understand how bidding works (Choose CPM or CPC)

- Improve performance – monitor click through rates and experiment, refine

Conclusion:-

Current life becomes so fast and hasty there is less time in hand of producers of goods to trap the customers as the customers are professional in nature of work. Mean to say, they spend their most of the time on screen of Computer, they read newspaper on net and watch video or television on computer screen so naturally marketer need to focus on these customers to position their brand segment early as possible because we know first Position of brand remain last forever in mind of consumers.

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AN ANALYTICAL STUDY OF AGRICULTURAL BUSINESS- INDIAN SCENARIO

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Abstract:

Agricultural business majors learn how food gets from the field to the table. They examine the financing, marketing, and management of food production. By studying economic theory, they come to understand the many factors behind the buying and selling of food. In this paper we try to explain Agriculture sector,livestock, National Horticultural Mission, food commodities,risk management, Agricultural Marketing, Contract farming, Community Farmers' Markets etc. in the context of Indian Agriculture Business. Very few non-rural businesses are presented with the continuing changes and variations that confront a rural business. The impact of climate and the environment requires the rural manager has to continually consider, evaluate and reassess (often on a daily or even hourly basis,) the numerous changes and types of information that affect his or her business. The successful rural manager understands his or her unique markets, and how to capitalise on market forces to maximise business profit. Agricultural marketing is where the producer, the processor, the distributor and the consumer meet.Agricultural marketing covers the services involved in moving an agricultural product from the farm to the consumer. Numerous interconnected activities are involved in doing this, such as planning production, growing and harvesting, grading, packing, transport, storage, agro- and food processing, distribution, advertising and sale. We have discussed on these aspects of agricultural marketing in this paper. A National Horticulture Mission has been launched as a Centrally Sponsored Scheme to promote holistic growth of the horticulture sector. "Presently, India is the 2nd largest producer of fruits & vegetables in the world." The paper is an attempt to analyze the variables responsible for India's growth in Agriculture Business, its variables and their significance.

Key Words: Agriculture Sector,Livestock, National Horticultural Mission, Food Commodities,Risk Management, Agricultural Marketing, Contract Farming, Community Farmers' Markets, Organic Farming.

Agricultural Sector – An Overview:

Agriculture plays a dominant role in the economy of a nation. Agriculture is the mainstay of the Indian economy. Agriculture is the backbone of Indian Economy. About 65% of Indian population depends directly on agriculture and it accounts for around 22% of GDP, while about 65-70 % of the population is dependent on agriculture for their livelihood.

Agriculture derives its importance from the fact that it has vital supply and demand links with the manufacturing sector. During the past five years agriculture sector has witnessed spectacular advances in the production and productivity of food grains, oilseeds, commercial crops, fruits, vegetables, food grains, poultry and dairy. India has emerged as the second largest producer of fruits and vegetables in the world in addition to being the largest overseas exporter of cashews and spices. Further, India is the highest producer of milk in the world.

Climate:

India has Monsoon climate in which a year has been divided into two distinct seasons of summer and winter. Rainfall occurs mainly in summer.

Weather Forecasting System:

India has a strong weather forecasting system developed and maintained by Indian Meteorological Department (IMD). Apart from weather forecasting and severe weather warning, it also gives agro meteorological services to farmers in India.

Agro Climatic Zones:

India has diverse agro-climatic zones from north to south and from east to west. It has been divided into fifteen different agro-climatic zones, which signifies its diversified agricultural production from tropical to temperate crops.

Major Crops:

Rice, Wheat, Sugarcane, Oilseeds, Pulses, Cotton, Jowar, Bajra, Ragi, Tea, Coffee, Coconut, Cashew, Rubber, Spices, Cauliflower, Onion, Cabbage, Mango, Banana, Sapota, Acid lime.

Farm Size:

Indian Agriculture is characterized by small and marginal operational holdings. About 85% of total cultivated land has been fragmented into less than 10-hectare land. About 60% of farmland is less than 4 hectare in size.

<u>Farmers' market</u>

A farmers' market consists of individual vendors—mostly farmers—who set up booths, tables or stands, outdoors or indoors, to sell produce, meat products, fruits and sometimes prepared foods and beverages. Farmers markets are a traditional way of selling <u>agricultural</u> and home manufactured products. Farmers markets add value to communities

- Farmers/producers sell directly to consumers, minimizing profit loss by circumventing the middleman.
- Consumers can buy direct from the farmer/producer.
- Consumers can obtain organic fruits and vegetables from Certified Organic farmers
- Consumers can enjoy fresh, seasonally-grown food that was produced within a drivable distance from their homes.
- More capital remains in the consumers' community.

Farmers markets exist worldwide and reflect their area's culture and economy. Their size ranges from a few stalls to several city blocks. In some cultures, live animals, imported delicacies unavailable locally, and personal goods and crafts are sold.

Such markets were commonplace before the Industrial age but most were replaced in modernized cities with <u>grocery stores</u> and supermarkets that sell food that is usually produced, packaged, and shipped from remote places.

Farmers markets often feature produce grown naturally or organically, meats that are raised humanely on pasture, handmade farmstead cheeses, eggs and poultry from free-range fowl, as well as heirloom produce and heritage breeds of meat and fowl.

Produce found at Farmers Markets is renowned for being locally grown and very fresh. People argue farmers markets allow farmers to pick produce at the peak of flavor, preserve the nutritional content of fresh produce, and since locally grown produce does not travel as far to get to your table, the difference in mileage saves fossil fuels.

Advocates of Farmers markets state that the markets help farmers stay in business as well as preserve natural resources. Wholesale prices farmers get for produce are much lower than what they can get selling retail. Farmers who sell direct to the public without going through a middle man get a better price. Preservation of farmland is important for the health of the environment and water supply is a widely held view amongst people in developed countries. According to the American Farmland Trust, sustainably managed farms conserve soil and clean water and provide a habitat for wildlife. Moreover, modern farmers markets help maintain important social ties, linking rural and urban populations and even close neighbors in mutually rewarding exchange.

Farmers markets also may supply buyers from produce stands, restaurants, and garden stores with fresh fruits and vegetables, plants, seedlings and nursery stock, honey, and other agricultural products. Although this is on the decline, in part due to the growth of chain stores that desire national distribution networks and cheap wholesales prices—prices driven down by the low cost of imported produce.

Organic farming

Organic farming is either really expensive or really cheap, depending on where you live and whether or not you are certified. Not only are the "natural" pesticides and fertilizers increasingly marketed by agribusiness as costly as or costlier than their chemical counterparts, but proving you are an organic farmer requires certification, which is time-consuming and expensive. India's farmers are still mostly practicing organic methods, passed down for millennia. Organic fertilizer and natural pest control are the only tools available to most of these farmers, who have always lacked the financial resources to explore

chemical solutions. But these farmers, whose produce is as organic as they come, cannot afford to pay the fees required to gain official certification. As the international community adopts standards for organic agriculture, the challenges faced by farmers in the USA versus farmers in India in order to adapt are very different indeed. The danger is that the well-intentioned global move towards organic standards will make small organic farmers in countries like India, who have been never done anything but organic farming, no longer able to sell their crops.

The major organic products sold in the global markets include dried fruits and nuts, cocoa, spices, herbs, oil crops, and derived products. Non-food items include cotton, cut flowers, livestock and potted plants.

The irony and difficulty of the new governmental push for organic agriculture is that 65% of the country's cropped area is "organic by default," . By this somewhat degrading term they mean that small farmers, located mostly in the Eastern and North-Eastern regions of the country, have no choice except to farm without chemical fertilizers or pesticides. Though this is true in many cases, it is also true that a significant number of them have chosen to farm organically, as their forefathers have done for thousands of years.

Many have seen for themselves the effects of chemical farming – soil erosion and loss of soil nutrients, loss of nutrition in food, and human diseases resulting from the chemicals that inevitably seep into the water table, all the reasons for the urgent demand for organic foods and farming.

National Horticulture Mission

National Horticulture Mission is a centrally sponsored scheme in which Government of India provide 100% assistance to the state mission during the year 2005-06 (Tenth Plan) During XI plan, the assistance from Government of India will be 85% with 15% contribution by the State Government.

 National Horticulture Mission (NHM) will be implemented in all the States and

Union Territories of India except the North Eastern States, Himachal Pradesh, Jammu & Kashmir and Uttaranchal (for which a separate Technology Mission for integrated development of horticulture exists) to promote holistic growth of the horticulture sector

covering fruits, vegetables, root & tuber crops, mushroom, spices, flowers, aromatic plants, cashew and cocoa. Programmes for the development of coconut will be implemented by the Coconut Development Board (CDB), independent of the Mission. This will be a Centrally sponsored scheme in which Government of India shall provide 100% assistance to the State Missions during Tenth Plan. During the XI Plan, the Government of India assistance will be 85% with 15% contribution by the State Governments.

Objectives:

To develop horticulture to the maximum potential available in the State and to augment production of all horticultural products (Fruits, Vegetables, Flowers, Plantation crops, Spices, Medicinal Aromatic plants) in the state.

1.   To provide holistic growth of the horticulture sector through an area based regionally differentiated strategies

2.   To enhance horticulture production, improve nutritional security and income support to farm households;

3.   To establish convergence and synergy among multiple on-going and planned programmes for horticulture development;

4.   To promote, develop and disseminate technologies, through a seamless blend of traditional wisdom and modern scientific knowledge;

5.   To create opportunities for employment generation for skilled and unskilled persons, especially unemployed youth;

Crops covered:

 1. Mango   2. Grapes   3. Pomogranate

 4. Banana   5. Pineapple   6. Cashew

 7. Cocoa   8. Pepper   9. Ginger

10. Aromatic crops   11. Flowers

Marketing activities

 1. Whole sale market

2. Rural markets/Apni Mandis/Direct Markets

3. Functional infrastructure for collection, grading etc.

4. Extension, quality awareness and market led extension activities for fresh processed products

Activities that can be covered by co-operatives are:

1. Post harvest management

2. Cold storages

3. Pack houses

4. Refrigerator vans

5. Mobile processing units.

[Ref: National Horticulture Mission, Operational Guidelines, Ministry of Agriculture,Department of Agriculture and Co-operation,Government of India]

Livestock Market

The branch of science, which deals with the study of various breeds of domesticated animals and their management for obtaining better products and services from them is known as **Animal Husbandry**. The term husbandry derives from the word "husband" which means 'one who takes care'. When it incorporates the study of proper utilisation of economically important domestic animals, it is called

Livestock Management.

As high as 70% of **livestock market** in India is owned by 67% of small and marginal farmers and by the land less. 60% of livestock farming labor is provided by women and more than 90% of work related to care of animals is rendered by womenfolk of the family. Livestock sector plays a critical role in the welfare of India's rural population. It contributes nine percent to Gross Domestic Product and employs eight percent of the labour force. This sector is emerging as an important growth leverage of the Indian economy. As a component of agricultural sector, its share in gross domestic product has been rising gradually, while that of crop sector has been on the decline. In recent years, livestock output

has grown at a rate of about 5 percent a year, higher than the growth in agricultural sector. This enterprise provides a flow of' essential food products, draught power, manure, employment, income, and export earnings. Distribution of livestock wealth is more egalitarian, compared to land. Hence, from the equity and livelihood perspective it is considered an important component in poverty alleviation programmes. **Indian Livestock** is reared in close human proximity where they form component of the life system of the people.Importance of domestic animals

- On the basis of utility, domestic animals are categorised into the following

functional groups -

1. Milk giving animals Cattle, buffalo, goat, sheep etc.

2. Draught (used for load Bullock, horse, donkey, mule,

bearing) animals camel, elephant, yak etc.

3. Fibre, hide and skin yielding Sheep, goat, cattle, buffalo, camel etc.

4. Meat and egg yielding animals Fowl (hen) and duck, goat, buffalo, pig etc. Cows, buffaloes, bullocks, mule and donkeys are not just utility animals, but also companions at work for the toiling poor who rear them alongside their own dwelling. India has 53% of world Buffalo population and 15% of world Cattle population. In terms of sheep population, India ranks fifth after Australia, China, Iran and New Zealand.

Production area

Rajasthan, Jammu, Kashmir, Uttar Pradesh, Gujarat, hilly regions of North and Eastern Himalays are the Indian regions with maximum livestock population.

Smallholder Dairying in India

This project comprises three sub-projects that will all use data from a 2,000 household survey currently being conducted in north-central India.

The first project studies the determinants of the use of artificial insemination of dairy cows in India. Artificial insemination is the world standard insemination method primarily because it increases the milk productivity of calves. Despite this, Indian farmers use artificial insemination in less than 35% of their inseminations. We focus on the following new explanation for the low rate of adoption: the lack of credible means to prove that calves have

artificial insemination fathers renders this technology unprofitable. The basic test for this idea is to see whether farmers who plan to keep their own animals are more likely to use artificial insemination, because they do not need to prove to prospective buyers that they used it. We will collect information on whether households plan to keep their new calves and their usage of artificial insemination to test this idea.

The second project will test whether market failures, in the form of information asymmetry between buyers and sellers, exist in rural Indian cattle markets. First, we will test whether higher quality cows receive lower prices than expected because their owners have no way to prove their quality. Second, we will test if farmers wait for their cows to become pregnant before selling them as a way to prove their cow's fertility. For these tests we will collect data on the estimated values of animals owned by farmers, measures of quality such as milk productivity, and pregnancy status.

The third project studies how poor rural households respond to a previously unstudied source of risk: the sex of calves. Because female calves give milk and will produce more calves, they are worth substantially more than male calves. This project will (1) estimate the magnitude of "calf sex risk" that households face and (2) assess whether households use any cow trading strategies to reduce this risk. If this risk is large, the study will explore the possibility of partnering with microfinance institutions to offer insurance to help farmers hedge this risk. Data is collected on the relative prices of male and female calves for different breeds to estimate the magnitude of this risk and on timing of sales, to test whether some households sell animals before birth to avoid the risk of their animal having a male calf.

Food commodities

Commodity markets are markets where raw or primary products are exchanged. These raw commodities are traded on regulated commodities exchanges, in which they are bought and sold in standardized contracts.

Food commodities are traded to international markets across continents and distributed to reach remote places also. The food commodities are ranked based on availability productivity, and demands of the increasing population. Non-processed food items such as

whole grains, pulses, spices, cashews, frozen foods, fruits, vegetables, milk, eggs and many more are food commodities that are traded to native or internal markets and international markets. Processed food commodities include edible oils, butter, cheese, cedars, fruit juices, sauces and all types of flours. The food industry is a multi-billion dollar business and the world's largest industry.

Handling food commodities includes many important factors that cannot be ignored such as storage, shelf life and temperature conditions. Storage space requirements should be given careful attention, as the amount of space necessary in a warehouse depends upon the total volume of food stored and on the number of different commodities. Separate stacks require more usable volume than one large stack; hence, each commodity should be stacked separately. Shelf life refers to the average amount of time a product may be stored without nutritional deterioration. A food commodity can deteriorate for several reasons such as aging, microbiological decay, chemical and physical degradation and texture changes. Deterioration of food commodities can be reduced or slowed by careful processing, packaging, handling and storing. Universal guidelines for controlling temperature and humidity conditions to suit the various food commodities are impossible, because these conditions and the operating environment vary from place to place. However, some basic instructions can be followed such as keeping all food commodities in dry conditions, storing wet and dry foods separately, cross-ventilation in the warehouse, sunroofs and covering food commodities during transportation.

Besides food commodities being a profitable trading business, large quantities of food items are donated through food distribution programs as relief measures. The commodities required food programs use inexpensive food staples to provide basic nourishment to populations in extreme food security emergencies, as well as for development activities designed to address food security goals.

Contract Farming

Contract Farming has been in existence for many years as a means of organizing the commercial agricultural production of both large – scale and small –scale farmers. In an age of market liberalization, globalization and expanding agri business, there is a danger that

small- scale farmers will find difficulty in fully participating in the market economy. In the era of globalization, the concept of 'Contract Farming' is an effective way to co-ordinate and promote production and marketing in agriculture. "Contract Farming can be defined as an agreement between farmers and processing or marketing firms for the production and supply of agricultural products under forward agreements, frequently at predetermined prices." Contract Farming is now considered to be a corrective to market

imperfections and serving a useful purpose in India in its own limited sphere. Contract Farming has been promoted in the recent three decades as an institutional innovation to improve agricultural performance in less developed countries. This system was accepted and used as one of the promising institutional frameworks for the delivery of price incentives, technology and other agricultural inputs. Local Governments, private local firms, Multinational companies, some international aid and lending agencies etc have been involved in these contract farming schemes (Glover 1994).

The prime advantage of a contractual agreement for farmers is that the sponsor will normally undertake to purchase all produce grown, within specified quality and quantity parameters. Contracts can also provide farmers with access to a wide range of managerial, technical and extension services that otherwise may be unobtainable. Farmers can use the contract agreement as collateral to arrange credit with a commercial bank in order to fund inputs. Thus, the main potential advantages for farmers are:

1.provision of inputs and production services;

2. access to credit;

3.introduction of appropriate technology;

4. skill transfer;

5.guaranteed and fixed pricing structures; and

6. access to reliable markets.

The main agricultural products of India under the process of contract farming are as follows -

- Food Grains - Rice, Wheat, Pulses, Cereals, Corn, Maize, Rice Bran Extractions, Sorghum, Soy meal, Suji, Parmal, Lentils, Jowar, Bajra, Chick pea,

- Fruits & Nuts - Cashew Kernels, Cashew Nut, Cashews, Almonds, Roasted Dry Fruits, Peanuts, Groundnut, Walnut Kernels, Walnuts, Indian Peanuts, HPS Groundnuts

- Fruits - Bananas, Beans, Cherry, Cucumbers, Dried Fruits, Dried Truffles, Carrots, Lemon, Mandarins, Mango, Meslin, Shallots, Apples, Asparagus, Grapes, Oranges, Gherkins, Turnips, Oranges, Papaya, Pineapple,

- Vegetables – Potatoes, Bitter gourd, Stripe Gourd, Pumpkin, cauliflower, Cabbage, Tomato, Onion, Green Pepper, Drum Sticks, Lady's finger, Banana, Papaya, Spinach, Cucumber, Mushroom, Mushroom Spawn, Radiata, Seeds, Buds, Plantation & Related Products - Basil Seed, Cumin seeds, Dill Seed, Buds, Celery Seed, Hybrid Seeds, Sesame Seeds, Sesbania Seed, Sunflower Seeds, Mustard Seeds, Oil Seeds, Plant Products, Plantation, Plants, Psyllium Seed, Fennel Seed, Fenugreek Seed, Herb Seeds, Tamarind Seed, Vegetable Seeds

- Spices - Black Pepper, Chilly, Cinnamon, Cloves, Coriander Powder, Cumin, Dry Ginger, Dry Red Chilly, Cardamom, Anise, Salt, Pepper, Fenugreek, Clove, Ginger, Turmeric, Turmeric Powder,

- Tea & Coffee - Black Tea, Coffee, Coffee Beans, Darjeeling Teas, Assam Teas, Instant Coffee, Leaf Coffee, Leaf Tea, Packaged Tea, Green Tea, CTC Teas,

- Tobacco & Tobacco Products - Betel nut Leaves, Betel nut, Bidi Leaves, Chewing Tobacco, Arecanut, Snuff, Opium, Pan, Jute, Tobacco, Rubber etc.

Risk Management in Agribusiness:

Risk management is the systematic application of management policies, procedures and practices to the tasks of identifying, analysing, assessing, treating and monitoring risk. It is a way for an organization to balance the chances of serious losses against the opportunities for profit-making. Risk management is not a set of procedures that are followed, once and for all, to 'inoculate' the organization against risk but is a continuous, adaptive process that needs to be integrated into all relevant aspects of the decision-making procedures of the organization. Risk and uncertainty are inescapable factors in agriculture. Agriculture also

tends to be fairly capital intensive with considerable investment in items such as land and machinery. Farmers are confronted with risks not only in making short-term production and marketing decisions, but also with longer-term investments decisions. Types of risk include production risk related to the weather, crop and livestock performance, and pests and diseases, market risks, government-influenced institutional risks, and personal or human risk. All these risks constitute business risk, which is further related to financial risk. Dealing with all these types of risk systematically, whether for farmers, researchers or policy makers, is difficult.

In India, agricultural risks are exacerbated by a variety of factors, ranging from climate variability and change, frequent natural disasters, uncertainties in yields and prices, weak rural infrastructure, imperfect markets and lack of financial services including limited span and design of risk mitigation instruments such as credit and insurance. These factors not only endanger the farmer's livelihood and incomes but also undermine the viability of the agriculture sector and its potential to become a part of the solution to the problem of endemic poverty of the farmers and the agricultural labor. . The criticality of agriculture in the rural transformation and the national economy seen along with its structural characteristics require substantial governmental and financial sector interventions not only to ensure household food and nutritional security of the farming community but also to generate savings and investments in this grossly under funded sector. The poor penetration and development of various risk management tools in the country also represent the huge opportunities for the emerging agricultural insurance and commodity markets to pull the producer from out of the poverty trap by insulating him from income shocks and by ensuring that a fair share of the price goes to the producer. Making a strong case for moving risk management solutions towards a sustainable actuarial regime as also harnessing the technological advances in climate science, remote sensing technologies in developing early warning systems, increasing the effectiveness of instruments for pooling, sharing and transfer of risks, enhancing the coping capabilities of the farmers and other mitigation measures has therefore

guided the careful formulation.*[Ref: Report of the Working Group on Risk Management in Agriculture for the XI Five Year Plan(2007-2012) by Govt. of India , Planning Commission, New Delhi.]*

The Working Group reiterates the basic objective of ensuring that ultimately the risks of Indian agriculture are pooled, shared and transferred to international capital and reinsurance markets through appropriate market-based instruments like reinsurance, catastrophe bonds and alternative risk transfer mechanisms.

The governments in developing countries such as in India whether central or state, cannot bear all losses arising out of risks in agriculture. Their involvement must necessarily stand restricted to enhancing the coping capacities of the farming communities, institution building, stepping in, in times of catastrophic losses and correcting imbalances to which the agricultural sector is exposed to from time to time on account of its inherent vulnerability.

Accordingly the Working Group has recommended measures for the XI Plan period to strengthen the institutions, systems and mechanisms involved in the mitigation and transfer of agricultural risks, such as:

- Transition of the Crop Insurance Scheme to an actuarial regime supported by upfront subsidy in premium with insurers taking full responsibility for claims, save catastrophe claims.

- Strengthening the weather insurance system through technological developments like electronic weather stations and remote sensing technology.

- Increase in penetration of livestock insurance considering its future potential contribution to rural income growth.

- To introduce farm income insurance scheme to protect farmers' incomes more comprehensively.

- To introduce price stabilization fund and credit risks management fund to insulate farmers from price volatility.

- To manage environmental risks ariring from climate variability and change through early warning systems, capacity building of farmers and institutional interventions.

- To develop institutions like commodity futures, markets, contract farming, agricultural warehousing infrastructure, etc. to mitigate price risks.

- Recognizing the need to manage the multiple risks in an effective manner a centre for integrated risk management in Agriculture is proposed to be established in public – private partnership.

It is our belief that government initiatives on these lines to strengthen the agricultural sector's risk management capabilities will lead to ushering in a sustainable and remunerative agriculture during the XI Plan Period.*[Report of the Working Group on Risk Management in Agriculture for the XI Five Year Plan(2007-2012) by Govt. of India , Planning Commission, New Delhi.]*

Agricultural marketing

Agricultural marketing is where the producer, the processor, the distributor and the consumer meet.Agricultural marketing covers the services involved in moving an <u>agricultural</u> product from the <u>farm</u> to the <u>consumer</u>. Numerous interconnected activities are involved in doing this, such as planning production, growing and <u>harvesting</u>, grading, packing, transport, storage, agro- and <u>food processing</u>, distribution, <u>advertising</u> and sale.

Let us discuss some of these attributes with reference to the example of harvesting of "Sunflower" *[Ref: Post-Harvest Profile of Sunflower, By Government Of India,Ministry Of Agriculture,(Department Of Agriculture & Cooperation),Directorate Of Marketing & Inspection*

Branch Head Office, Nagpur]

Sunflower (*Helianthus annuus* L.) is an important oilseed crop in India popularly known as "Surajmukhi." The name "Helianthus" is derived from 'Helios' meaning 'sun' and 'anthos' meaning 'flower'. In India, sunflower as an oilseed crop introduced in 1969.

It is one of the fastest growing oilseed crops in India. In India, it was used mainly as ornamental crop but in recent past it became an important source of edible and nutritious oil. Sunflower is a major source of vegetable oil in the world. It is used for a variety of cooking purposes. Sunflower seed contains about 48 – 53 percent edible oil. The sunflower oil is considered premium compared to other vegetable oil. Sunflower oil is a rich source (64 percent) of linoleic acid which is good for heart patients. Sunflower is also a source of lecithin, tocopherols and furfural. It is used as nutritious meal for birds and animals. It is also used in the preparation of cosmetics and pharmaceuticals.

Grading- Grading means the sorting of the homogenous lots of the produce according to the fixed grade standards. Produce is graded in accordance with the various quality factors. The grading of sunflower is beneficial to the farmers, traders as well as to the consumers. Grading of the produce before sale enables farmers to get better price for their produce, whereas grading helps the consumers to get standard quality produce at fair price. After grading, it is easier for the consumer to compare the prices of different qualities of a produce in the market. Grading also reduces the cost of marketing.

In the market, the sale is generally done on the basis of visual inspection of sample and with local commercial name. Buyers offer price on the visual examination of whole lot considering the quality factors like size, colour of the grains, moisture content, refraction and admixture with other varieties. In order to ensure remunerative price to the farmers as well as to gain the confidence of consumer, the sunflower should be graded systematically.

Packaging –

Packaging is very important as good packaging protect the produce from any damage during storage, transportation and other marketing operations. It provides convenience in handling during transportation and storage. In recent years, packaging plays an important role in marketing of produce. The good packaging of Sunflower also attracts consumer to pay more. National Agricultural Co-operative Marketing Federation of India Limited (NAFED) usually packs Sunflower seed in 50 Kg Nett BTwill gunny bags.

Transportation –

Means of transportation used at different stage of marketing

Stage of marketing	Agencies	Means of transport used
From threshing floor to the village/primary market.	**Farmer**	By head load, pack animal, bullock cart or tractor's trolley.

From primary / market to secondary wholesale market and miller	**Trader** **Miller**	By trucks, railways.

From wholesale markets and miller to retailer	**Miller / Retailer**	By trucks, railways, mini trucks,tractor trolley
From retailer to consumer	**Consumer**	By hand , pack animal, rickshaw, bicycle.

For export and import	**Exporter / Importer**	By ship, air cargo.

Storage:

The storage is an important aspect of post harvest operations. Storage provides

protection to produce against moisture, weather, insects, micro-organisms, rodents, birds and

any other type of infestation and contamination. Storage losses are high when sunflower are

harvested at high moisture content. Moisture content is the key factor that determines the

storage life of sunflower. Moisture content ranging from 5 to 8 percent is the most suitable for storage of sunflower. Due to lack of storage facilities, farmers sellout their produce immediately after harvesting at low price. It is essential that during storage, sunflower should remain in good condition and not undergo any deterioration in quality.

Distribution:

Assembling and distribution of the agricultural produce are closely related. The

assembling deals with the movement of sunflower from the farm to the assembling centre while the distribution deals with its further movement to the consumer. The producer makes the movement of sunflower from the farm to the assembling centers, while a number of market functionaries are involved in the distribution dealing with its subsequent movement to the ultimate consumer.

The following agencies are involved in distribution of Sunflower at various stages of marketing:

> - Producers
> - Village traders
> - Itinerant traders
> - Retailers
> - Wholesale merchants
> - Commission agents
> - Sunflower millers/processors
> - Co-operative organisations
> - Government organisations
> - Exporters and importers

<u>Conclusion:</u>

- Farming can be a very satisfying life style. In order, however, to be financially successful, new farmers must view their operation as a business.

- Agriculture is the backbone of Indian Economy. About 65% of Indian population depends directly on agriculture and it accounts for around 22% of GDP, while about 65-70 % of the population is dependent on agriculture for their livelihood.

- Agriculture derives its importance from the fact that it has vital supply and demand links with the manufacturing sector.

- India has Monsoon climate in which a year has been divided into two distinct seasons of summer and winter. Rainfall occurs mainly in summer. India has a strong weather forecasting system developed and maintained by Indian Meteorological Department (IMD).

- Indian Agriculture is characterized by small and marginal operational holdings. About 85% of total cultivated land has been fragmented into less than 10-hectare land. About 60% of farmland is less than 4 hectare in size.

- A National Horticulture Mission has been launched as a Centrally Sponsored Scheme to promote holistic growth of the horticulture sector. "Presently, India is the 2nd largest producer of fruits & vegetables in the world."

- Recommended measures for the XI Plan period to strengthen the institutions, systems and mechanisms involved in the mitigation and transfer of agricultural risks.

- Besides food commodities being a profitable trading business, large quantities of food items are donated through food distribution programs as relief measures. The commodities required food programs use inexpensive food staples to provide basic nourishment to populations in extreme food security emergencies, as well as for development activities designed to address food security goals.

- In the era of globalization, the concept of 'Contract Farming' is an effective way to co-ordinate and promote production and marketing in agriculture in India.

TRENDS IN HRM

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Abstract: "Trends in HRM"

Man is the Person who handles men, machine, material and money. These factors are responsible for Profitability of the organization. Therefore, the role of Human Resource Management increases day by day. In order to get profit and to survive in the competition Human Resource Management should change according to the requirements of the Market. Therefore, to meet the requirements of the market lots of trends are innovated in the market. The study compares the existing and the new paradigm in HRM, emerging and recent trends in HRM. The study also shows how IT provides paperless working in the organization. The study will help in knowing latest methodologies and technologies used in performing assignments.

Management.

➤ To Study use of Information Technology in HRM.

Methodology: The research based on secondary data.

Secondary data will be gathered by collecting Magazines, books, journals, internet and other publications.

Introduction of HRM

Human Resource Management is a process of bringing people and organizations together so that the goals of each are met. The various features of HRM include:

> ➤ It tries to help employees develop their potential and encourages employees to give their best to the organization.

> ➤ It is all about people at work, both as individuals and groups.

> ➤ It tries to put people on assigned jobs in order to produce good results.

> ➤ It helps an organization meet its goals in the future by providing for competent and well-motivated employees.

Now days Use of IT in HRM also increases because it provides speedy, smooth, secured, and accurate functions of the organization.

The Emerging trends and Changing Paradigms of human Resource Management are as follows.

Emerging Trends and Changing Paradigms of human Resource Management.

The business world is changing at bullet-train speed – technology, the global economy, increasing regulatory scrutiny, the looming talent crisis, the recognition that mental illness is dramatically affecting the workplace. All of these are having a huge impact on the HR profession

Some of the changes are as follows:

Existing Paradigm	New Paradigm
Task First	People First
People are not Important.	People valuable asset.
Control by Supervisor.	Commitment by team.
Directive Decision making by bosses.	Consensus decision making.
Power over Employees.	Empowering Employees.
Low risk taking stable organization.	Innovate, constant changingorganization.
Standard: acceptable quality and service.	Standard: World class quality and Service.
Rigid Rules and Regulations.	Flexible procedure.
Doing things right.	Doing the right things.
I am the Boss.	Team Concept.
That's the way we have always done it.	Encourage change & suggestion

- The policies of many companies have become people centric, traditionally the policies mainly focused on achievement of organizational goals showing negligence towards the human resource.

- Attracting and retaining of human resource has become difficult as loyalty factor is losing its shine, today HR personnel have to motivate and design healthy career road map to make them stay in the company.

- With the increase of global job mobility, recruiting competent people is also increasingly becoming difficult, especially in India. Therefore organizations are also required to work out a **retention strategy** for the existing skilled manpower.

- **Increase in education levels**: Due to technological progress and the spread of educational institutions workers will increasingly become aware of their higher level needs; managers will have to evolve appropriate policies and techniques to motivate the knowledge of workers. Better educated and organized workforce will demand greater discretion and autonomy at the work place.

- **Technological developments:** This will require retraining and mid-career training of both workers and managers. Rise of the international corporation is proving new challenges for personnel function.

- **Increasing government role:** In India, personnel management has become very legalized. In future private organizations will have to co-ordinate their labour welfare programmes with those of the government private sector will be required increasingly to support government efforts for improving public health, education training and development and infrastructure.

- **occupational health and safety:** Due to legislative presence and trade union movement, personnel management will have to be more healthy and safety conscious in future.

- **New work ethic:** greater forces will be on project and team forms of organization. As changing work ethic requires increasing emphasis on individual. Jobs will have to redesign to provide challenge.

Emerging and Recent Trends in HRM

- Six Sigma Practices.
- HR Outsourcing.
- Rising Compensation Cost.
- Managing diversity in the workforce
- Talent Management.

- ➢ HR Balance Score Card.

- ➢ Knowledge Management.

- ➢ HR Matrix

The trends in human resource industry are dynamic in nature which contributes towards to achievement of organization goals. Over the years, highly skilled and knowledge based jobs have increased while low skilled jobs are decreasing. This calls for skill mapping through proper HRM initiatives.

Emerging and Recent trends in HRM

<u>**Organizations introduced six- sigma practices**</u>

Now a Days, organizations have introduced **six- sigma practices** Six Sigma is a set of practices to systematically improve processes by eliminating defects. A defect is defined as failure of a product, process or service in meeting requirements of internal or external customers. **Six- sigma uses** rigorous analytical tools with leadership from the top and develops a method for sustainable improvement

Six- sigma practices enhances the knowledge and skill set to enhance efficiency of processes and workflows which is highly demanded in the industry (Analytical, Statistical, Project Management Skills etc.) **Six- sigma practices enables** Ideal preparation for a leadership role.

<u>**HR outsourcing initiatives more focused and selective.**</u>

Outsourcing is contracting with another company or person to do a particular function. Some of the organization started outsourcing some of the HR functions like recruitment, pay and benefits administration, leave administration, training and development programs and performance management. It is widely debated that entire Human resource Management activities may be outsourced and the HR division can be eliminated. It is equally debated that certain HR functions like motivation and leadership cannot be outsourced. However, it would be difficult to decide categorically, which of the HR functions can be outsourced .The following functions can be outsourced depending upon the organizational convenience.

- ➢ Job Design and Job analysis.
- ➢ Human Resource Planning.

- ➢ Recruitment.
- ➢ Training.
- ➢ Salary and benefit administration.
- ➢ Leave administration.

Human Resource Outsourcing is the new name in the industry to replace the redundant traditional HR department. Many HR outsourcing companies in India are already established and some are coming up to support increasing demand of corporate India.

The following HR functions mostly cannot be outsourced:

- ➢ Selection, Placement and Induction.
- ➢ Motivation.
- ➢ Leadership
- ➢ Dealing with Trade Union.
- ➢ Human relations and Industrial Relation.
- ➢ Employee Empowerment, participative management and quality circles.

Outsourcing can range from the large contract in which a company like IBM manages IT services for a company like Xerox to the practice of hiring contractors and temporary office workers on an individual basis.

Why outsourcing?

There are many reasons why a company may choose to outsource a particular function of their business. Most managers have the end-result-in-mind that they are going to save time and/or money. Other reasons include:

Resource Shortages Relieved by Outsourcing

A particularly strong reason to outsource involves a shortage of a critical resource. This can be available employees that possess knowledge in a certain area (e.g. engineers), availability of material (e.g. petroleum or minerals) and a labor force at a level and price that will offset the cost of higher prices alternatives.

Outsourcing Provides the Ability to concentrate On the Core Business

Some necessary, but peripheral operations are outsourced most frequently. This gives the

managers the ability to concentrate on the core business issues instead of getting distracted by required, yet minor matters. A good example is a major hospital in our area that outsources its security operations to a third party company specializing in security.

Outsourcing Yields Cost Savings

The prices of labor and/or materials keep increasing and competition keeps forcing prices lower. If there is an outsourcing solution that can save your company money and overcomes the disadvantages of outsourcing, these areas should be investigated.

Outsourcing Provides Flexibility

Seasonal or cyclical demands that ebb-and-flow put varying demands on the resources of the company. An outsourcing contract could provide the flexibility needed to stabilize these varying demands. Example: A business brings in extra accountants during tax season and when being audited by the holding company that owns the business.

Reduce Overhead Costs through Outsourcing

Some functions require a large outlay of money just to get started. This expenditure could be avoided by contracting with a third party. For example, expanding your call center's capacity to the point where it exceeds the capabilities of your telephone system.

Common Outsourced Areas

Although many areas and functions are outsourced, here are some of the frequently outsourced areas:

- Information Technology Functions
- Network and Telecommunications
- Human Resources and Insurance Administration
- Accounting
- Marketing
- Security.

The Rising Compensation Cost

The continually rising compensation cost especially health care insurance and health care is affecting what employers can provide in terms of additional benefits for their employees.

And increasing benefits like bonus, social Security measures, and retirement benefits like provident fund, gratuity, pension and also housing, medical, canteen, educational facilities. All of these benefits create Competitive pressure on increasing employee wages. The rise of employee payments for part of insurance coverage, the practice of seeking insurance first from a spouse's employer, increased payments for covered family members, and higher health care provider co-pay office fees are all highlights of the rising cost of care.

Managing Diversity in the workforce: Diversity is dealing with the collective of mixture of differences and similarities in a given group. It include age, background, education and personality.

Managing diversity is a philosophy about how differences among individuals are accepted and respected and how they are made to work in cohesion. Firms are realizing that utilizing diversity in all aspect of the workforce makes not only strong moral sense but also business sense. By ensuring that diversity is built into various groups of members, such as project team, business start-up teams, customer response teams ,sales force and top management teams, business are able to achieve;

- ➢ Access to changing marketplace.
- ➢ Large scale business transformation.
- ➢ Superior customer service
- ➢ Workforce Empowerment.
- ➢ Total Quality

Knowledge Management:

Knowledge is the power/capacity for effective action. The organized data are information. The processed information in the actionable form is referred to as knowledge. The Knowledge becomes wisdom when it is used for a good cause of a large number of people. Therefore management of knowledge is one of the important emerging trends in Human Resource Management. The term knowledge management is coined by Kael Wiig-a Consultant.

Knowledge management is "a systematic, explicit and deliberate building, renewal and application of knowledge to maximize an enterprise knowledge-related effectiveness and returns from its knowledge asset."

Knowledge management helps the organization to:

- Derive more value and competencies from the intellectual property.
- Ability to change and to become change agent.
- Build competencies/competitive advantage/distinctive competencies.
- Learn continuously and retain competencies.
- Increased productivity, profits etc.

Human Resource Matrix Management:

Human Resource Matrix aligns HR activities along with customer needs and the activities of all other units of the organization.

Human Resource management functions can't be performed in isolation. They have to be aligned horizontally with the other functions like production and operations, marketing, finance and research and development. Similarly they have to be aligned vertically with the policies and strategies formulated by the top level of the organization to serve the current and future customer.

HR matrix looks like business process reengineering around the customers or clients rather than following superior-subordinate relationship in the traditional organization chart.HR matrix first consider the priorities of the customer and expect all functions around customer needs in order to optimize the performance and outcome in achieving company strategies and in serving the customer at fast rate.

Talent management

Talent management refers to the skills of attracting highly skilled worker, of integrating new workers, and developing and retaining current workers to meet current and future business objectives. Companies come to realize that their employees' talents and skills drive their business Success. These companies develop plans and processes to track and manage their employee talent, including the following:

- Attracting and recruiting qualified candidates with competitive backgrounds
- Managing and defining competitive salaries
- Training and development opportunities
- Performance management processes
- Retention programs
- Promotion and transitioning

HR Balance Score Card: HR Balance Score Card is a performance management tool that measures the effectiveness of strategy implementation. A method of implementing a business strategy by translating it into a set of performance measures derived from strategic goals that allocate rewards to executives and managers based on their success at meeting or exceeding the performance measures.

Reasons for the Need of a Balanced Scorecard

1. Focus on traditional financial accounting measures such as ROA, ROE, EPS gives misleading signals to executives with regards to quality and innovation. It is important to look at the means used to achieve outcomes such as ROA, not just focus on the outcomes themselves.

The balance score card represents the four areas that are responsible for overall success.

- o Work Culture.
- o Internal Business.
- o Customer Service.
- o Finance.

Information Technology in HRM.

Technology continues to impact us profoundly, both in our personal lives and in the workplace, and it will continue to evolve. While most of its impact has been overwhelmingly progressive and positive, As IT provides speedy, smooth, secured, and accurate functions of the organization.

Aspects of E-HRM

E-Human Resource planning: - computer programmes are developed used extensively for the purpose of planning human resource requirements based on data and information. These programmes indicate the number of employees required at each level for each category of the jobs based on sales and production forecast.

E-Recruitment:-organizations advertise the job vacancies through the World Wide Web or send the information directly to the most competent people through the e-mail. The job seekers send their application through the e-mail using internet. Alternatively, job seekers placed their CV's in the World Wide Web through various sites like naukari.com,freshersworld.com and monsters.com, which can be drawn by the prospective employers depending upon the requirement.

E-recruitment manages job description and job vacancies, search for the candidates and the interview process. It is also referred to as applicant tracking system; this is web based application that enables the electronic handling of organizational employment needs. These activities include posting job advertisement on web sites to stimulate and attract candidates, known as job boards. Job board allows candidates to apply online and the candidate's data are stored on database that allows searching, screening and filtering applications. The application tracking system shortlist the candidates and arrange for interview and recruitment related activities.

A click on the mouse presents 240,000 job sites to the candidates. It reduces the cost by 95 percent of the traditional recruitment. Also it reduces the time from normal 43 days of traditional recruitment to just few days.

In view of these advantages a number of employers around the world recruit the people using internet.

E-selection: E-selection has become popular with the conduct of various tests through on-line, contacting the candidates through e-mail and conducting the preliminary interviews and final interview through audio-conferencing and video-conferencing. Further, the employers get the reference letters/opinions from the referees through e-mail..

It reduces the time required for other selection techniques and also reduces the overall cost of selection process. But it can operate certain selection test like psychological test and also mechanical defects reduces the efficiency of selection technique.

E-training and Development: - companies started providing on-line training and online executive development. Employees learn various skills by staying at the place of their work. Participant completes course work from wherever they have access computer and Internet.

E-Learning via Intranet / Internet is now a global phenomenon and is central to training and development in many companies.

E – Learning represents the total category of technology based learning, while online learning is synonyms with web based learning. The term E-Learning covers a wide set of applications, including computer based learning, web based learning, virtual classrooms and digital collaboration Training provides a completes saleable and open infrastructure that allows organization to manage . deliver and track employee training participation in online or classroom based environment. Training interact with contents , or trainers at the own pace E - Trainig system deploy content to global learners , make use of mix media and multiple learning and modalities. They also creates learning paths , establish multiple discrete sites on a single instance of the application , define competencies attain by trainees , and update the trainees competencies profile. Thus E Training provides for

- Storing E Learning Module and enables trainees to select appropriate modules to meet specific learning needs.

- Analyzing training recommendation based on performance review reports and training needs.

- E-training helps the employees specify corporate competencies and build up knowledge management strategies.

E-training would be effective, if the following conditions are present:

➢ Facility of interaction with the tutor;

➢ Facility of interaction with the peers;

➢ Opportunity for differential learning;

➢ Availability of training material readily; and

➢ Motivating the trainees to learn.

➢

E-Performance Management: Several software packages are developed to measure employee performance and offer suggestions for improvement of employee performance.

The software on employee performance appraisal provides a number of statements and substatements on each of the performance categories. The appraiser selects and clicks the appropriate rating for each statement. The system generates a detailed report, by the time the appraiser has moved all the performance categories and subfactors. This report can be modified, comment can be added or deleted by the appraiser and a final report can be prepared by the manager.

Further, organization use computer networks, sophisticated telephone system, and video equipment to monitor and record the employee work activities.

In E-performance management manager can manage more number of employees with less effort and less time in appraising performance.

E-compensation Management: - Almost all the organization started using computers for salary fixation, salary payments, salary calculations, fixation and calculation of various allowances, fixation and calculations of employee benefits, welfare measures and fringe benefits.

E-payroll: - E-payroll models automatically collect data regarding employee attendance and work record for purpose of evaluating work performance, they calculate various deductions including tax, and generate periodic pay cheques and tax reports. Payroll modules in turn send data and accounting information to the general ledger for posting and subsequent operations as they frequently integrated e-payroll with e-finance management.

E-payroll able to control processing rules and calculations using formulas and conditional logic for complex cases.

E-payroll is able to process from data entry simultaneously fully reconciled results and multiple employee groups. By preparing paperless online pay-slips, the system is able to reduce administration costs and time for total operations. Employees too can view their exclusive data and personalized reports.

E-HR Records: Human resource records created, maintained and updated with the help of computer easily and at a fast rate. Human resource records, either partially or fully, can be shifted or transfer from the branch/regional office or from one department to another department through intranet/internet.

E-HR Audit: The standard human resource practices or the desired human resource practices are fed into the computer. The data and information regarding the actual practices are also fed into the computer; the software automatically completes the human resource audit and produces the audit report. The human resource manager then can modify the report by deleting or adding any comments.

Finding and conclusion:

 ➢ Organization cannot and should not remain constant over time. Even if the management does not want to change, external pressure forces it to change. In order to

get profit and to survive in the competition Human Resource Management change and innovate new trends, policies according to the requirements of the Market.

➢ Over the years, highly skilled and knowledge based jobs are increasing while low skilled jobs are decreasing as a result there is challenging work for managers to retain the talented employee in the company.

➢ Many companies are now realizing the advantages of a diverse workplace. As more and more companies are going global in their market expansions either physically or virtually there is necessity to employ diverse talents to understand the various niches of the market.

➢ HR professionals face various challenges like cost control and Focus on employee responsibility and involvement at work.

➢ More flexible patterns of work with the emerging trends in HRM.

➢ Greater use of technology. Computers are widely used machine that has made the things simple. Computer awareness is a compulsion now. A wide range of software available to solve complex business and managerial problems.

➢ Now Human Resource management is considered as one of the important and basic pillar of the organization because Man is the Person who handles men, machine, material and money. These factors are responsible for Profitability of the organization. Therefore, the role of Human Resource Management increases day by day.

➢ Just taking care of employees would not be enough; new HR initiatives should also focus on the quality needs, customer-orientation, productivity and stress, team work and leadership building.

Suggestions:

➢ Each Employer should be at the forefront of the latest trends and requirements and react to them quickly.

➢ Real talent management should be done by employer. He should know who our Stars are, nurture them, develop them, figure out what support they need to thrive in our Organization – because if employers are not able to do this another company will.

➢ Employer should start working on an HR outsourcing strategy today. Otherwise, employer won't have time to do the rest.

➢ HR manager have to motivate and design healthy career road map to make employee stay in the company.

➢ Employers and employees should be update with the latest technology.

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BLOG THAT MARKETS AT EASE

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Abstract:-

Blogs which are also known as web logs are the new thing on the internet. They are pretty much a platform that you can use that will allow you to post your thoughts on most any subject that you want to. They can be used for journaling, promoting, writing, and publishing, anything that your heart desires. Using a blog to market something is cheaper than using a website. This is because there are so many free ones out there that you can use to get the word out, and they are really just as good as having a website that you pay for. There are of course some advantages to having your own URL, but for a beginner, a free one will work until you get the hang of it and want to move it all over onto your own

INTRODUCTION:

Blogs which are also known as web logs are the new thing on the internet. They are pretty much a platform that you can use that will allow you to post your thoughts on most any subject that you want to. They can be used for journaling, promoting, writing, and publishing, anything that your heart desires. However, if you are a beginner and new blogging as well as marketing, there are some very important things that you will want to know.

Blog marketing is pretty easy if you have a marketing mind. You are going to find that many people use blogs as a diary, and many times these blogs that are used for this purpose are not intended to make them money, but simply a way to put there thoughts out there and find others that are going through the same thing. If you have never even had a blog before, the

simplest thing that you can do is to start one, and just journal in it for a while. This will allow you to learn just what it takes and what it is all about to keep up a blog. When you are just journaling your thoughts and what is on your mind, you have nothing to lose and nothing to gain. You don't even have to make your blog public if you don't want others to read what you have to say. That is a personal preference. However, doing this will let you see how it works. Then you can move on to trying to market a product or a service.

Using a blog to market something is cheaper than using a website. This is because there are so many free ones out there that you can use to get the word out, and they are really just as good as having a website that you pay for. There are of course some advantages to having your own URL, but for a beginner, a free one will work until you get the hang of it and want to move it all over onto your own server. The free blogs are just not that customizable. If you are not familiar with HTML, you are going to find that your blog will look like everyone else's. But, that is ok in the beginning. You can always make changes later on once you are becoming successful.

When you have your own blog, you are in charge of the content that is posted on it. You can decide what is said, and what is not. You are after all writing it all, right? So, the sky is the limit. Whether you want a blog that does website reviews and takes nominations, or you want to sell things that you make out of your home, the choice is yours. Using a blog to get the word out about whatever you want too is a great way to market and promote something.

Blog marketing can get complicated if you let it. It is really only as hard as you make it. While there are some bloggers out there that are making a six figure income with the use of blog marketing, we all know that it can be done. We just want to know how. Well, for any beginner, start small, and be consistent. The six figure bloggers all did. They started with one, built it up, and then added another blog, built it up. Then, keeping up both blogs and not letting them fall behind, they continued to add more and more. Of course they had help, and they outsourced a lot of their work. If you are looking to make a massive income with blogging, you will need some help.

Blog marketing is a great thing to learn. If you can sell things from a blog, you can sell them anywhere. Making money by using a blog is one of the most satisfying things that you will

ever learn how to do. Just do not expect to make money over night, know that you have to work at it consistently everyday, and remember to put into it what you want to get out of it.

OBJECTIVES:

1) To study the flexibilities and complexities of Blog Marketing.
2) To evaluate how transparent it is to Home Business.
3) To find out how Blog Marketing makes the most of search engine optimization.
4) To evaluate the Differences between Blog and Email Marketing.
5) To study the simplest ways of marketing through internet blog marketing and great blog techniques.

To make aware of scams associated with blog marketing

Blog Marketing and Home Businesses

Blog marketing is something that all blog owners do. They market their blog so that they can get readers, and make a profit from their blogs. Marketing their blog means to get it out there so that others that are interested in it can find it and read it. It is also a great way to sell things by using affiliate links and programs. Blog marketing can very well become a home business if that is something that you are interested in.

Having a home business by blog marketing would definitely entail that you have more than one blog. If this is something that you are considering, you will want to make a list of markets that your blogs can cover. You will find that your blogs will do best when you only have one market per blog. For example, if you have a blog about cats, you will not want to include anything on the blog about kitchen appliances. This is because the readers that read your blog and visit your blog to learn more about cats and what you have to say about them will not be interested in learning anything about kitchen appliances. Once you have overcome the relevancy issue, you will be ok. You can however, have a blog about pets, and then blog about all of the many pets that you want to include.

In order to make a living by blog marketing, you need to know every aspect of it. You need to know what needs to be done to get readers to your blog, how to write about the things that

you are promoting and how to get it up in search engine rankings. Doing so will lead to successful blog marketing and making a home business income with it.

One big aspect of blog marketing is SEO. SEO is search engine optimization and it consists of optimizing your blog so that the search engines will find it and rank it as high as possible which also leads to more traffic and leads from your blog. If you do not have time to learn SEO, and apply it to all of your blogs, hiring someone to do this for you might be something that you want to consider. Especially if time is an issue.

Outsourcing much of your work is something that you will need to get used to if you plan on making a substantial amount of money with your blogs. You may want to hire bloggers or writers that can write the content for your blogs, and someone else that can leave comments on other blogs with a link back to yours. Spread out all of the duties on a spread sheet and decide how often each thing needs to be done for each blog. Doing so will help you to be more organized and know what you need to do when, as well as prioritize. Using a spread sheet will also help you to keep track of who is doing what, and keep you from asking more than one person to get one job done.

Blog marketing for a home business is not much different from any other home business. You are going to get out of it what you put into it. If you only put in a couple of hours a week into your blogs, you can not expect to make a full time income with them. However, being consistent and working on your blogs every chance that you get will pay off in the long run. You will also discover that there is no better feeling in the world than owning your own home business, and working for yourself.

Just remember to start small, and work hard. That is all you need to become successful at blog marketing and make the income that you are dreaming of. All of your hard work will pay off if you are persistent and keep it up.

The Most Important Aspects of Blog Marketing

Blog marketing is a combination of many things all put together to make one great blog that is successful and that has many readers. However, if you think that you have done everything possible; chances are that you have not. Or that you should do more. When you are working

on marketing a blog, you never get to a stopping point. There is always something that you can do to continue to grow and make your blog well known. What are these things you ask? Keep reading to find out.

Blog marketing will keep you very busy. If you have more than one blog going that you want the highest and the best rankings for, you may have to hire some help. However make sure that you have good content. If you do not have good content, there is no reason for your readers to come back to your blog after their first visit. Keep writing good content as well. If it starts to go down hill, you may find that your reader status does as well and that could hurt you in the long run. Good content is the key.

Something else that many blog owners do not realize when they are marketing their blog is that it needs to be updated. Post content in your blog regularly for the best results. Maybe once a day is good for you? Perhaps you are more comfortable with one post a week? Whichever it is, be consistent with it and know that it will pay off to continue posting as you should.

Just having a blog about anything, or random subjects is not always a great idea. You have to have a niche market in order to market your blog successfully. For example, lets say one day you made a blog post on the current news, and the next day it was on your current marital situation. You will not be able to keep a blog audience posting off the wall things time after time. Find your area of expertise and run with it. You can be an expert on that market in your blogging community. Readers will go to your blog daily to find out what it is that the expert is going to say next. It really does work this way.

Make sure that your blog design stands out. You don't want your blog to look and feel like everyone else's, so make it different. Having your own look is a huge plus in the blog marketing world. You will find that most blogs all look the same and you can have your own look by just using HTML and adjusting the code to suit your taste. You are going to see that this will truly make a difference with your blog as well as your readers. Try to get a theme that is going to match the market that you are promoting in your blog. Doing so will make it look even more professional.

Do you know SEO? SEO stands for Search Engine Optimization. If you are not familiar with SEO, you need to get that way and fast. Using SEO will help you to market your blog to the fullest extent possible. Optimizing your blog posts as well as the HTML will get you results that you will love. Studying everything that you can find on SEO will help you immensely. You will find that there is so much more to bog marketing than just making a post on your blog everyday.

If you don't get ready, be sure that your blog has the RSS feeds. Having these feeds will allow others to be able to link to you blog. If one has many links, a huge part of blog marketing that you want to take advantage of as well. When someone uses the RSS feeds from your blog, they are able to get the posts that you make, and will give you a link back from their blog, or website, whichever they posted it on.

The Difference between Blog and Email Marketing

Blog and email marketing are two totally different things. They are two complete different ways to market something, whether it is a product, or a service. You are going to find that just because someone may use email marketing to make an income, does not mean that they always use blog marketing as well.

Blog marketing is when you use a blog to promote a service or a product. You can market the product or service so that it appeals to others, and is something that they might want or need. By using a blog you can get the word out about the product that you are using and let others know all about it. There are several ways to do this. It can be done as simple or as complicated as you want. For example, you can market your blog by exchanging links with other blogs that are relevant to yours. You can also leave comments on other blogs that will in return get you more visitors and readers to your own blog. Don't forget to update your blog as often as possible as well. That will make a huge impact on your blog.

Email marketing is when someone uses an email to get the word out about a product or s service. You simply would have your visitors to sign up for newsletters, and then send an email out to all of them that did so. However, you will also find that email marketing is great for many other things than just getting the word out. You can put affiliate links in your

newsletters and hope that your readers will sign up under you and you will get a commission for those things.

Marketing in every way is pretty much the same. You have to know who your audience is and who wants what you are selling. Once you know this, the rest of it is cake. Whether you are email marketing, affiliate marketing, or email marketing. Even if you are into marketing offline, the same will apply. You will need to know who wants what you have to sell and you should have no problems selling it.

Blog and email marketing are alike in many ways, but yet also very different. When you are using a blog for marketing, you are going to see that you have to post what you are selling on the blog. But for email marketing, you can use an email to those interested parties. When you use a website to have people opt in to your newsletter for email marketing, you know that you are not sending spam, but something that they requested from your site. This is something that they asked to be sent when they sign up for a newsletter. Where as if you are marketing a blog, you would do this much the same way as you would a website, and get visitors to come to you.

Whichever you prefer, whether it is blog marketing or email marketing you can still get the results that you want and that you are looking for. Just know that it takes time and persistence to achieve what you want, and get it from marketing online. Patience is key to getting your blog out there to everyone that is interested in it.

What is Internet Blog Marketing?

So you have been hearing all about these blogs that are all the rage lately in the internet world. However, you have yet to start one of your own, and pretty much figure that you are the last person on earth that does not have one. While you may think that this is true, you are going to be shocked that not everyone has a blog, and most of those that do, have them for internet blog marketing purposes. Internet blog marketing is all of the rage just as much as blogs are. When you talk about internet blog marketing, you are meaning that you use the internet to market things on your blog. That would be the simplest way to put it.

Marketing things on the internet is not as easy as it was just a few years ago. Everyone is into marketing online because of the pay per click programs that everyone wants a part of. And that means that the competition is fierce. In order to market things online and become successful at it, you need to choose a market. You can not just use one single blog to market a number of things unless they are all relevant. If you tried, you would really get no where and fast.

So, choosing your market is even kind of hard to do. Some people will tell you to choose low competition markets to begin with, that have many searches. However, other people will tell you to choose something that you know and love, and that you are passionate about even something that you can be known as an expert. When you do so, you gain trust in the internet world, and many people will know you for your market and your views on it. And that in return will make you successful. However, you must truly know what you are talking about, or you will be found out. It has even been known that some will choose a topic to become an expert on, and when they do, learn all that they can about it before they begin to promote it even if they never knew much about it to begin with.

Internet blog marketing is still easier for some than others. It is easier the sooner you get started with it. Because the internet changes every day and things are not all ways the same, the faster you learn the best marketing techniques and tools now, the easier it will be for you once they change and start to become more complicated.

Not only does the internet change frequently, so do the search engines. For example, Google changes about four times a year. You will find that when it does go through a change and update everything, your page ranks are different, and so are your search rankings. When you might have been in the number two spot on Google search for 3 months, after they go through a change you just might find yourself to be on page three.

Internet blog marketing is all about knowing and becoming familiar with the internet. The more you know about it the better off your blogs will be. However, if you are just starting out, don't get discouraged, you can still learn everything that you need to in order to become successful at blog marketing.

Blog Marketing and Scams

Blog marketing is something that has really seeded an interest in the online world. Many people across the internet are blogging, and have blogs. A blog is also known as a web log. But you will hear the term blog more often than the term web log. It basically is just an online journal that you can use and publish for the world to read whether you choose to write about personal things, or business. Maybe you want to use it to promote products or services. The way you use your blog is totally up to you. However, you should be aware of the scams that are out there, and what to avoid while you are trying to market your blog.

Blog marketing or really any kind of marketing has scams. Just like everything else you are going to come around. There is always someone that wants to scam someone else and take money from the ones that do not know better. So what can you do to protect yourself? The best way to protect yourself from blog marketing scams is to become familiar with them, and know what they are. While this can also be hard to do because the scams change as much as you change your clothes, just stay on top of them, and know what to be looking out for.

Many times when a blog marketing scam surfaces you will find that someone is going to write about it, they are going to try and warn others before they can fall into it. So, just make sure that you read and know what you are getting into. Do your research when you are marketing your blog. Ask others if they have heard about something that you are interested in doing. Chances are, if you want to pay for some marketing of your blog, that you will find someone else that has used every company out there. Get feedback from your fellow marketers for the best results. Ask them if they have recommendations, or know of places that are legitimate.

If you have been scammed, chances are there is not much that you can do other than get the word out about it. However, just remember, if you have paid someone through something like paypal that protects you, then you have a time limit to get your money back and freeze the scammers account. But, that does not always work. Most of the time the scammers are all ready aware of things like that, and they work fast to move to not be caught. If that is the

case, you really can not do much else about it other than alert the proper authorities and count your losses.

While there are many that will scam you with blog marketing, there are also many that will not. There are just so many legitimate resources that you are going to find that you can use and trust. The best thing to do if you are new to the blog marketing world is to ask around and find out who is the best for the marketing that you are trying to do. Doing so will often keep you from falling into a scam, and throwing your hard earned money away.

Unfortunately, you are going to come across those that have no regrets what so ever about scamming others. The only thing that you can do is your research at times to make sure that you are using a service or person that you can trust. Ask for references, and make sure that you will be getting the best that you can afford. You will not regret it in the long run, and it will pay off to check someone or a service out before you go and invest your hard earned cash. Actually contact the services or person's references to make sure that they are who they say, and that they can deliver what it is that you are looking for. It only takes time.

Great Blog Marketing Techniques

Marketing your blog is not all that hard to do. You have to be persistent and want success however if you want your blog to do well. You cannot just make a post and forget about it. You have to continue updating your blog and marketing it so that it will become popular and one that everyone wants to read. There are other ways as well that are good marketing your blog. Keep reading for more information.

Interviewing people and posting it on your blog is an excellent way to market it. Just be sure that the people that you interview pertain to the market of your blog. You want all of your posts to be relevant, including any interviews that you might do. For example, if your blog market was vacuum cleaners, and you did an interview with the owner of Hoover vacuum cleaner; that would definitely pertain to your market.

If you hear any news on the market of your blog, be sure that you post it. Everyone loves news, and event he readers of your blog will appreciate you blogging about the current events in the market that you are blogging about something to keep in mind when blogging

about the news should be more the current news, the better. No one wants to reread old news, so it is a great idea to try and stay as current as possible when you are blogging about the news.

Contests are another way that you effectively market your blog. Having contests on various things would be a lot of fun, and something that will keep your readers coming back. Everyone loves to win things, and you can also make the prize that you are giving away relevant to the market you are promoting on your blog.

While good content is something that you will need for your blog, you also want to ensure that it is original content as well. You can market a blog with something that is copied and that you do not own the rights. Plagiarism will get you in trouble with Google as well as the person that originally wrote the content. Be sure that all of your posts are ones that only you own the rights too. This is a great thing to know and do when you are marketing your blog.

Press releases are also an excellent way to market your blog. Sending out a press release or having one made for you is a great idea. You will find that they are even affordable for most budgets, and some companies offer a package deal for example, if you let us write your press release we will submit it for half price. Who could resist a deal such as that,especially when you are budgeting and trying to get the most from your funds.

Comments on a blog are also a very important aspect of blog marketing. You will want to be sure that you always answer and acknowledge the comments that are made to your blog as well as others. When you show that you are an actual person that can hold a conversation, you are showing others that you are real and that you really and truly have the best intentions for your blog. Make sure that no comment goes unanswered.

Marketing a blog comes naturally for some and can be a little harder to focus on for others. Another important thing that you will want to do for your blog is to be sure that you find links. Exchange links, get one way links, and ask for more and more links. You will never have enough links to your blog. The more links the better in this case.

Blog marketing is not hard to do. Just be sure that you follow all of the proven and tried techniques that others are talking about and you won't go wrong. Just don't give up and keep on marketing because it will pay off sooner or later.

SIX SIGMA AS THE PERFECT QUALITY MANAGEMENT TOOL IN 21ST CENTURY

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Abstract:-

This research paper is designed to uncover the traits and characteristics of quality management. Specifically, the analysis focused on the indigenous management practices regarding quality. The paper attempted to discuss the quality with its attributes and the sufferings due to poor quality. There are so many tools available for quality management. Software development has some other quality tools like CMMI where as for other things TQM, SQC, ISO, Quality Circles, JIT etc are available. Six Sigma is the generic tool which is applicable to both software and for other segments. This research paper has delved into the intricacies of six sigma with the its methodology and case study of Mumbai Dabbawalas. Other examples are also quoted for justification. This paper has also made an attempt to reveal the globally accepted quality philosophy of Dr. Edward Deming and Taguchi. Dr. Edward has given 14 quality principles ahich are analysed along with Taguchis philosophy and its contribution. The other quality philosophy of PDCA is also discussed Conclusion is provided at the end of the paper.

Key Words – Indigenous, Quality, Six Sigma, PDCA Cycle, Quality Control

Introduction

Quality in some prescribed or desired characteristics present in raw material, semi finished or finished products. It is a relative term and is generally used with reference to the end use of the product viz. fitness for purpose, degree of preference, degree of excellence, fulfillment of the promises made to the customer, quality of design etc.

The more recent definition of quality features customer's complete satisfaction, excitement or delight with final product or service. Thus, the most recent definition not only accepts the need for complete customer satisfaction, but also recognize that the organization itself needs to design, install and operate high quality internal system that allow customers satisfaction to occur and the organization must operate in a strategic context that is satisfactory to all stock holders and not just customers.

Cost of Poor Quality

The third category of quality cost in addition to prevention and appraised is the cost associated with poor quality; also referred to as the cost of non conformance or failure costs. In general the cost of failures is the difference between what it actually costs to produce a product or deliver a service and what it would cost if there were no failure. This remains generally the largest quality cost burden in a company accounting for 70% to 90% of total quality costs.

The cost of poor quality can be subdivided into internal failure costs or external failure costs. Internal failure costs are attributed to defects found before they get to the customer while external failure costs are incurred after the product or service has been delivered to the customers. Examples of internal failure costs include the following

- Scrap costs
- Rework costs
- Process failure costs
- Process downtime costs
- Price downgrading costs

External failure costs are incurred after the customer has received the poor quality product. These costs are primarily related to customer service. Examples of external failure costs include the following

- Customer complaint costs

- Product return costs

- Warranty claim costs

- Product liability costs

- Lost sales costs

Lost sales costs are the hardest to estimate. However these may be the largest of all failure costs.

Customers expect quality because they want a product or service that is reliable, which can meet their requirements, should provide value for money. They don't want any hassle. The organization needs quality because customers demand it and organization's future depends on it.

Quality reflects the following attributes.

Performance	Dependability
Goodness	Reliability
Fitness	Operability
Superior	Durability
Meeting Specifications	Easy to maintain
Consistence	Fitness for Purpose
Freedom from	Conformance to
Safety	Appearance

Quality Control

Quality control is defined as the processes and methods used to monitor work and observe whether requirements are met. Quality control focuses on inspections, testing and removal of defects before shipment of products. Quality control should be the responsibility of organizational unit producing the product. It is possible to have the same group that builds the product performs the quality function or to establish a quality control group or department within the organizational unit that develops the product.

Quality assurance is yet another term which needs to be mentioned here. Quality assurance is a function responsible for managing quality. The word assurance means that if the processes

are followed management can be assured of the product quality. Quality assurance is a catalytic function which should encourage quality attitudes and disciplines on part of management and workers. Successful quality assurance managers know how to make people quality conscious and to make them recognize the benefits of quality to them personally and to the organization.

Though the QA and QC appear similar, there are conceptual differences between the two. Quality control is designed primarily to detect and correct defects while quality assurance is oriented towards preventing defects from occurring. Obviously, prevention is of much greater value to an organization than detection. Detection implies flaws in the processes or skills of people; while prevention implies defect-free processes which produce defect–free product and services. Quality control should be performed by the group responsible for the development of the product. Quality is everybody's responsibility. Quality assurance is a managerial function which prevents problems by heading them off, and by advising restraint and redirection at the proper time.

The term control has various meanings, including supervising, governing, regulating or restraining. The control in quality control means defining the objective of the job, developing and carrying out a plan to meet that objective, and checking to determine if the anticipated results are achieved. If the anticipated results are not achieved, modifications are made in the work procedure to fulfill the plan.

The word management describes many different functions, encompassing policy management, human resources management and safety control as well as component control and management materials, equipment and daily schedules.

The management cycle comprises the four steps of plan, do, check and action (PDCA)

Plan (P)

Device a plan – define your objective and determine the conditions and methods required to achieve your objective. Describe clearly the goals and policies needed to achieve the objective at this stage. Express the specific objective numerically. Determine the procedures and conditions for the means and methods you will use to achieve the objective.

Do (D)

Execute the plan - create the conditions and perform the necessary teaching and training to execute the plan. Make sure everyone thoroughly understands the objectives and the plan. Teach workers the procedures and skills they need to fulfill the plan and thoroughly understand the job, then perform the work according to these procedures.

Check (C)

Check the results – check to determine whether work is processing according to the plan and whether the expected results are obtained. Check for performance of the set procedures, changes in conditions or abnormalities that may appear as often as possible, compare the results of the work with the objectives.

Action (A)

Take the necessary action – if your check up reveals that the work is not being performed according to plan or that result is not what was anticipated, device measures for appropriate actions.These procedures not only ensure that the quality of manufactured goods meets expectations, but they also ensure that the anticipated price and delivery date are fulfilled.

Dr. W. Edwards Deming's 14 Quality Principles

Dr. W. Edward Deming has defined 14 principles for quality. Note that all 14 principles must be concurrently used to make quality happen. The 14 principles are (note that these formed the basis for the turnaround of the Japanese Manufacturing Industry):

1. Create Consistency of purpose in the company

In quality oriented companies, quality should be the cornerstone of the corporation. All units within the organization should work towards common goals and purposes.

2. Learn the new philosophy

Mistakes, defects, defective material, less skilled people, neglegent management, obsolete methods of training; ineffective supervision are several bottlenecks. Acceptance of defective systems and poor workmanship as a way of life is one of the most effective roadblocks to better quality and productivity.

3. Require statistical evidence of information technology quality

Managers must learn the statistical control of quality. They must proceed under the new philosophy; the right quality characteristics must be built in, without dependence on inspection.

4. Reduction in number of vendors

Companies will have to consider the cost of having two or more vendors for the same item. A company will be lucky to find one that can supply statistical evidence of quality. A second vendor if he cannot furnish statistical evidence of his quality will have higher costs than the one who can furnish the evidence.

5. Use statistical methods to find source of trouble

Use statistics to find out in any trouble spot what the sources of trouble are. Put responsibility where it belongs. Do not rely on judgment. Judgment always gives the wrong answer on the question of where the fault lies. Statistical methods make use of knowledge of the subject matter for prevention and cure.

6. Institute modern aids to training on the job

Training must be totally reconstructed. Statistical methods must be used to learn when training is finished and when further training would be beneficial.

7. Improve supervision

Supervision belongs to the system and is the responsibility of management. Project leader must have more time to help people on the job. Statistical methods are vital as aids to the project leader to indicate where fault lies.

8. Drive out fear

Most people on the job, and in management positions, are not aware of processes. Moreover, it is not clear to them how to find out. Many of them are afraid to ask questions. The economic loss from fear is appealing. It is necessary, that people feel secure. Another related aspect of fear is inability to serve in the interest of the company for specified rules, production, cut costs.

9. Break down barriers between departments

People in user areas must learn about the problems encountered with various technologies and working with system design and operation. Otherwise, there will be losses in production from attempts to use systems unsuited to the purpose.

10. Eliminate numerical goals, slogans, pictures and posters

This will urge people to increase productivity, sign their work as an autograph etc so often plastered everywhere in the department. Posters and slogans like these never helped anyone do better job. Numerical goals often have a negative effect through frustration. These devices are management's lazy way out. They indicate desperation and incompetence of management.

11. Look carefully at work standards

Standards should account for quality and only numbers. They should help anyone do a better job. Work standards are costing the country as much loss as poor material and mistakes.

12. Institute a massive training for employees

Thousands of people must learn rudimentary statistical methods. One in 500 must spend the necessary ten years to become a statistician. This training will be a costly affair.

13. Institute a vigorous program for retraining people in new skills

The program should keep up with changes in technology and methods and if advantageous, new hardware.

14. Create a structure in top management that will push everyday on the above 13points

Make maximum use of statistical knowledge and talent in your company. Top management will require guidance from an experienced consultant, but the consultant cannot take on obligations that only the management can carry out.

Hence quality is the foremost thing which a management of any organization should take care of because the pursuit of excellence in quality of work always gets positive results.

Quality Management Tools

The management of quality is done through various tools. The existing popular quality management tools are given below.

1. Total quality Management

2. Statistical quality control

3. Six Sigma

4. ISO

5. Quality Circles

6. Just In Time (JIT)

7. CMM (Capability Maturity Model)

Six Sigma

Sigma, represented by "**σ**", a Greek alphabet, measures standard deviation in statistics. In business it finds its use to indicate defects in the output produced by the industry. It helps us to understand the deviation of the process from perfection. Six sigma is information driven methodology for reducing waste, increasing customer satisfaction and improving processes, with a focus on financially measurable results.

If we look at Six Sigma quality level, that means 3.4 defects per million samples, which can be termed as almost no defect quality level. The objective of Six Sigma is to deliver high performance, reliability and value o the end user.

It was pioneered by Bill Smith at Motorola in 1986 and was originally defined as metric for measuring defects and improving quality and a methodology to reduce defect levels below 3.4 Defects per (one) Million Opportunities (DPMO). Six Sigma has now grown beyond defect control.

The History of Six Sigma

Sigma is a letter in the Greek alphabet that has become the statistical symbol and metric of process variation. The sigma scale of measure is perfectly correlated to such characteristic as defects per unit, parts per million defectives and probably of a failure. Six is the number of sigma measured in a process, when the variation around the target is such that only 3.4 outputs out of one million are defects under the assumption that the process average may drift over the long term by as much as 1.5 standard deviations.

Six Sigma was launched by Motorola in 1987. It was the result of a series of changes in the quality area starting in the late 1970's with ambitious ten fold improvement drives. The top

level management along with CEO Robert Galvin developed a concept called Six Sigma. After some internal pilot implementations, Galvin, in 1987, formulated the goal of "Achieving six sigma capability by 1992" in a memo to all Motorola employees. The results in terms of reduction in process variation were on track and improvement in labor productivity achieved 204 % increase over the period 1987 – 1997.

In the wake of success at Motorola, some leading electronic companies such as IBM, DEC and Texas Instruments launched six sigma initiatives in early 1990's However, it was not until 1995 when GE and Allied Signal launched Six Sigma as strategic initiatives that a rapid dissemination took place in non electric industries all over the world. In early 1997, Samsung and LG groups in Korea began to introduce Six Sigma within their companies. The result was amazingly good in those companies.

For instance, Samsung SDI, which is company under the Samsung group, reported that the cost savings by six sigma projects totaled US $ 150million. At the present time the number of large companies applying Six Sigma in Korea is growing exponentially, with a strong vertical deployment into many small and medium sized enterprises. Six Sigma is a new strategic paradigm of management innovation for company survival in this 21st century which implies three things viz. statistical measurement, management strategy and quality culture. It tells us how good our products, services and processes really are through statistical measurement of quality level.

The Six Sigma Methodology

Bill Smith is the father of Six Sigma. Bill Smith spent years convincing the higher management at Motorola about his new quality control process, Six Sigma. The Six Sigma is the TQM spin-off that has generated billions of dollars for Motorola. Over years Smith and Motorola garnered numerous awards and recognitions for his vital work to improve profitability in America's manufacturing sector. He was especially proud of his role in Motorola's winning the prestigious Malcom Baldrige National Quality Award.

Six Sigma identifies the five key steps for its successful implementation. These are known as DMAIC. These are discussed in brief below.

Steps in Six Sigma

The Various steps in six sigma i.e. the DMAIC ideology are discussed below.

Define (D)

The purpose of the Define phase is to clearly identify the problem, the requirement of the project and the objectives of the project. The objectives of the project should focus on critical issues which are aligned with the company's business strategy and the customer's requirements. The Define phase includes:

- Define customer requirements as they relate to this project. Explicit customer requirements are called Critical-to-Quality (CTQ) characteristics.

- Develop defect definitions as precisely as possible.

- Perform a baseline study (a general measure of the level of performance before the improvement project commences)

- Create a team charter and Champion

- Estimate the financial impact of the problem.

- Obtain senior management approval of the project

Various tools applicable in this phase are

Project Charter – this document is intended to clearly describe problems, defects, team information and deliverables for a proposed project and to obtain agreement from key stakeholders.

Trend Chart – to see visually the trend of defect occurrences over a period of time

Pareto Chart – to see visually how critical each input is in contributing negatively or positively to total output or defects

Process flow chart – to understand how the process functions and the flow of steps in current process.

Measure (M)

The purpose of measure phase is to fully understand current performance by identifying how to best measure current performance and to start measuring it. The measurement used should

be useful and relevant to identifying and measuring the source of variation. This phase includes:

Identify the specific performance requirements of relevant Critical-to-Quality (CTQ) characteristics.

Map relevant process with identified inputs and outputs so that at each process step, the outputs and all the potential inputs (X) that might impact each output are connected to each other.

- Generate list of potential measurements.

- Analyse measurement system capability and process capability baseline.

- Identify where errors in measurements can occur.

- Start measuring the inputs, processes and outputs and collecting the data.

- Refine the problem or objective (from the analyse phase)

The most applicable tools at this phase include the following

1. *Fishbone Diagram* – to demonstrate the relationship between inputs and outputs.

2. *Process Mapping* – to understand the current processes and enable the team to define the hidden cause of waste.

3. *Cause and Effect Matrix* – to quantify how significant each input is for causing variation of outputs.

4. *Preliminary Failure and Effect Analyses (FMEA)* – using this in the measure phase helps to identify and implement obvious fixes in order to reduce defects and save costs as soon as possible.

5. *Gauge Repeatability and Reproducibility*: used to anlayse the variation of components of measurement systems so minimizes any unreliability in the measurement systems.

Analyse (A)

In this phase, the measurements collected in the measure phase are analysed so that hypotheses about root causes of variations in the measurements can be generated and the hypotheses subsequently validated. It is as this stage that practical business problems are turned into statistical problems and analysed as statistical problems. This includes:

- Generate hypotheses about possible root causes of variation and potential critical inputs.
- Identify the vital few root causes and critical inputs that have the most significant impact.

The analyse phase offers specific statistical methods and tools to isolate the key factors that are critical for a comprehensive understanding of the causes of defects.

1. *Five Why's* – use this to understand the root causes of defects in a process or product and to penetrate through incorrect assumptions about causes.

2. *Tests for Normality (Descriptive Statistics, Histograms)* – this id used to determine if the collected data is normal or abnormal so as to be properly analysed by the other tools.

3. *Correlation and Regression Analysis* – to identify the relationship between process inputs and outputs or the correlations between two different sets of variables.

4. *Analysis of Variances (ANOVA)* – this is an inferential statistical technique designed to test for significance of the differences among two or more sample means.

5. *FMEA (Failure Mode and Effect Analysis)* – applying this tool on current processes enables identification of sufficient improvement actions to prevent defects from occurring.

6. *Hypothesis testing methods* – these are series of tests in order to identify sources of variability using historical or current data and to provide objective solutions to questions which are traditionally answered subjectively.

Improve (I)

The improve phase focuses on developing ideas to remove root causes of variation, testing and standardizing those solutions. This involves:

- Identify ways to remove causes of variation
- Verify critical inputs
- Discover relationships between variables
- Establish operating tolerances which are the upper and lower specification limits (the engineering or customer requirement) of a process for judging acceptability of a

particular characteristic and if strictly followed will result in defect free products or services.

- Optimise critical inputs or reconfigure the relevant process.

The most applicable tools are:

1. *Process Mapping* – this tool helps to represent the new process subsequent to the improvements

2. *Process Capability Analysis (CPK)* – in order to test the capability of process after improvement actions have been implemented to ensure we have obtained a real improvement in preventing defects.

3. *Design of Experiments (DOE)* – This is a planned set of tests to define the optimum settings to obtain the desired output and validate improvements.

Control (C)

The Control phase aims to establish standard measures to maintain performance and to correct problems as needed, including problems with the measurement system. This includes:

- Validate measurement systems

- Verify process long term capability

- Implement process control with control plan to ensure that the same problems don't reoccur by continually monitoring the processes that create the products or services.

The most applicable tools for the above phase are:

1. *Control Plans* – this is a single document or set of documents that documents the actions, including schedules and responsibilities that are needed to control the key process inputs variables at the optimal settings.

2. *Operating Flow Charts(s) with Control Points* – this is a single chart or series of charts that visually display the new operating processes.

3. *Statistical Process Control (SPC) charts* – these are charts that help to track processes by plotting data over time between lower and the upper specification limits with a center line.

4. *Check Sheets* – this tool enables systematic recording and compilation of data from historical sources or observations as they happen so that patterns and trends can be clearly detected and shown.

Implementing Six Sigma

The implementation of Six Sigma and its impact can be seen through case studies. Here are two of such case studies in Indian context.

The case of Mumbai Dabawalas

Mumbai's Dabawalas have achieved a level of service to which Western businesses can only aspire. "Efficient organisation" is not the first thought that comes to mind in India, but when the profit motive is given free rein, anything is possible. To appreciate Indian efficiency at its best, watch the dabawalas at work.

These are the men who deliver 175,000 lunches (or "tiffin") each day to offices and schools throughout Mumbai, the business capital of India. Lunch is in a tin container consisting of a number of bowls, each containing a separate dish, held together in a frame. The meals are prepared in the homes of the people who commute into Mumbai each morning and delivered in their own Tiffin carriers. After lunch, the process is reversed. And what a process - in its complexity, the 5,000 dabbewalas make a mistake only about once every two months, according to Ragunath Medge, 42, president of the Mumbai Dabawala Association. That's one error in every 8 million deliveries, or 16 million if you include the return trip. "If we made 10 mistakes a month, no one would use our service," says the craggily handsome Medge.

How do they do it? The meals are picked up from commuters' homes in suburbs around central Mumbai long after the commuters have left for work, delivered to them on time, then picked up and delivered home before the commuters return.

Each tiffin carrier has, painted on its top, a number of symbols which identify where the carrier was picked up, the originating and destination stations and the address to which it is to be delivered. After the Tiffin carriers are picked up, they are taken to the nearest railway station, where they are sorted according to the destination station. Between 10:15 a.m. and 10:45 a.m. they are loaded in crates onto the baggage cars of trains. At the destination station

they are unloaded by other Dabawala and re-sorted, this time according to street address and floor.

The 100-kilogram crates of carriers, carried on their heads, hand-wagons and cycles are delivered at 12:30 p.m., picked up at 1:30 p.m., and returned where they came from.

The charge for this extraordinary service is just 150 rupees ($3.33) per month, enough for them, who are mostly self-employed, to make a good living. After paying Rs.60 per crate and Rs.120 per man per month to the Western Railway for transport, the average dabawala clears about Rs.3,250. Of that sum, Rs.10 goes to the Tiffinmen's Association. After minimal expenses, the rest of the Rs.50,000 a month that the Association collects go to a charitable trust that feeds the poor.

What is wonderful about this system is that it extends the design and uses the tiffinu7allahs, the end user and their cognitive and memory structure as well. Since one dabawalas is not going to pick more than 10-20 tiffin carriers, he can easily sort recognize at the originating station and deliver it to the owner. Also within a building, the dabawalas knows which floor to deliver. Within a floor a owner can recognize his tiffin amongst others. Thus these tiffins carry only a symbol of the originating station, a symbol for destination station and a symbol for the building where the address is.

The most amazing thing is that this entire gamut is run by people most of whom are illiterate.

Logistics at its best.

The Mumbai dabawalas are international figures now. The Forbes story details the efficiency with which they deliver the Tiffins of their customers. Around 5000 dabawalas deliver 175,000 lunches everyday and take the empty Tiffin back. They make One Mistake in 2 months.

This means there is one Error on every 16 million transactions. This is thus a 6 Sigma performance (a term used in quality assurance if the percentage of correctness is 99.999999) - the performance which has made companies like Motorola world famous for their Quality.

The case of Tata Motors

The quality improvement project at Tata Engineering operates under the umbrella of the Tata Business Excellence Model (TBEM), an open-ended framework that drives business

excellence in group companies. But the main component of the quality undertaking is Six Sigma, a disciplined, precise and widely-proven methodology that aims for near-flawless products and services.

There were many Sigma defects that Tata Engineering had to eliminate to get back on track. The weight of competition, ever-increasing customer expectations and shifting market conditions made change an absolute imperative. The company's older vehicles were getting obsolescent, and its newer ones were lagging behind in terms of customer satisfaction.

An important challenge for Tata Engineering was in changing the mindset of its people as they were skeptical about Six Sigma gamut. They were made at ease using blanket communication and training exercises.

The focus of the Six Sigma programme at Tata Engineering is the customer. The company took its products and analysed what customers would want from them and the Critical to Quality (CTQ) characteristics they would be looking for. For instance, a customer buying a truck will consider whether it measures up in terms of load, speed, fuel efficiency, operational smoothness, etc. These are his CTQ characteristics.

As long as a CTQ attribute can be defined, it can be incorporated in the Six Sigma model. These attributes can then be linked to the manufacturing parameters that must be achieved under the Six Sigma process to meet a customer's expectations. Tata Engineering drew up a whole system around this.

By improving quality, the cost of manufacturing reduced: rejections, time taken, rework were less, smoother process flows ensured, This has led to an increase in productivity and decreases in costs, defects and wastage. Consequently, customer satisfaction has registered a significant jump.

Tata Engineering initially applied the Six Sigma standard to its products, with the aim of recording a clear and visible improvement in them through this method. It set up a strong Six Sigma organisation and established a robust audit and monitoring mechanism to ensure that targets were met and sustained.

A large number of teams were put in place to implement the project. There was one at the apex level to oversee the overall implementation and others at the company's plants in

Jamshedpur, Pune and Lucknow. A filtering procedure was created to identify and isolate problems. Firstly, the CTQ features at the aggregate level - body, engine, paint, gearbox, axle, etc. - were considered. Then came the components, and after that the supplier-level CTQ characteristics.

The improvement processes followed: skill enhancement, process mapping, cause-and-effect analysis, failure-mode-and-effect analysis (which helps anticipate problems and puts pre-emptive corrective measures in place) and more. Next in line were product audits, process audits and independent audits, which were later matched to customer needs. Coming under the Six Sigma microscope were three process levels: manufacturing, support services and plant support services.

The benefits of the Six Sigma project were quick to show. A plant audit of internal improvement commenced in October 2000, a month after the quality initiative was launched. The focus was on the chassis line, which was tracked on a weekly and monthly basis.' By March 2001, Tata Engineering had secured an improvement of 82.5 percent here.

Overall, quality improvement for the first year of the Six Sigma project (September 2000 to August 2001) was 80 percent. Since then it has been between 65 to 75 percent a year.

Enhanced customer gratification is the biggest gain of the Six Sigma initiative along with Dealer satisfaction. Dealers used to spend seven to eight hours in pre-delivery inspection of each of our trucks which was brought down to 20 minutes. Earlier the dealer had to check about 140 points in a truck; now he has to examine only 30-odd points. Another is product performance, which has meant decreases in failure rates and customer complaints.

By the end of 2003 products and processes were mostly in the Three and Four Sigma band. The company's intention was to reach the Sigma peak of six in some priority areas by 2005. And as intended Tata Motors implemented Six Sigma in stipulated time.

Conclusion

Though of US origin, Six Sigma has planted its root in India also. Six Sigma delivers perfect improvement in processes through defect reduction, yield improvement in profits, consumer satisfaction and best in class product/process performance. It is a whole culture of Strategies,

Tools and Statistical Methodologies to improve bottom-line of companies. It is a rigorous Analytical Process for anticipating and solving problem.

This was evident from the cases of Mumbai Dabawalas and Tata Motors as discussed. There are several other companies like Sun Chemicals, TCS etc which are drawing benefits by implementing Six Sigma ideology. Hence it can be very well concluded that six sigma is the best tool available in 21st century for management of quality.

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Abstract:-

India is an agrarian economy and agriculture is considered as the backbone of our economy. In India, Agriculture has been practiced since ancient times, when other developmental sectors were not even in existence and farming was mostly treated as a life sustaining activity. India, the country which was a net importer of food grains in early 60s, has become an intermittent exporter of various agricultural commodities. Today, agriculture field has achieved commercial importance and has tremendous potential of being one of the powerful sectors contributing to nation's GDP. Currently, agribusiness education is one of the promising qualifications helps to mould the personnel in to potent managers having managerial expertise. To realize the real potential in Indian agriculture and to grow it to the point of a prospective sector, it is necessity to manage the sector like a professional enterprise

Introduction:

Agriculture has been practiced since ancient times, when other developmental sectors were not even in existence and farming was mostly treated as a life sustaining activity. India, the country which was a net importer of India is an agrarian economy and agriculture is considered as the backbone of our economy. In India, food grains in early 60s, has become an intermittent exporter of various agricultural commodities. Today, agriculture field has

achieved commercial importance and has tremendous potential of being one of the powerful sectors contributing to nation's GDP. Currently, agribusiness education is one of the promising qualifications helps to mould the personnel in to potent managers having managerial expertise. To realize the real potential in Indian agriculture and to grow it to the point of a prospective sector, it is necessity to manage the sector like a professional enterprise

KEY POINT

- o Agribusiness and Carbon Finance
- o Agricultural Development
- o Agricultural Finance/Banking
- o Agricultural Futures and Options Markets
- o Agro-industries
- o Agro Processing
- o Econometrics for Agri-Business
- o Food Processing
- o Forest-based Industries
- o International Agriculture and Trade Policy International Marketing
- o Logistics and Infrastructure Management in Agriculture
- o Marketing of Agricultural Inputs and Finance of Agro-Food Projects
- o Market Research for Agri-Business
- o Managerial Communication for Agribusiness
- o Management of Contract Farming
- o Management of Technology for Sustainable Agriculture
- o Franchising in Agribusiness (FAB)
- o Private-Public-Community Partnership for Inclusive Agribusiness
- o Rural Advertising Strategic Food Agro Marketing
- o Sales and Distribution Management for Agriculture

Agribusiness

In agriculture, agribusiness is generic term for the various business involved in food production, including farming and contract farming, seed supply, agrichemicals, farm machinery, wholesale and distribution, processing, marketing, and retail sales .Agriculture being the main stray of the country, commercial aspects of agri-inputs and outputs (agribusiness) attain immense significance. Agribusiness has a direct impact on farmeconomy, food security, crop diversification, farm mechanization, value addition, agri-exportsand technology adoption. Agribusiness also deals with the trading of technology, humanresources, services related to agro-products. The subject has become all the more important withthe advent of WTO. Agro-based countries like India, have realized that management ofagribusiness will enable them to reap the benefits of agriculture potential and also withstand theglobal competition in trading the agro-products. In order to meet the growing complexities in thetrading of agricultural inputs and out puts, consumption patterns and supply inequalities of fooditems, lack of efficient manpower to manage the agro-based business options special emphasishas been given for agribusiness studies in India. To augment agri-business in the country,government of India and the states have come up with various strategies to meet the financial andman power needs of this specialized sector. The experiences and innovations in this disciplineneed to be reviewed periodically to bring desired policy options. Keeping this as the back drop,the seminar aims to ventilating the research findings, success stories, scholarly experiences andinnovations in the area of agribusiness in the country.

Definition of agriculture

Agriculture is the process of producing food, feed, fiber and other desired products by the cultivation of certain plants and the raising of domesticated animals (livestock). The practice of agriculture is also known as "farming", while scientists, inventors and others devoted to improving farming methods and implements are also said to be engaged in agriculture. More people in the world are involved in agriculture as their primary economic activity than in any other, yet it only accounts for twenty percent of the world's Gross Domestic Product (GDP)

Food processingFood processing is the methods and techniques used to transform raw ingredients into food for human consumption. Food processing takes clean, harvested or slaughtered and butchered components and uses them to produce marketable food products. There are several different ways in which food can be produced.

One Off Production on This method is used when customers make an order for something to be made to their own specifications, for example a wedding cake. The making of One Off Products could take days depending on how intricate the design is and also the ability of the chef making the product. Batch Production This method is used when the size of the market for a product is not clear, and where there is a range within a product line. A certain number of the same goods will be produced to make up a batch or run, for example at Gregg's Bakery they will bake a certain number of chicken bakes. This method involves estimating the amount of customers that want to buy that product.

Mass production This method is when there is a mass market for a large number of identical products used, for example, chocolate bars, ready meals and canned food. The product passes from one stage of production to another along a production line.

Just In Time This method of production is mainly used in sandwich bars such as Subway. All the components of the product are there and the customer chooses what they want in their product and it is made for them fresh in front of them.

Food industry technology

Sophisticated technologies define modern food production. They include many areas. Agricultural machinery, originally led by the tractor, has practically eliminated human labor in many areas of production. Biotechnology is driving much change, in areas as diverse as agrochemicals, plant breeding and food processing. Many other areas of technology are also involved, to the point where it is hard to find an area that does not have a direct impact on the food industry. Computer technology is also a central force, with computer networks and specialized software providing the support infrastructure to allow global movement of the myriad components

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Agriculture Marketing

In India, the organised marketing of agricultural commodities has been promoted through a network of regulated markets. Most state governments and UT administrations have enacted legislations to provide for the regulation of agricultural produce markets. While by the end of 1950, there were 286 regulated markets in the country, their number as on 31 March 2006 stood at 7566. In addition, India has 21780 rural periodical markets, about 15 per cent of which function under the ambit of regulation. The advent of regulated markets has helped in mitigating the market handicaps of producers/sellers at the wholesale assembling level. But the rural periodic markets in general, and the tribal markets in particular, remained out of its developmental ambit.

Present Constraints in the System:

 The purpose of state regulation agricultural markets was to protect farmers from the exploitation of intermediaries and traders and also to ensure better prices and timely payment for their produce. Over a period of time, these markets have, however, acquired the status of restrictive and monopolistic markets, providing no help in direct and free marketing, organised retailing and smooth raw material supplies to agro-industries. Exporters, processors and retail chain operators cannot procure directly from the farmers as the produce is required to be channelised through regulated markets and licensed traders. There is, in the process, an enormous increase in the cost of marketing and farmers end up getting a low

price for their produce. Monopolistic practices and modalities of the state-controlled markets have prevented private investment in the sector. Post-harvest losses are estimated to be of theorder of 5-7 per cent in food grains and 25-30 per cent in the case of fruits and vegetables.

Logistics in agriculture

APL Logistics of offers a full range of supply chain services that reduce costs and increase profit potential. We bundle and integrate comprehensive services to meet your unique requirements. Count on us for innovative solutions tailored to your business needs.

Supply Chain ManagementGlobal design and management expertise INCREASES FLEXIBILITY AND CONTINUOUSLY IMPROVES supply performance for bottom-line returns.

Consolidation and Vendor Services

Consolidating merchandise, information, and documents close to your sourcing locations takes the headache out of international forwarding, documentation and compliance.

Warehousing

Customized warehousing solutions that help clients improve inventory management, reduce operating costs and speed order cycle times.

Transportation Management

Our comprehensive menu of land transport solutions provides you with the resources, expertise and assets to effectively tackle your most complex transportation and logistics challenges.

Global Freight Management

As a leading provider of comprehensive transportation and forwarding services, APL Logistics leverages its regional and international purchasing power to negotiate the best rates from top-rated carriers.

Manufacturing Support

Specialized facilities, operations management and technologies assure quality-controlled parts and components and let manufacturers reap the benefits of just-in-time inventory management.

Asset Management

Facilities design, sales leaseback, real estate brokerage services and inventory financing reduce capital and increase flexibility.

Global Solutions Implementation

Our Global Implementation team combines world-class supply chain knowledge with disciplined project management methodology in delivering effective solutions to customers. The team is available to implement virtually any process offered by APL Logistics' international service suite.

Apl Guaranteed® Continental Fcl Service

Building on the success of OceanGuaranteed®, APL Logistics has created APL Guaranteed® Continental - the only full-containerload (FCL) service with day-definite deliveries and a money-backed service guarantee.

Oceanguaranteed Lcl Service

APL Logistics is proud to offer the industry's first day-definite, guaranteed ocean less-than-container load (LCL) service for time-sensitive shipments

Technology in agriculture

The notion that agriculture, as a global practice, has been exploiting resources faster than they could be renewed has been a topic of discussion and debate for decades, perhaps centuries. Symptoms of imbalance have been seen in the form of pollution, soil erosion/loss, wildlife population decline/shifts, and general alteration of a "natural" flora/fauna as a result of human intervention. Indeed, agricultural practices are undeniably "unnatural", regardless of whether the production is a one square meter vegetable garden in Tokyo or a one million hectare rubber tree plantation in Malaysia. Of course, an equally unnatural and parallel phenomenon has been the exponential growth in human population, with associated demands for both food and shelter, which have often exceeded the "natural" carrying capacity of land. Based upon the premise that human population growth will not be constrained as a result of

food shortages due to overriding social values, this article makes three assertions regarding the role

TECHNOLOGY IN SUSTAINABLE AGRICULTURE:

- ➢ Technology has/will increase agricultural productivity
- ➢ Technology development has-been/will-be sustainable
- ➢ Technology is, therefore, the basis for Sustainable Agriculture

Sustainable Agriculture

Sustainable agriculture is the practice of farming using principles of ecology, the study of relationships between organisms and their environment. It has been defined as "an integrated system of plant and animal production practices having a site-specific application that will last over the long term:

Satisfy human food and fiber needs

Enhance environmental quality and the natural resource base upon which the agricultural economy depends

Make the most efficient use of non-renewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls

Sustain the economic viability of farm operations

Enhance the quality of life for farmers and society as a whole."[1]

Sustainable agriculture in the United States was addressed by the 1990 farm bill.[2] More recently, as consumer and retail demand for sustainable products has risen, organizations such as Food Alliance and Protected Harvest have started to provide measurement standards and certification programs for what constitutes a sustainably grown crop

Agriculture Development

Approximately 1 billion people live in chronic hunger and more than 1 billion live in extreme poverty. Many are small farmers in the developing world. Their success or failure

determines whether they have enough to eat, are able to send their children to school, and can earn any money to save.

Marketing Infrastructure & Agricultural Marketing Reforms

The agricultural produce sector has been one of the most important components of the Indian economy. The increasing trend of agricultural production has brought, in its wake, new challenges in terms of finding market for the marketed surplus. There is also a need to respond to the challenges and opportunities, that the global markets offer in the liberalised trade regime. To benefit the farming community from the new global market access opportunities, the internal agricultural marketing system in the country needs to be integrated and strengthened. Government of India is striving to prepare the Indian agricultural markets and marketing environment so as to provide maximum benefit to the producers and in turn, compete with the global markets. Agriculture and agricultural marketing need to be re-oriented to respond to the market needs and consumer preferences. Agricultural marketing reforms and creation of marketing infrastructure has been initiated to achieve the above purpose.

Journal of International Agricultural Trade and Development Journal Description:

'Journal of International Agricultural Trade and Development' is intended to serve as the primary outlet for research in all areas of international agricultural trade and development. These include, but are not limited to the following: agricultural trade patterns; commercial policy; international institutions (e.g., WTO, NAFTA, EU) and agricultural trade and development; tariff and non-tariff barriers in agricultural trade; exchange rates; biotechnology and trade; agricultural labor mobility; land reform; agriculture and structural problems of underdevelopment; agriculture, environment, trade and development interface. The Journal especially encourages the submission of articles which are empirical in nature. The emphasis is on quantitative or analytical work which is relevant as well as intellectually stimulating. Empirical analysis should be based on a theoretical framework, and should be capable of replication.

It is expected that all materials required for replication (including computer programs and data sets) should be available upon request to the authors. Theoretical work submitted to the Journal should be original in its motivation or modeling structure. The editors also welcome papers relating to immediate policy concerns as well as critical surveys of the literature in important fields of agricultural trade and development policy and practice. Submissions of critiques or comments on the Journal's articles are also welcomed.

Farming And Natural Resources

The physical aspects of sustainability are partly understood.[4] Practices that can cause long-term damage to soil include excessive tillage (leading to erosion) and irrigation without adequate drainage (leading to salinization). Long-term experiments have provided some of the best data on how various practices affect soil properties essential to sustainability. In the United States a federal agency, USDA-Natural Resources Conservation Service, specializes in providing technical and financial assistance for those interested in pursuing natural resource conservation and production agriculture as compatible goals.

Water

In some areas, sufficient rainfall is available for crop growth, but many other areas require irrigation. For irrigation systems to be sustainable they require proper management (to avoid salinization) and must not use more water from their source than is naturally replenished, otherwise the water source becomes, in effect, a non-renewable resource. Improvements in water well drilling technology and submersible pumps combined with the development of drip irrigation and low pressure pivots have made it possible to regularly achieve high crop yields where reliance on rainfall alone previously made this level of success unpredictable. However, this progress has come at a price, in that in many areas where this has occurred, such as the Ogallala Aquifer, the water is being used at a greater rate than its rate of recharge.

Soil

Soil erosion is fast becoming one of the worlds greatest problems. It is estimated that "more than a thousand million tonnes of southern Africa's soil are eroded every year. Experts predict that crop yields will be halved within thirty to fifty years if erosion continues at present rates."[9] Soil erosion is not unique to Africa but is occurring worldwide. The phenomenon is being called Peak Soil as present large scale factory farming techniques are jeopardizing humanity's ability to grow food in the present and in the future.[10] Without efforts to improve soil management practices, the availability of arable soil will become increasingly problematic.[11]

Economics

Socioeconomic aspects of sustainability are also partly understood. Regarding less concentrated farming, the best known analysis is Netting's study on smallholder systems through history.[12] The Oxford Sustainable Group defines sustainability in this context in a much broader form, considering effect on all stakeholders in a 360 degree approach

METHOD

What grows where and how it is grown are a matter of choice. Two of the many possible practices of sustainable agriculture are crop rotation and soil amendment, both designed to ensure that crops being cultivated can obtain the necessary nutrients for healthy growth. Soil amendments would include using locally available compost from community recycling centers. These community recycling centers help produce the compost needed by the local organic farms.

Soil Treatment

Soil steaming can be used as an ecological alternative to chemicals for soil sterilization. Different methods are available to induce steam into the soil in order to kill pests and increase soil health. Community and farm composting of kitchen, yard, and farm organic

waste can provide most if not all the required needs of local farms. This composting could potentially be a reliable source of energy.

Off-Farm Empact

A farm that is able to "produce perpetually", yet has negative effects on environmental quality elsewhere is not sustainable agriculture. An example of a case in which a global view may be warranted is over-application of synthetic fertilizer or animal manures, which can improve productivity of a farm but can pollute nearby rivers and coastal waters (eutrophication). The other extreme can also be undesirable, as the problem of low crop yields due to exhaustion of nutrients in the soil has been related to rainforest destruction, as in the case of slash and burn farming for livestock feed.

Urban Planing

There has been considerable debate about which form of human residential habitat may be a better social form for sustainable agriculture Many environmentalists advocate urban developments with high population density as a way of preserving agricultural land and maximizing energy efficiency. However, others have theorized that sustainable ecocities, or ecovillages which combine habitation and farming with close proximity between producers and consumers, may provide greater sustainability.

Agricultural Marketing

In India, the organized marketing of agricultural commodities has been promotedthrough a network of regulated markets. Most state governments and UT administrationshave enacted legislations to provide for the regulation of agricultural produce markets. While by the end of 1950, there were 286 regulated markets in the country, their numberas on 31 March 2006 stood at 7566.

Present Constraints In The System:

The purpose of state regulation ofagricultural markets was to protect farmers from the exploitation of intermediaries andtraders and also to ensure better prices and timely payment for their produce. Over aperiod of time, these markets have, however, acquired the status of restrictive andmonopolistic markets, providing no help in direct and free marketing, organized retailingand smooth raw material supplies to agro-industries

Need for Reforms:

The agriculture sector needs well-functioning markets todrive growth, employment and economic prosperity in rural areas of India. In order toprovide dynamism and efficiency into the marketing system, large investments arerequired for the development of post-harvest and cold-chain infrastructure nearer to thefarmers' field.

• Definition Of Agro-Industry

Post-Harvest Activities Involved In The Transformation, Preservation And

Preparation Of Agricultural Production For Intermediary Or Final Consumption (With Emphasison Food)

• Financing And Non-Financial Services In The Agricultural Development Banking

Whether Looked At From Exports (Esp. "Non Traditional") Or Domestic Market (Population Growth/Urbanization) Agro-Industry Fundamental To Income And Employment Creation In Developing Countries

• In An Extended Definition Agri-Processing Ranges From 20-35% Of Developing Countrygdp. The Entire Food-System May Account Foras Much As 50% Of Developing Country Gdp.

Finance In Agri

> ➢ General View And Characteristics Of The Latin-American Agricultural Financing
> ➢ Operative Modality Of The Latin American Agricultural Banking
> ➢ Purpose And Main Objectives Of The Agricultural Dfi's
> ➢ Loans Portfolio Structure From The Agricultural Development Banks

- Financing Types And Credit Conditions
- Objectives Of Transformation And Modernization Of The Agricultural Development Banks
- Non Financial Services For The Agricultural Sector
- Strategic Orientations

ENTREPRENEURSHIP

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Abstract:-

For society to gain the most advantage from entrepreneurship, the entrepreneur's desire to control their products and markets must be balanced with the socially desirable impact of standards to distribute technology and market control. Groups of technologies sustain new waves of human civilization. In each wave of civilization the balance between the desires of entrepreneurs and the needs of society has been achieved differently. The information age is built on the technologies that create information systems. The expanding standardization of these technologies is a hallmark of the information age. However, proprietary control of information technology standards by entrepreneurs is changing the balance between private gain and public good. Post-information age standards offer the entrepreneur new ways to achieve commercial advantage yet support public standards. It is now generally agreed that small businesses are one of the key engines of growth in many developing countries by contributing to employment creation. In this paper, it is argued that micro and small businesses cannot grow or suceed unless they are entrepreneurial. It is with this view in mind that this paper proposed that effort must be placed on the development of entrepreneurial behaviour in small business.

Introduction

A person who organizes, operates, and assumes the risk for a business person who takes on the risks of starting a new business. Many entrepreneurs have technical knowledge with which to produce a saleable product or to design a needed new service. Often, venture capital is used to finance the startup in return for a piece of the equity. Once an entrepreneur's business is established, shares may be sold to the costumer.

An individual who, rather than working as an employee, runs a small business and assumes all the risk and reward of a given business venture, idea, or good or service offered for sale. The entrepreneur is commonly seen as a business leader and innovative Entrepreneurs play a key role in any economy. These are the people who have the skills and initiative

necessary to take good new ideas to market and make the right decisions to make the idea profitable. The reward for the risks taken is the potential economic profits the entrepreneur could An <u>Entrepreneur</u> is someone who has bundles of new ideas, ventures for business and is responsible for risks involved and also for outcome of it. These are person who are player in competitive world of business. Some mention them as business man as they have their own business and run it.

Definition –

1) Another dictionary like Merriam Webster dictionary stated that a entrepreneur is person who coordinates, handles and estimate the risks involved in the business or in enterprise world. This definition is considered more accurate and explanatory comparing to the previous one. Risks are involved in almost all works of entrepreneurs no matter is investment or implying any new idea.

2) While there is another formal definition of Ashoka where it states that entrepreneur leads to bring up an organizational society that encourages nothing except social change. Social Entrepreneurs are person who pioneer some new and big possibilities in field of health, education, environment and other sort of field to meet human needs.

3) A business entrepreneur is a person who contributes the inventions in world of commerce. On other hand, social entrepreneurs are those people who cause social change in field of society. All those above definitions state that an entrepreneur is a person who not only starts any sort of business but also leads and encourage changes within the business field.

4) Different people have different definition for Entrepreneurs. According to Dale tucker an entrepreneur is a person who assures and control of his future. He does this by getting self employed by opening his own business or joining a multi level marketing team.

5) Some eligibility to look into a entrepreneur are Planning and organization, capable of handling money, dealing products and ideal, management, capacity to work in team, risk taker, etc. He should have capacity of assembling and acquirement of particular

goals, reservation to move into a commitment. He should be capable of meeting up the work schedules

Role of entrepreneur-

Entrepreneurs are linked in many fields and are determined in different way by different people. The word has his origin in French and it has developed into many meanings that related to people who accept the risks, starting a business.

Entrepreneurs are the ones who are the founder the company and also are the one who take the risks in their business. Usually the common knowledge with entrepreneurs is that they are one who are builders of new entities which is made to offer advanced or present services or products in market. There is also profit and nonprofit matters may vary according to the type of business management.

They are considered one the most vital part of this capitalistic world. They are one who takes the credit of profit and loss as they are the one who take control of the funds. These require lot of hard work and fulfilling the demand in that particular area. They are the one who provides satisfaction to our need and get benefit in exchange for the supplying. Their mostly focus relies on the gain of profit with a product or service.

There are various types of entrepreneurs in market. As with upcoming technology and services, there are entrepreneurs satisfying everyone need. Now day's entrepreneurs are more developed compared to old days.

Risks can't be calculated and estimated. Risks are dominated on insurance principles. There are many methods through which their degree or frequency can be evaluated. Entrepreneurs are qualified for both as decision taker and performer. They provide you answer to straightaway and long full term requirements, which are unattainable, even when business procedures are carefully analyzed.

They are planners for increasing their resources. They mix the factors like land resources, capital, labor and other sources which helped in make the products which would meet the demands of a person. As he is a organizer he has the power of leading and is leader.

Organizers have right to set things in their places. Leader should have mixtures of values and abilities which would support the group

Entrepreneur's opportunity of the beginning

Not everyone can be a good <u>Entrepreneur</u>. If you want to know that you are a successful entrepreneur or not you should ask yourself. Before implying any ideas on business, you should think long and hard, decide if these things are possible or not. Would your ideas bring business and returns good revenues in business? For being an entrepreneur of business you should have passion for starting own and maintaining the business. There are many risks involved in these business, you have to ready for it.

Representing as an entrepreneur can change your life. You always have to be prepared for different circumstances throughout the business. There are some particular attributes that every entrepreneur must have or should develop on his own. These admit persistence, hard work, independence, belief in oneself, dedication and loyalty towards the quality and success. There are many more characters for a perfect and successful entrepreneur. If you have these qualities in you, then your procedure follows to what sort of business you would establish and poses.

There are thousands of chances available for the beginning of an entrepreneur. There are wide range of choices, you should choose one in which you are going to engage yourself. You would find usually two types of approaches while finding appropriate entrepreneur chance for yourself. One traditional approach is listening to your heart or bends towards your passion. When following this first approach you need to do systematic and organized process in order to continue. It takes up careful projecting thorough explore of the market, understand a need and making the product or service to satisfy and meet that need.

You have to decide in which field you are most concerned about. After that you can now enter into it by researching the pros and cons of that industry. You should also explore the different business found within that sector. Once you are done with this process, the next step follow is to survey if there is any unfulfilled demand in form of merchandise, services, costs, etc. Therefore you can proceed to analyze the rival and assuring how their business example works.

You can make the beginning by building your preliminary business plan. You should be aware and have done market research for it. After researching you should see the market potential for the business you opt for. Revise and re assess the business plan and decide who can assist you in providing finance for your business.

When following second approach for choosing right type of entrepreneur opportunity, you should follow behind your passion and the finance would be coming in some way. This involves risk and it can be attained by doing discovering and keen observations. You should look around you for different product and services to meet your needs. One type of approach for business is called imitation. This helps you in simply find the business model and copy in other area of market. You can get support of franchises for your business models.

How entrepreneur start home based small business

Many are the ways that lead to the pathway to success. There are a number of entrepreneurs who try the franchise system and walk their way to fame. A lot has been and can be talked about the franchises. The best of franchise opportunities is that one is allowed to walk in the market with a brand name that already has a strong place in the market. One who enters this way does not have to make efforts to popularize the product or service associated with the brand name.

You have taken the responsibility to take the business ahead and not only the products. Which means you must be able to convince that you are supporting the best brand and you are the right person to get it through. Otherwise, there are many others who can make the same thing available. In case the products that your franchise deals in are the same as some other then you have to convince that you are best.

If you think you cannot sell yourself this way then the franchise business is not for you. You can think of starting some other home based or small business. There are a lot of other reasons for which people choose small home based *business*

1.Problem for finance-

Not all has the finance with which they can rent a space. Therefore, they prefer small home based business.Small business is too good for the beginners. With this a lot of money is

saved which is otherwise required to be spent on the rent. It is not easy for anyone to arrange finance when one starts any kind of business. Therefore, one of the best options is to save.

2.Ease-

small businesses are easy for the entrepreneurs. The concept is that they stay at home and make money. With the home based business one does need to go for so many legal formalities. Several time it is tough to get lease for the rented place for business, which one is saved from, when operating from home.

3. Ready customers

With the business that is home based those who live in the same area and are known to you are already a part of your consumer group. For example one who cooks too well and is known for cooking in the area, if starts a restaurant, he/she would not have to publicize much. The people in the area who have tasted her food would be happy to pay her for skill in her   business.
Many people understand it well that it is tough to find customers, if you are not known in the area you try to set your business in. but if you have good relations and know a lot of people they would come to you and pay you for your product or service.
You must plan cautiously, as this is base for strong business and for the success of the business. Also, home and business finance ought to be kept separate. Maintain all the records and go ahead.

Characteristics of entrepreneur

Do you have what it takes to succeed? The path to becoming a successful entrepreneur is no picnic. It takes a special kind of person with a lot of heart to sustain the long and difficult journey. The journey is a long and windy road, but the rewards are endless. Are you ready to take the path less taken? If so, you really need to know the successful characteristics of all entrepreneurs.

There are some important characteristics that separate the weak from the strong. These three characteristics of entrepreneur are special traits that most people don't posses. If people are willing to embrace these characteristics, they will have the other traits needed to achieve success. Having these traits will benefit people in all areas of their life, not just as an entrepreneur.

The three characteristics of entrepreneur are the willingness to go through The Dream-(Passionate), The Struggle-(Determination), and The Victory (Humbleness).

Qualities of entrepreneur

Self motivated, persuasion, self confident, confidence, risk taking, knowing facts .also some of the qualities of entrepreneur are as follows.

Risk

Risk taking is also an important component of any entrepreneur. Time and again, the Entrepreneur that succeeds did so because they took a higher risk than their competitors". So even the banks feel that entrepreneurs are generally risk-takers. He goes on to say "While some skills and knowledge can be taught, I do believe that, generally, Entrepreneurs are born. It is very difficult to teach someone to be a risk taker when their natural stance is to be risk averse; someone who is not particularly determined is unlikely to be able to be taught an in-built determination to succeed". So I have found at least one published view that risk-taking is a paramount skill of the entrepreneur, and that this is a skill which cannot really be taught.

Calculated risk taker

We are not talking about foolhardy gamblers here, but people who tend to be willing to take carefully calculated risks. They do not suffer from "analysis paralysis", so they do not waste precious time over-analyzing.

Active

Having dreams and aspirations about becoming a successful entrepreneur is all well and good. However, it is much easier to dream, than it is to roll up our sleeves and take action to ensure that we make those dreams come true.

Persistence

It can be relatively easy to think up ideas, and it can be easy to start. However, it is not so easy to continue taking action day after day, especially if success is not instant.However, successful people often demonstrate a high level of commitment and persistence. It is the staying-power that often counts.

Cautiously Optimistic

A negative outlook on life is a disadvantage, as it will be conveyed to prospects and customers. Successful Entrepreneurs tend to have a "can do" attitude, and to see opportunity where others only see problems.

Goal Oriented

Entrepreneurs take a lot of satisfaction in setting and reaching goals**.**. Most human beings have a natural desire to find satisfaction in their accomplishments. However, successful people tend to write down their goals, check them through daily, and regularly review them until they achieve success.

Customer Oriented

We can only help ourselves through helping others, which includes providing people with a service they need.

Passion

Entrepreneurs aren't just motivated by a desire to earn a living. They usually have such an interest in their line of business that it rarely seems like work to them.

Flexible

Things change rapidly, especially online. The successful Entrepreneur is willing to overcome mistakes, meet new challenges head-on, and adapt to change. Doing so can mean the difference between success and failure**.**

22 important skills of Entrepreneur

1) The Home Business Musts

2) Do what you enjoy

3) Take what you do seriously

4) Plan everything

5)Manage money wisely

 6) Ask for the sale

7)Remember it's all about the customer

8) Become a shameless self-promoter

9) Get to know your customers

10)Level the playing field with technology

11) Build a top-notch business team

12)Be accessiCreate a competitive Sell benefits. advantage. Bled

13) Invest in yourself

14) Become known as an expert

15)Build a rock-solid reputation

16) Get involved

17)Grab attention

18)Master the art of negotiations

19)Design your workspace for success

20) Get and stay organized

21) Take time offLimit the number of hats you wear

22) Follow-up constantly.

Five types of Entrepreneurs

The book is called <u>New Era of Management by Richard Daft</u>. It goes on to talk about five types of entrepreneurs. There were a few I knew about before but some are new to me. So I've decided to share it with you in today's post. Let's see what categories we fall under.

Idealist

The idealist entrepreneur is the most common type of entrepreneur shown above. He/She likes innovation and enjoys working on something new or creative or something personally meaningful.

Optimizers

The optimizer entrepreneur comes in a close second and is content with the personal satisfaction of simply being a business owner.

Hard Workers

The hard workers entrepreneur category includes persons who enjoy putting in long hours to build a larger more profitable business. They like the challenge it presents and of course reap the most rewards if the business turns out to be a multi-million dollar enterprise.

Hard work comes with all businesses but as we now see not everyone works hard for the business to grow as this group of entrepreneurs does.

Jugglers

The juggler entrepreneur likes the concept that the business gives them a chance to handle everything themselves. They are usually people with lots of energy and exist on the pressure of meeting deadlines, paying bills and of course making payroll the sustainers entrepreneurcategory consists of people who like the thought of balancing work and a personal life. Most often they do not wish the business to grow too large where it will cut into their personal life too much.

These guys just need enough to survive. No big hopes and dreams of a multinational corporation or interviews on.

So this is the five categories of entrepreneurs.

Also some of types of entrepreneurship are as follow

The Manager Entrepreneur

This is the type of person who becomes involved with startups once they have received a fair bit of funding and are just beyond the first high-risk stage. These people often call themselves entrepreneurs because they are close to entrepreneurs and have worked at startups. I think it is safe to say these entrepreneurs are more like managers then entrepreneurs and they might be very good at it too.

The Setup For Failure Entrepreneur

This is the kind of entrepreneur that has failure written all over everything he does. All he does is complain, and when he takes on a project it is too ambitious and destined to fail even before he starts. he never gives up, of course, but you wish he would.

The Lifestyle Entrepreneur

Some people just want to live the life and act the part. They promote entrepreneurship, have lots of ideas about entrepreneurship but they don't actually do anything. Well, maybe consult a bit on the side.

The Cash-flow Entrepreneur

This entrepreneur doesn't think about anything except money. In general that can be a good thing for an entrepreneur but some people overdo it. Entrepreneurship is about the bottom-line but also about innovation, inspiring your team, thinking ahead and building something out of nothing. Spending your days with a calculator counting your money might feel productive, but is it entrepreneurial?

The Wannabe Entrepreneur

Every now and then I meet people who work at a company, have been working at companies their whole life, and will probably always work at a company. Within minutes they tell me they are entrepreneurs too. Deep inside, waiting to burst out, is their entrepreneurial spirit. All they need is a great idea, enough money to stay alive for, oh, one or two years, and the assurance that money will soon start to flow. Unfortunately that isn't exactly how being an entrepreneur works and precisely the reason these people still work at a big company. Becoming an entrepreneur is as much a profession as any other and generally with a lot more risk. The wannabe entrepreneur will most likely never progress beyond the wannabe stage. And that might be the best for everybody.

The Headlines Entrepreneur

Some entrepreneurs are in it strictly for the fame. They rush from one headline to another and are more focused on making it to the front page of the newspaper than actually doing business. Your company is doing well when you get lots of customers, make a lot of money and your investors are happy. Headlines are great to show off to your mother.

The Better World Entrepreneur

This entrepreneur isn't into entrepreneurship for the money but to make the world a better place. This is an awesome goal of course but often quite contrary to being a good entrepreneur. Don't get me wrong: being a successful entrepreneur doesn't mean you have to screw the world. But your first focus should be in making your company more successful and then using your success to make the world a better place. Not the other way around.

Importance of entrepreneurship for our economy

Entrepreneurship is a key driver of our economy. Wealth and a high majority of jobs are created by small businesses started by entrepreneurially minded individuals, many of whom go on to create big businesses. People exposed to entrepreneurship frequently express that they have more opportunity to exercise creative freedoms, higher self esteem, and an overall

greater sense of control over their own lives. As a result, many experienced business people political leaders, economists, and educators believe that fostering a robust entrepreneurial culture will maximize individual and collective economic and social success on a local, national, and global scale. It is with this in mind that the National Standards for Entrepreneurship Education were developed: to prepare youth and adults to succeed in an entrepreneurial economy.

Entrepreneurship education is a lifelong learning process, starting as early as elementary school and progressing through all levels of education, including adult education. The Standards and their supporting Performance Indicators are a framework for teachers to use in building appropriate objectives, learning activities, and assessments for their target audience. Using this framework, students will have: progressively more challenging educational activities; experiences that will enable them to develop the insight needed to discover and create entrepreneurial opportunities; and the expertise to successfully start and manage their own businesses to take advantage of these opportunities.

Entrepreneurs and the economy

An entrepreneur is a person who comes up with a new idea or invention and brings together a country's resources (land, labor and capital) to take the idea to the marketplace. Entrepreneurs manage and assume the risk of a business enterprise. They improve established products and services, or they create new ones. Entrepreneurs, like everyone else, respond to incentives. In a free market economy, one of the strongest incentives that drive entrepreneurs is to please customers and thereby earn a profit. To flourish, entrepreneurs need an economic environment that encourages private property and free markets.

Entrepreneurs as Vital Resources

All of the economies around the world possess four major resources: land, labor, capital and entrepreneurship. Land represents natural resources—the soil, food crops, trees and lots we build on. Labor represents the farmers, accountants, cab drivers, dry cleaners, assembly-line workers and computer programmers who provide skills and expertise to build products or

offer services in exchange for wages and salaries. Capital represents the buildings, equipment, hardware, tools and finances needed for production. Entrepreneurship represents ideas, innovation, talent, organizational skills and risk.

Entrepreneurs concoct the recipe, design the machine, develop the process and organize the workers who create and package the delicious chocolate bar on the grocery store shelf. In most cases, all we see is the final product, and thus we take entrepreneurs for granted. But entrepreneurs play the crucial role in the marketplace of making something that others will value. They are like the spark in an engine, igniting new ideas and discoveries that move the economy forward. They seek ways to improve current products, processes and services, and they create entirely new ones. They are willing to take risks to make things better.

Entrepreneurs can be found everywhere, doing just about everything—from starting a new restaurant to creating a new technology or invention. These people often put their money or their reputations on the line. Some wish to become rich and famous. Others wish to make themselves, their families or their communities better off. And some seek pure adventure—to challenge the limits of their capability. Regardless of motive, the entrepreneur's goal is to improve things. In 1926, Henry Ford, the inventor of the Model T, said, "It's strange how, just as soon as an article becomes successful, somebody starts to think that it would be more successful if only it were different." That somebody is an entrepreneur, someone who has a vision of what might be.

Entrepreneurs and Creative Destruction

In 1899, the director of the U.S. Patent Office said that everything that could be invented had already been invented. Boy, was the wrong! Practically everything we use today would have been unthinkable in 1899—airplanes, television, touch-tone telephones, microwave ovens and the Internet. Most of the modern conveniences we take for granted today did not exist 100 years ago.

The progress sparked by entrepreneurs' ideas does not simply happen. A tremendous amount of work and a great deal of risk go into every new idea that eventually makes its way into the marketplace. And even though entrepreneurs create wealth and opportunity with their ideas,

they are not always appreciated for what they do in the economy. One reason for this is that entrepreneurs can be extremely disruptive.

When entrepreneurs take bold leaps and break contact with the familiar, they often leave behind a clutter of obsolete products and processes. This force is called creative destruction. For example, manual typewriters used to be in great demand, because they served a useful function. Now, one would be hard-pressed to find a manual typewriter, or even an electric one, at work in a business. The same fate awaits countless other products, processes and services. New technologies replace old ones, and entrepreneurs spark the change. A healthy economy is one that allows creative destruction to occur because, overall, more people benefit than lose. Each act of creation brought about by entrepreneurs more than offsets the losses associated with products or processes becoming obsolete.

Entrepreneurs in the Marketplace

A market system—one in which individuals, not the government, make decisions about how to use most of the economy's resources—provides entrepreneurs one of the best environments in which to flourish. In a free market, the potential to make a profit supplies a huge incentive for entrepreneurs to come up with new and better ideas.

Profits are essential signals to entrepreneurs that they are on the right track. They reward the entrepreneur for doing things that customers value and prefer. Profits are an important sign that people are reacting positively to what the entrepreneur has to offer. Likewise, an economic loss tells the entrepreneur that a product or idea may not provide enough value to the customer. In this light, the market can be a harsh critic and a sound judge.

The market system rewards those who create opportunities for employment and further innovation. When new products, processes and services are introduced by the entrepreneur, and when customers vote favorably with their dollars, even more opportunities arise. New products or service lines develop to further enhance the recently introduced products. The computer, for example, paved the way for the Internet, which, in turn, paved the way for search engines and software to explore the World Wide Web, which, in turn, created a new way for people to shop and obtain valuable information, and on and on. A wealthy economy

is one teeming with superior contributions and the entrepreneurial opportunities created by them.

It is impossible to know in advance which entrepreneurial adventures will lead to more economic development. This is why the risk taking of entrepreneurs is so important. Entrepreneurs must listen to market signals of profit or loss to tell them whether they are on the right or wrong path to customer satisfaction. The market allows customers to be sound judges of the entrepreneur's contributions.

The free market demands that people be accountable for their actions. A good decision will be rewarded with higher profits, whereas a bad or poorly timed decision will result in loss. For each decision in the marketplace, something has to be given up, and people soon learn that nothing is free. Even the good things come with a cost. Entrepreneurs are those willing to risk the cost hoping to achieve a profit. The beauty of the free market is that entrepreneurs will only earn a profit if they do something that other people value.

Incentives for Entrepreneurship

Every country in the world has entrepreneurs, people who are creative and willing to take risks. But not all economies encourage their entrepreneurs to succeed in developing new products, ideas or services and getting them to consumers. An economic system must provide incentives that encourage entrepreneurs to risk trying something new. The most important incentives for entrepreneurs are private property rights and a competitive market system—the cornerstones of a prosperous, sound economy.

Private property. In a free enterprise system, one of the government's primary roles is to ensure that people can own and can make decisions regarding how they will use their property and ideas. Private property rights are essential to economic freedom and creativity. For example, in the United States, patent and copyright laws protect people from having their ideas and inventions stolen by others. This protection provides an incentive for entrepreneurs to create because they are allowed to benefit from their creativity.

In a system in which the government or some central planner owns the nation's resources and decides how they are allocated, entrepreneurs do not profit from their successes; thus, there

is a much smaller incentive for them to be creative. In a free market economy, entrepreneurs can use their property and ideas in ways they think are best, and they can benefit directly from their successes in the form of higher profits or salaries.

Competitive markets. A free market economy also allows for competition among producers of goods or services. Competition provides another incentive for entrepreneurs to be creative. Entrepreneurs flourish in an environment that rewards them for their success and keeps them looking around the corner for competitors who may be gaining on them. When customers have a wide array of choices available to them, there is a greater burden on entrepreneurs to constantly find new and better ways of doing things.

Entrepreneurship and the Economy

Entrepreneurs are vital to economic growth and, consequently, to higher living standards. Thus, legislators and other leaders who create economic policies should strive to encourage the innovation and risk taking of entrepreneurs. Enforcing property rights through contract, patent and copyright laws; encouraging competition through free trade, deregulation and antitrust legislation; and promoting a healthy economic climate through Federal Reserve anti-inflation initiatives—these are all examples of policies that empower entrepreneurs to be creative and take risks.

The accomplishments of entrepreneurs in our modern world have been possible because of a climate of individual freedom that is so rare in human history. The society that does not honor entrepreneurial accomplishment will find fewer able people engaged in wealth creation. History has shown time and again that economies that appreciate the benefits created by entrepreneurs flourish, while those that devise laws and regulations aimed at seizing the entrepreneurs' rewards founder.

3rd and 4th party in Logistic And Supply chain

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Abstract:

Supply chain management is aimed at managing complex and dynamic supply and demand networks. Supply chain management (SCM) is the management of a network of interconnected businesses involved in the ultimate provision of product and service packages required by end customers (Harland, 1996). Supply chain management spans all movement and storage of raw materials, work-in-process inventory, and finished goods from point of origin to point of consumption (supply chain). Supply chain management is the systematic, strategic coordination of the traditional business functions and the tactics across these business functions within a particular company and across businesses within the supply chain, for the purposes of improving the long-term performance of the individual companies and the supply chain as a whole (Mentzer et al., 2001).

INTRODUCTION:-

A third-party logistics provider (abbreviated 3PL) is a firm that provides service to its customers of outsourced (or "third party") logistics services for part, or all of their supply chain management functions. Third party logistics providers typically specialize in integrated operation, warehousing and transportation services that can be scaled and customized to customers' needs based on market conditions and the demands and delivery service requirements for their products and materials According to the Council of Supply Chain Management Professionals, 3PL is defined as "a firm [that] provides multiple logistics services for use by customers. Preferably, these services are integrated, or bundled together, by the provider. Among the services 3PLs provide are transportation, warehousing, cross-docking, inventory management, packaging, and freight forwarding."

DEFINITION:-

"A 3PL (third-party logistics) is a provider of outsourced logistics services. Logistic services encompass anything that involves management of the way resources are moved to the areas where they are required. The term comes from the military."

In business, 3PL has a broad meaning that can be applied to any service contract that involves storing or shipping things. A 3PL service may be a single service such as transportation or warehouse storage or it can be a system-wide bundle of services capable of managing the entire supply chain.

Types of 3PL providers:-

Third-party logistics providers include freight forwarders, courier companies, as well as other companies integrating & offering subcontracted logistics and transportation services Standard 3PL provider: this is the most basic form of a 3PL provider. They would perform activities such as, pick and pack, warehousing, and distribution (business) – the most basic functions of logistics. For a majority of these firms, the 3PL function is not their main activity. Service developer: this type of 3PL provider will offer their customers advanced value-added services such as: tracking and tracing, cross-docking, specific packaging, or providing a unique security system. A solid IT foundation and a focus on economies of scale and scope will enable this type of 3PL provider to perform these types of tasks.

The customer adapter: this type of 3PL provider comes in at the request of the customer and essentially takes over complete control of the company's logistics activities. The 3PL provider improves the logistics dramatically, but do not develop a new service. The customer base for this type of 3PL provider is typically quite small.

The customer developer: this is the highest level that a 3PL provider can attain with respect to its processes and activities. This occurs when the 3PL provider integrates itself with the customer and takes over their entire logistics function. These providers will have few customers, but will perform extensive and detailed tasks for them.

 Non asset-based logistics providers

Advancements in technology and the associated increases in supply chain visibility and inter-company communications have given rise to a relatively new model for third-party logistics operations – the "non-asset based logistics provider." Non-asset based providers perform functions such as consultation on packaging and transportation, freight quoting, financial settlement, auditing, tracking, customer service and issue resolution. However, they do not employ any truck drivers or warehouse personnel, and they don't own any physical freight distribution assets of their own – no trucks, no storage trailers, no pallets, and no warehousing.[3] A non-assets based provider consists of a team of domain experts with accumulated freight industry expertise and information technology assets. They fill a role similar to freight agents or brokers, but maintain a significantly greater degree of "hands on" involvement in the transportation of products. Examples of third party logistics companies as defined above would be Mihlfeld & Associates, Coyote Logistics, C.H. Robinson Worldwide, Dupree Logistics LLC, J.B. Hunt Transport Services, Blue Grace Logistics, FedEx Supply Chain, LTL Freight To be useful, providers must show their customers a benefit in financial and operational terms by leveraging exceptional expertise and ability in the areas of operations, negotiations, and customer service in a way that complements its customers' preexisting physical assets.

On-demand transportation

3PL can also be 2PL at the same time in the following cases:

when a shipping line owns a freight forwarder,

when an airline owns a general sales agent (GSA),

when a freight forwarder owns trucks or a warehouse,

when a courier company owns planes.

Out sourcing of logistic:-

Outsourcing of logistics function is a business dynamics of growing importance all over the world. A growing awareness that competitive advantage comes from the delivery process as much as from the product has been instrumental in upgrading logistics from its traditional backroom function to a strategic boardroom function (Razzaque and Sheng, 1998). In order to handle its logistics activities effectively and efficiently, a company may consider the

following options – it can provide the function in-house by making the service, or it can own logistics subsidiaries through setting up or buying a logistics firm or it can outsource the function and buy the service. Currently, there has been a growing interest in the third option, i.e. outsourcing of logistics functions to third party logistics service providers.

Application of 3rd party in logistic:-

•   Firms with a wide and/or complex distribution network. Example: IBM.

•   Firms that do not focus on logistics as one of their core competencies. Example: Chevron Corp or British Petroleum.

•   In strategic discussions on Core Competence.

•   In the case of the creation of a new product group.

•   When a company is integrating activities of a takeover. Compare Acquisition Integration Approaches.

Steps in 3rd party logistics:-

The application of 3PL is normally done in a number of phases:

•   Awareness. Investigate possibilities, inform employees, SWOT Analysis.

•   Market Research. Investigate market trends, in particular service demands. See: SERVQUAL, Customer Satisfaction Model, and Quality Function Deployment.

•   Strategy. Develop and compare logistics concepts.

•   Make or Buy. Build own competence or outsource. Outsource completely or partly.

•   Business Plan. Costs, benefits. Phasing. Timing. Risks. Communication and motivation.

Limitations of 3rd party:-

To implement 3PL successfully, one may need to bear in mind some possible pitfalls:

•   Loss of control over the logistics functions (especially for critical parts).

•   More distance from clients. Loss of human touch.

- Discontinuity of services of 3PL provider.

- Differences of opinion or perception of the service level of the third party provider.

Literature Review:-

 Outsourcing, third party logistics services (3PL) and contract logistics generally mean the same thing (Lieb, Millen and Wassenhove, 1993). It involves the use of external companies to perform logistics functions, which have traditionally been performed within an organization. The functions performed by third party logistics service providers can encompass the entire logistics process or select activities within that process. A key rationale for outsourcing of logistics functions is the intensified globalization of businesses. During the last two decades, globalization has emerged as a major force of shaping business strategies, leading firms to develop products designed for a global market and to source components globally (Cooper, 1993). This has led to more complex supply chains requiring larger involvement of managers in logistics functions. Lack of specific knowledge of customs, tax regulations and infrastructure of destination countries has forced firms to acquire expertise of third party logistics service providers. As a result firms are concentrating their energies on core activities and leaving the rest to specialist firms Trunick, 1989). Present extent of usage of third party logistics services 55.4 percent respondents indicated that their organizations use third party logistics services, while 44.6 percent do not currently outsource logistics functions to third party logistics service providers. Of those organizations currently outsourcing logistics services, 82.3 percent indicated that their firms employed the services of more than one logistics service provider.

Results indicate that the usage of services of 3PL providers has had a strong positive impact on all the three dimensions. Nearly 50 percent of the users noted that the impact has been "positive" or "very positive" in all the three areas of organizational impact. However, 4.5 percent of the respondents indicated that 3PL services had a negative impact on employee morale. Also 3.2 percent of the respondents indicated a negative impact on logistics system performance. These results show that people issues are a critical factor to be considered in outsourcing of logistics functions. Besides, the respondents were also asked to quantify the

percentage improvement on financial indicators – improvement in sale revenues, working capital improvement, capital asset reduction, production cost reduction, labor cost reduction, return on asset improvement, logistics cost reduction – because of the usage of 3PL services.

Conclusion:-Changing business environment has pushed organizations in India to concentrate on their core activities and offload a host of logistics functions to experts in the field. Globally, the range of effective logistics outsourcing includes, apart from transportation, warehousing and custom clearance a whole range of other activities such as freight bill payments, auditing, contract manufacturing and assembly operations, packaging and labeling, freight consolidation to name a few. The practices in Indian industry reveal that: • Warehousing, inbound and outbound transportation, custom clearing and forwarding are the most frequently outsourced activities. • Activities such as packaging, fleet management and consolidation are gaining attention and growing in popularity. • More and more companies are planning to use 3PL services in the future as an integrated set of services rather than for just movement of material.

Forth party

At DHL, being a Fourth Party Logistics (4PL) provider means instigating and managing change across your entire supply chain, to meet changing business and customer demands. We do this by – bringing continuous improvement and cost reduction, introducing lean logistics processes and optimizing logistics networks.

A successful 4PL provider is built upon a strong and effective partnership arrangement with our customer to deliver value to their business, and encompasses a whole range of skills and experience that we deploy to meet the needs of your business. These include:

☐   Network analysis and design

☐   Consultancy

☐   Business planning

☐   Change management

☐   Project management

☐   Control tower and network management services, coordinating a wide supplier base across many modes and geographies

☐   Inventory planning and management

☐   Inbound, outbound and reverse logistics management.

The concept of Fourth-Party Logistics (4PL) provider was first defined by Andersen Consulting (Now Accenture) as an integrator that assembles the resources, capabilities and technology of its own organization and other organizations to design, build, and run comprehensive supply chain solutions. Whereas a third party logistics (3PL) service provider targets a function, a 4PL targets management of the entire process. Some have described a 4PL as a general contractor who manages other 3PLs, truckers, forwarders, custom house agents, and others, essentially taking responsibility of a complete process for the customer.

Definition:-

Arrangement in which a firm contracts out (outsources) its logistical operations to two or more specialist firms (the third party logistics) and hires another specialist firm (the fourth party) to coordinate the activities of the third parties.

Corus had a good track record of managing logistics at a local level; however, without centralized management, journeys were being duplicated, racking up expensive empty miles. A traditional outsourced solution would have adversely affected existing customers and contractual arrangements. TDG therefore implemented an innovative transport management (4PL) solution.

Today the Corus transport management platform is managed by a skilled TDG logistics team. An integrated suite of transport management software, with visual planner, enables users to easily update the 'order to cash' process using live information. Vehicles are now used for round trips, reducing costs as well as pressure on third party haulers to find extra jobs to maximize their own efficiency.

Delivering quantifiable results

•   TDG predicts annual savings of 500,000 liters of fuel by reducing miles travelled by a million - therefore levying environmental benefits too.

•   Corus have achieved initial savings to baseline of over 5%. These improve week by week.

•   Seamless transition to new IT systems means service performance levels of 99% are being achieved.

"This 4PL Transport Platform is a major restructure of our internal logistics operations – and we have already seen cost and efficiency benefits. TDG's technology also gives us the opportunity to improve our service offering to customers. The fact that all this is being achieved without losing a single supplier relationship is testament to TDG's vision and real ability to find workable solutions to difficult problems."

Key Drivers for Third and Fourth Party Logistics Providers:-

A third-party logistics provider (3PL) is an asset based company that offers logistics and supply chain management services to its customers. It commonly owns and manages distribution centers and transport modes. A fourth-party logistics provider (4PL) integrates the resources of producers, retailers and third-party logistics providers in view to build a system-wide improvement in supply chain management. They are non-asset based meaning that they mainly provide organizational expertise. The main factors behind the increasing role of 3PL and 4PL are:

•   The international division of production associated with globalization helped set a global network of manufacturing activities, implying that producers and consumers tend to have an acute geographical separation requiring complex transportation services.

•   A increasing focus of manufacturers and retailers on their core business (known as core competencies) and sub-contracting activities such as logistics where they have less expertise. The goal is to promote the respective specializations in production and distribution.

•   Better utilization of transportation assets and resulting economies of scale. 3PLs can make better use of transportation assets by balancing the needs of multiple client shippers across transportation and distribution functions, locations, etc. (e.g. developing networks to maximize backhaul).

• Productivity gains in supply chain management in terms of costs and reliability that can be derived from the managerial and information technology expertise provided by 3/4PL.

• Offshoring and outsourcing resulted in longer and more complex supply chains in which several segments of the transport chain are taking place in environments unfamiliar to the outsourcing company.

• 3/4PLs are more prone to implement novel supply chain management practices requiring a higher expertise on material flows such as transloading, crossdocking and shipment tracking.

• A general trend towards deregulation permitting a higher level of interaction between transportation modes. These interactions rely on complex transport services.

Examples of our 3rd & 4th party logistics solutions:-

Our customer focus and dedication to continuous product innovation and development has seen our managed contracts business develop enormously.

Norfolkline's holistic approach to the needs of its customers has enabled it to develop as specialist provider of 3rd party logistics (management of logistic services using our own resources from transportation, through to storage, transhipment and value added services) and 4th party logistics (managing transport providers and providing integration along the supply chain, planning, steering and controlling all logistic procedures in a strategic manner). Industries where our customers have taken advantage of our 3rd/4th party logistics capabilities include bulk chemicals and automotive manufacture.

☐ European transportation of bulk, full and part loads including packed, dry and liquid product and samples

☐ Full European coverage

☐ Dangerous goods transportation

☐ Multi-modal transport

☐ On site staff

☐ Integrated into customer's IT system

SCOPE OF 3RD &4TH PARTY IN LOGISTIC:-

The scope of Norfolkline's 3rd & 4th party logistics services

By mutually agreeing Key Performance Indicators (KPIs) with our customers we help focus on the business elements that the customer would like to target.

Norfolk line Managed Contracts specialise in the provision of integrated, tailor-made logistics solutions to customers.

We focus on working with clients to improve various aspects of the supply chain, concentrating on items of central importance to their business, including:

☐ Carrier and Asset Management

☐ Cost control and efficiencies

☐ improving customer satisfaction

☐ Improving accuracy for collection, transit and delivery times

☐ Improved Communication processes

☐ Enhanced Customer Reporting

☐ Focus on safety in the supply chain

☐ Damage checks and controls

☐ Supply Chain Administration

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Benefits:-

• Economies of Scale

• Reduced Supply Chain costs

• Increased flexibility

• Combines the advantages of in- and outsourcing

- Manufacturers can focus on core competencies

- Improved customer service

- Reduced capital requirements

Problems of 4th party:

- Customer relationships should not be Dismissed on basis of efficiency

- Strict functional organization structure hinders Integrated Supply Chains

- Resistance to change – the biggest obstacle to Implementation of new approaches

- Losing sight of original core-concept Of SCM due to loss of control

PRODUCTION   AND OPERATION MANAGEMENT

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INTRODUCTION

Production operations management is the process, which combines and transforms various resources used in the production /operation subsystem of the organization into value added product / services in a controlled manner as per the policies of the organization. Therefore, it is that part of an organization, which is concerned with the transformation of range of inputs into the required (products/services) having the requisite quality level.

The set of   interrelated management activities, which are involved in manufacturing certain products, is called as **production management**. If the same concept is extended to service management, then the corresponding set of management activities is called as **operation management.**

HISTORICAL EVOLUTION OF PRODUCTION AND OPERATION MANAGEMENT

For over two centuries operations and production management has been recognized as an important factor in a country's economic growth.

The traditional view of manufacturing management began in eighteenth century when **AdamSmith** recognised the economic benefits of specialisation of labour. He recommended breakingof jobs down into subtasks and recognises workers to specialised tasks in which they wouldbecome highly skilled and efficient. In the early twentieth century, F.W. Taylor implementedSmith's theories and developed scientific manageme

Production management becomes the acceptable term from 1930s to 1950s. AsF.W. Taylor's works become more widely known, managers developed techniques that focusedon economic efficiency in manufacturing.

With the 1970's emerges two distinct changes in our views. The most obivious of these, reflected in the new name operation management was a shift in the service and manufacturing sectors of the economy. As service sector became more prominent,the change from 'production' to 'operation' emphasized the broadening of our field to service organizations.The second,more suitable change was the beginning of an emphasis on synthesis, rather than just analysis, in management practices.

CONCEPT OF PRODUCTION

Production   function is that part of an organization, which is concerned with the transformation of a range of inputs into the required outputs (products) having the requisite quality level.

Production is defined as " the step-by-step conversion of one form of material into another form through chemical or mechanical process to create or enhance the utility of the product to the user." Thus production is a value

addition process. At each stage of processing, there will be value addition.

Edwood Buffa defines production as 'a process by which goods and services are created'.

Some examples of production are manufacturing custom-made products like,boilers with a specific capacity,constructing flats,some structural fabrication works for selected customers,etc., and manufacturing standardized product like, car, bus, motor cycle, radio, television,etc.

Schematic production system
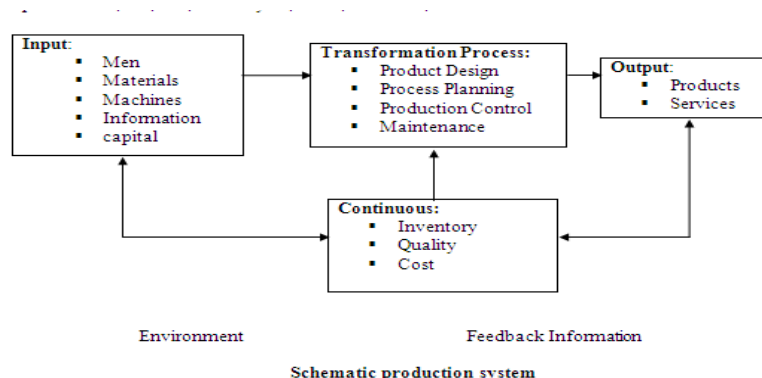
CLASSIFICATION OF PRODUCTION SYSTEM
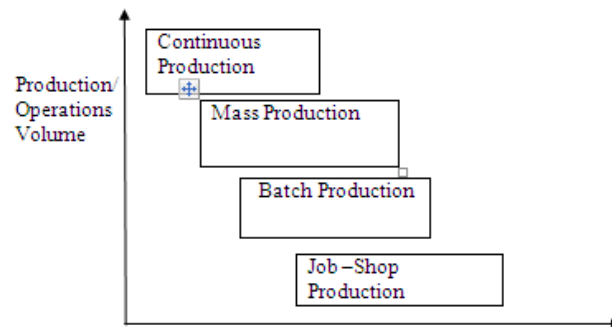
PRODUCTION SYSTEM

The production system of an organization is that part, which produces products of an organization. It is that activity whereby resources, flowing within a defined system, are combined and transformed in a controlled manner to add value in accordance with the policies communicated by management. A simplified production system is shown above.

The production system has the following characteristics:

1. Production is an organized activity, so every production system has an objective.
2. The system transforms the various inputs to useful outputs.
3. It does not operate in isolation from the other organization system.
4. There exists a feedback about the activities, which is essential to control and improve system performance.

JOB SHOP PRODUCTION

Job shop production are characterized by manufacturing of one or few quantity of products designed and produced as per the specification of customers within prefixed time and cost. The distinguishing feature of this is low volume and high variety of products.

Characteristics:

1. High variety of products and low volume.

2. Use of general purpose machines and facilities.

3. Highly skilled operators who can take up each job as a challenge
   Because of uniqueness.

4. Large inventory of materials, tools,parts.

5. Detailed planning is essential for sequencing the requirements of each
   product ,capacities for each work centre and order priorities.

Advantages

1. Because of general purpose machines and facilities variety of
   products can   be produced.

2. Operators will become more skilled and competent, as each job gives
   them learning opportunities.

3. Full potential of operators can be utilized.

4. Opportunities exists for creative methods and innovative ideas.

Limitations:

1.Higher cost due to frequent set up changes.

2. Higher level of inventory at all levels and hence higher inventory
   cost

3. Production planning is complicated.

4. Larger space requirements.

BATCH PRODUCTION

Batch production is defined by American Production and Inventory Control
Society(APICS) "as a form of manufacturing in which the job passes through the functional
departments in lots or batches and each lot may have a different routing."It is characterized
by the manufacture of limited number of products produced at regular intervals and stocked
awaiting sales.

Characteristics:

1. When there is shorter production runs.

2. When plant and machinery are flexible.

3. When plant and machinery set up is used for the production of item in a

   batch and change of set up is required for processing the next batch.

4. When manufacturing lead time and cost are lower as compared to job

   order production.

Advantages:

1. Better utilization of plant and machinery.

2. Promotes fuctional specialization.

3. Cost per unit is lower as compaered to job order production.

4. Lower investment in plant and machinery.

5. Flexibility to accommodate and process number of products.

Limitations:

1. Material handling is complex because of irregular and longer flows.

2. Production planning and control is complex.

3. Work in process inventory is higher compared to continuous production.

4. Higher set up costs due to frequent changes in set up.

MASS PRODUCTION

   Manufacture of discrete parts or assemblies using a continuous process are called mass production.This production system is justified by very large volume of production.The machines are arranged in aline or product layout.Product and process standardization exists and all outputs follow the same path.

Characteristics

1. Standardisation of product and process sequence.

2. Large volume of products .

3. Shorter cycle time of production .

4. Production planning and control is easy.

5. Perfectly balanced production lines.

Advantages

1.Higher rate of production with reduced cycle time .

2. Less skilled operators are required.

3. Low process inventory.

4. Manufacturing cost per unit is low.

Limitations

1. Breakdown of one machine will stop an entire production line.

2.High investment in production facilities.

3. The cycle time is determined by the slowest operation.

CONTINUOUS PRODUCTION

Production facilities are arranged as per the sequence of production operation from the first operation to the finished product.The items are made to flow through the sequence of operations through material handling devices such as conveyors ,transfer devices etc

Characteristics

1.Dedicated plant and equipment with zero flexibility.

2. Material handling is fully automated .

3. Process follows a predetermined sequence of operation.

4. Planning and scheduling is a routine action.

Advantages:

1.Higher rate of production with reduced cycle time.

2. Higher capacity utilization due to line balancing.

3.Manpower is not required for material handling as it is completely automatic.

4. Person with limited skills can be used on the production line.

Limitation:

1. Flexibility to accommodate and process number of products does not

   Exist.

2. Very high investment for setting flow lines.

3. Product differentiation is limited.

PRODUCTION MANAGEMENT

Production management is a process of planning ,organizing,directing and controlling the activities of the production function. It combines and transforms various resources used in the production subsystem of the organization into value added product in a controlled manner as per the policies of the organization.

E.S.Buffa defines production management as,Production management deals with decision making related to production processes so that the resulting goods or services are produced according to specifications,in the amount and by the schedule demanded and out of minimum cost.

OBJECTIVES OF PRODUCTION MANAGEMENT

The objective of the production management is to produce goods services of right quality and quantity at the right time and right manufacturing cost.

1.Right Quality

The quality of product is established based upon the customers needs. The right quality is not necessarily best quality. It is determined by the cost of the product and the technical characteristics as suited to the specific requirements.

2.Right Quantity

The manufacturing organization should produce the right number. If the quantity is produced in short of demand ,leads to shortage of products.

3 Right Time

Timeliness of delivery is one of the important parameter to judge the effectiveness of production department. So, the production department has to make the optimal utilization of input resources to achieve its objective.

4. Right Manufacturing Cost

Manufacturing costs are established before the product is actually manufactured.Hence ,all attempts should be made to produce the products at pre-established cost. So as to reduce the variation between actual and standard cost.

OPERATING SYSTEM

Operating system converts inputs in order to provide outputs which are required by a customer.It converts physical resources into outputs ,the function of which is to satisfy customer wants i.e., to provide some utility for the customer. In some of the organization the product is a physical good (hotels) while in others it is a service (hospitals).Bus and taxi services .tailors ,hospital and bilders are the examples of an operatin system.

Everett E. Adam & Ronald J. Ebert define operating system as,"An operating system(function) of an organization is the part of an organization that produces the organization's physical goods and services.''

Concept of Operations

An operation is defined in terms of the mission it serves for the organization, technology it employs and the human and managerial processes it involves.Operations in an organization can be categorized into manufacturing operations and service operations.Manufacturing operations is a conversion process that includes manufacturing yields a tangible output: a product ,whereas, conversion process that includes service yields an intangible output: a deed,a performance,an effort.

OPERATIONS MANAGEMENT

Planning

Activities that establishes a course of action and guide future decision making is planning.The operations manager defines the objectives for the operations subsystem of the organization and the policies and operations in the organization's overall strategy. It also involves product planning ,facility designing and using the conversion process.

Organizing

Activities that establishes a structure of tasks and authority.Operation managers establish a structure of roles and the flow of information within the operation s subsystem..They determine the activities required to achieve the goals and assign authority and responsibility for carrying them out.

Controlling

Activities that assure the actual performance in accordance with planned performance. To ensure that the plans for the operations subsystem are accomplished, the operation manager must exercise control by measuring actual outputs and comparing them to planned operation management.Controlling costs ,quality and schedules are the important functions here.

Behaviour

Operation managers are concerned with how their efforts to plan, organize, and control affect human behavior. They also want to know how the behavior of subordinate can affect management's planning, organizing, and controlling actions. Their interest lies in decision-making behavior.

Models

As operation managers plan, organize, and control the conversion process,they encounter many problems and must make many decisions. They can simplify their difficulties using

models like aggregate planning models for examining how best to use existing capacity in short-term, break even analysis to identify break even volumes,linear programming and computer simulation for capacity utilization, decision tree analysis for long-term capacity problem of facility expansion,simple median model for determining best locations of facilities etc.

OBJECTIVES OF OPERATION MANAGEMENT

Objectives of operation management can be categorized into customer services and resource utilization.

Customer Service

The first objective of operating system is the customer service to the satisfaction of customer wants. Therefore, customer service is a key objective of operations management. The operating system must provide something to a specification which can satisfy the customer in terms of cost and timing.Thus, primary objective can be satisfied by providing the right thing at a right price at the right time .

Resource Utilisation

To utilise resources for the satisfaction of customer wants effectively, i.e. , customer service must be provided with the achievement of effective operations through efficient use of resources. Inefficient use of resources or inadequate customer service leads to commercial failure of an operating system.

Operation management is concerned essentially with the utilization of resources, i.e. , obtaining maximum effect from resources or minimizing their loss, under utilization or waste.The extent of the utilization of the resources potential might be expressed in terms of the proportion of available time used or occupied, space utilization, levels of activity,etc. Each measure indicates the extent to which the potential or capacity of such resources is utilized.This is referred as the objective of resource utilization.

Operations management is also concerned with the achievement of both satisfactory customer service and resource utilization. An improvement in one will often give rise to deterioration in the other.Often both cannot be maximized, and hence a satisfactory performance must be achieved on both objectives. All the activities of operations management must be tackled with these two objectives in mind, and many of the problems will be faced by operations managers because of this conflict. Hence ,operation managers must attempt to balance these basic objectives.

SCOPE OF PRODUCTION AND OPERATIONMANAGEMENT

Production and operation management concern with the conversion of inputs into outputs, using physical resources, so as to provide the desired utilities to the customer while meeting the other organizational objectives of effectiveness, efficiency and adoptability. It distinguishes itself from other functions such as personnel, marketing, finance, etc., by its primary concern for 'conversion by using physical resources.' Following are the activities which are listed under production and operations management functions:

1. Location of facilities

2. Plant layouts and material handling

3. Product design

4. Process design

5. Production and planning control

6. Quality control

7. Materials management

8. Maintenance management.

Location Of Facilities

Location of facilities for operations is a long-term capacity decision which involves a long term commitment about the geographically static factors that affect a business organization. It is an important strategic level decision-making for an organization. It deals with the questions such as 'where our main operations should be based?'

The selection of location is a key-decision as large investment is made in building plant and machinery. An improper location of plant may lead to waste of all the investments made in plant and machinery equipments. Hence, location of plant should be based on the company's expansion plan and policy, diversification plan for the products, changing sources of raw materials and many other factors. The purpose of the location study is to find the optimal location that will results

in the greatest advantage to the organization

Plant Layout And Material Handling

Plant layout refers to the physical arrangement of facilities. It is the configuration of departments, work centres and equipment in the conversion process. The overall objective of the plant layout is to design a physical arrangement that meets the required output quality and quantity most economically.

According to **James Moore,"** *Plant layout is a plan of an optimum arrangement of facilities including personnel, operating equipment, storage space, material handling equipments and all other supporting services along with the design of best structure to contain all these facilities".* 'Material Handling' refers to the 'moving of materials from the store room to the machineand from one machine to the next during the process of manufacture'. It is also defined as the 'art and science of moving, packing and storing of products in any form'. It is a specialized activity for a modern manufacturing concern, with 50 to 75% of the cost of production. This cost can be reduced by proper section, operation and maintenance of material handling devices. Material handling devices increases the output, improves quality, speeds up the deliveries and decreases the cost of production. Hence, material handling is a prime consideration in thedesigning new plant and several existing plants.

Product Design

Product design deals with conversion of ideas into reality. Every business organizationEvery business organization have to design, develop and introduce new products as a survival and

growth strategy. Developing the new products and launching them in the market is the biggest challenge faced by the organizations.

The entire process of need identification to physical manufactures of product involves three functions: marketing, product development, manufacturing. Product development translates the needs of customers given by marketing into technical specifications and designing the various features into the product to thesespecifications. Manufacturing has the responsibility of selectingthe processes by which the product can be manufactured. Product design and development provides link between marketing, customer needs and expectations and the activities required to manufacture the product.

PROCESS DESIGN

Process design is a macroscopic decision-making of an overall process route for converting the raw material into finished goods. These decisions encompass the selection of a process, choice of technology, process flow analysis and layout of the facilities. Hence, the important decisions in process design are to analyse the workflow for converting raw material into finished product and to select the workstation for each included in the workflow.

PRODUCTION PLANNING AND CONTROL

Production planning and control can be defined as the process of planning the production in advance, setting the exact route of each item, fixing the starting and finishing dates for each item, to give production orders to shops and to follow up the progress of products according to orders. The principle of production planning and control lies in the statement 'First Plan Your Work

and then Work on Your Plan'. Main functions of production planning and control includes planning, routing, scheduling, dispatching and follow-up.

Planning is deciding in advance what to do, how to do it, when to do it and who is to do it. Planning bridges the gap from where we are, to where we want to go. It makes it possible for things to occur which would not otherwise happen.

Routing may be defined as the selection of path which each part of the product will follow, which being transformed from raw material to finished products. Routing determines the most advantageous path to be followed from department to department and machine to machine till raw material gets its final shape.

Scheduling determines the programme for the operations. Scheduling may be defined as 'the fixation of time and date for each operation' as well as it determines the sequence of operations to be followed.

Dispatching is concerned with the starting the processes. It gives necessary authority so as to start a particular work, which has already been planned under 'Routing' and 'Scheduling'. Therefore, dispatching is 'release of orders and instruction for the starting of production for any item in acceptance with the route sheet and schedule charts'. The function of **follow-up** is to report daily the progress of work in each shop in a prescribed proforma and to investigate the causes of deviations from the planned performance.

QUALITY CONTROL

Quality Control (QC) may be defined as 'a system that is used to maintain a desired level of quality in a product or service'. It is a systematic control of various factors that affect the quality of the product. Quality control aims at prevention of defects at the source, relies on effective feed back system and corrective action procedure.

Quality control can also be defined as 'that industrial management technique by means of which product of uniform acceptable quality is manufactured'. It is the entire collection of activities which ensures that the operation will produce the optimum quality products at minimum cost. The main objectives of quality control are:

 To improve the companies income by making the production more acceptable to the customers *i.e.*, by providing long life, greater usefulness, maintainability, etc.

_ To reduce companies cost through reduction of losses due to defects.

_ To achieve interchangeability of manufacture in large scale production.

_ To produce optimal quality at reduced price.

_ To ensure satisfaction of customers with productions or services or high quality level, to build customer goodwill, confidence and reputation of manufacturer.

_ To make inspection prompt to ensure quality control.

_ To check the variation during manufacturing.

MATERIALS MANAGEMENT

Materials management is that aspect of management function which is primarily concerned with the acquisition, control and use of materials needed and flow of goods and services connected with the production process having some predetermined objectives in view. The main objectives of materials management are:

_ To minimise material cost.

_ To purchase, receive, transport and store materials efficiently and to reduce the related cost.

_ To cut down costs through simplification, standardisation, value analysis, import substitution, etc.

_ To trace new sources of supply and to develop cordial relations with them in order to ensure continuous supply at reasonable rates.

_ To reduce investment tied in the inventories for use in other productive purposes and to develop high inventory turnover ratios.

MAINTENANCE MANAGEMENT

In modern industry, equipment and machinery are a very important part of the total productive effort. Therefore, their idleness or downtime becomes are very expensive. Hence, it is very important that the plant machinery should be properly maintained.

The main objectives of maintenance management are:

1. To achieve minimum breakdown and to keep the plant in good working condition at the lowest possible cost.

2. To keep the machines and other facilities in such a condition that permits them to be used at their optimal capacity without interruption.

3. To ensure the availability of the machines, buildings and services required by other sections of the factory for the performance of their functions at optimal return on investment.

Summary

Products and services organizations are similar to each other in many ways. Manufacturing organizations not only produce goodsnbut also provide after sales service , warranty service, etc. production and operations management is the management of transformation process.

After liberalization of the country, the role of the operations manager has increased manifold. It has become more strategic in focus due to increased competition from the multinational corporations.

STUDY ON, REMITTANCE PROCESS FOR INTERNATIONAL TRADE.

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ABSTRACT:

The rapid expansion of international trade, reduced trade barriers, Global Information System. In industry after industry, multinational firms Authors : are under pressure to seek global economies of scale, to build world products. The banking industry plays a major role in internet banking. International bank supporting increased global trade and investment activity (India, us, Holland, etc.). Globally distributed manufacturing and marketing Information system (IS) research suggests requires that firms finance these activities that the use of innovative information across national boundaries. In addition, they technology (IT), deployed globally with the must manage the flow of cash among right mix of organizational assets, may help operating units in different continents with firm performance by increasing scale and different currencies. Consequently, firms in scope economies, customer value, the banking industry might be able to reap operational efficiency and organizational benefits from business globalization. effectiveness, and by providing Indeed, the globalization of competition opportunities for competitive advantage. The dramatic changes in the strategy and use of an innovative IS to deliver products structure of the banking industry (Holland in the international trade finance and cash in 1995). Management business. Hexagon, a proprietary on-line banking application To take advantage of the new scale and that supports the international management scope of international trade finance and of financial assets, was developed by international banking may require firms to Holdings, plc. Bank has used Hexagon to build extensive networks of assets and leverage a presence in many countries. Bank mostly use Remittance process for transfer of money from one country to another country. The remittance process is beneficial to increase international trade. If the level of international trade increases it will motivate the small scale industries to do international trade.

Key Words: - international trade, Regulations, Inward remittance, Outward remittance.

INTRODUCTION

Remittance can also refer to the accounting concept of a monetary payment transferred by a customer to a business. A remittance is a transfer of money by a foreign worker to his or

her home country. See "remittance man" below for the historical use of the word, which is the opposite of the modern use.

Money sent home by migrants constitutes the second largest financial inflow to many developing countries, exceeding international aid. Estimates of remittances to developing countries vary from International Fund for Agricultural development's. Remittances contribute to economic growth and to the livelihoods of people worldwide. Moreover, remittance transfers can also promote access to financial services for the sender and recipient, thereby increasing financial and social inclusion. Remittances also foster, in the receiving countries, a further economic dependence on the global economy instead of building sustainable, local economies. Note that in 19th century usage a remittance man was someone (often a black sheep) exiled overseas and sent an allowance on condition that he not return home.

REMITTANCE PROCESSING SYSTEM (RPS)

High-Volume Remittance Processing Solution

Banks and corporate billers deal in high volumes of recurring payment transactions — paper-based and electronic — that can reach into the tens of millions of transactions monthly. While customers demand accurate payment processing service, creditors require processing that ensures timely availability of funds. The capital- and labor-intensive payment processing required to meet these mission-critical needs can be costly. CSC's Remittance Processing System (RPS) provides a comprehensive

set of processing capabilities for all types of payments, including retail remittances, retail lockbox and wholesale lockbox. Payment types also can be intermixed on one system simultaneously to provide maximum operational flexibility. A scalable, high-volume, field-proven solution, RPS improves customer service while minimizing the cost of the payment processing operation. As a system integrator, CSC provides an open-architecture solution that leverages your current capture and encode devices. To improve automation, RPS integrates data and image capture with high-speed mail extraction. After capture, each payment transaction is controlled by the workflow to achieve complete processing.

Parameter-driven application software enables the user to define processing requirements for each type of payment.

More Efficient Image Recognition

RPS uses a comprehensive image character recognition (ICR) subsystem to reduce data entry and improve the quality of your remittance processing. The image recognition in RPS has a reduced error rate compared to manual data entry. CSC integrates multiple off-the-shelf recognition systems and its own engines in a unique framework known as corroboration. Corroborative ICR is used to read personal checks, business checks and payment coupons. It combines courtesy amount recognition/legal amount recognition (CAR/LAR), coupon amount reading and application context to drive down the number of transactions that need data entry. ICR also performs optical character recognition (OCR) repair on coupons and can automatically detect marks (as in check boxes) and/or changes of address to reduce operator review.

Business Benefits

➢ Delivers faster customer service via a Web-based image archive.

➢ Reduces data entry and other operational costs.

➢ Ensures document control and transaction integrity.

➢ Enables any volume of processing, scalable according to business needs.

➢ Provides operations managers with up-to-the-minute workload views.

➢ Interfaces with accounts payable systems (APS) through flexible output file specification.

➢ Formats reports using all data from the system.

Cost-Effective Remittance Processing

CSC's RPS provides an Accounts Receivable Conversion (ARC) solution that also lowers processing unit costs. RPS can integrate industry-leading check eligibility decisioning on any pass for any transport type. With its parameterbased lockbox account setup, RPS can be uniquely further configured by batch type and outsort device. RPS gives banks and corporate billers the flexibility to engage cost-effective services. Routine data entry can be performed in locations remote from the central processing site, including at offshore data entry facilities to further reduce costs.

For each client, RPS prepares posting files of payment transactions. The extensive management and operational reporting capability offered in RPS can also permit additional data mining from a standalone relational database subsystem. RPS archives payment data and images for months or years of online storage. Longer-term and/or disaster recovery storage can be written onto CDs/DVDs or tape.

Related reports may be archived daily and monthly, with cash letters linked to the appropriate transaction data. RPS archive currently supports feeds from multiple non-CSC remittance systems. A customer service agent with Web based access can access the RPS archive to quickly resolve customer inquiries. The system security performs both user-level authentication as well as group-level functions. A Web service is available for transaction data searches in addition to an Application Programming Interface (API) for easier integration with other systems.

Advanced Exceptions Handling

RPS includes advanced capabilities for processing mail exceptions and in-line exceptions. Mail exceptions handling uses OCR and CAR/LAR to process check and list payments while MICR matching can be enabled for check only payments. Accounts Receivable validation is used with both to ensure against misapplied postings from mail exceptions. In-line exceptions are controlled via a unique user-defined research workflow to resolve transactions without out sorting or rehandling.

Payment Processing Features

➢ Single scalable system for wholesale, retail and remittance

➢ Highest recognition rates for CAR

➢ Always in balance, simplifying end-of-day balancing task

➢ Robust, with minimal downtime

➢ User-friendly, parameter-driven lockbox account setup

➢ Industry-standard hardware, software and networking systems

➢ Integrated with a variety of hardware: BancTec, NCR, Opex and Unisys

➢ Flexible ARC configuration and decisioning

➢ Secure Web service access to the image archive

➢ Image Cash Letters

➢ API to archive for special processing applications.

RPS has helped leading remittance processors, including bank lockboxes, credit card, telecommunications and utility companies, to minimize the cost of high-volume payment processing while improving customer service for almost 30 years. CSC also offers cash management, archive and image delivery solutions for financial institutions.

History

Remittances are not a new phenomenon in the world, being a normal concomitant to migration which has ever been a part of human history.As a general term remittance man or remittance woman could mean anyone living away from home supported mainly by their family in a different house, neighborhood, city, or country regardless of their reason for being there. Such a person may be seeking business fortune, education, extended vacation, a new place for the family to move, employment, or safety from personal, family, or legal troubles.

Significance

Remittances are playing an increasingly large role in the economies of many countries, contributing to economic growth and to the livelihoods of less prosperous people (though

generally not the poorest of the poor). As remittance receivers often have a higher propensity to own a bank account, remittances promote access to financial services for the sender and recipient, an essential aspect of leveraging remittances to promote economic development.

The World Bank and the Bank for International Settlements have developed international standards for remittance services. Famous persons who lived off family remittance payments came from middle class families who could afford to send them. These might move from their east coast family home to the west coast seeking fortune and starting new businesses as American commerce historically expanded west.

There are two types of Remittance.

1) Inward remittance

2) Outward remittance

1. **Inward Remittances**

The inward remittances refer to the case where the money is sent from the foreign countries by the migrant workers to their friends, families and relatives in India. For sending the inward remittances, the most popular ways are via bank channels, wire transfer, foreign currency cheques as well as rupees cheques. The foreign currency cheques are issued that can be used for collecting the money by depositing it in a branch of bank in India. The rupee cheques are issued in the Gulf countries for sending money back home.

There are many migrant workers that are using the services of online money transfer as offered by banks. Nowadays, banks provide a shorter turnaround time within 24 hours for sending money to India. This proves to be a major benefit of wire transfer as compare to other methods.

In case, you are looking for a real time-

transaction then you can use money transfer agencies that can complete the entire transaction in about five minutes. If you are going for collecting the money sent by the sender in cash, then you should carry a proof of identity and proof of residence. You may carry your passport, voter's ID or driving licence as the proof of your identity and residence. A money transfer system generally provides a code to the sender that is required to be passed to the recipient prior to receiving the money.

The sender of the money needs to also pay for the administrative costs, transfer fees and agent commission. It basically depends on the amount of money being transferred, mode of transfer and country of transfer. The money transfer systems have a limit to the amount that can be sent per transaction and only a fixed number of transactions allowed in a year. The limitations are also set by the country of origin of transfer.

2. Outward Remittances

The outward remittances refer to the process of sending money in foreign locations from the home country to your family members, friends or relatives. This procedure is governed by lots of regulations. The outward remittances in India are done mainly through banks. If you like to do the outward remittance, you should ensure that you are dealing with the genuine people and firms because you cannot trust any individual or a financial firm for sending your money. You need to select a bank that has international footprint and good reputation for making your job almost effortless.

Once you have selected a bank to do the outward remittances for you, the next step is to select your mode of transfer. One alternative is to receive a Foreign Currency Demand Draft (FCDD) that will be denominated in foreign currency and it is drawn in favor of the recipient. In this case, the beneficiary does not require an account

with the same bank. Another alternative is to send the money via wire transfer. Another word for the wire transfer is the Swift transfer that refers to the wire transfer via Society for Worldwide Interbank Financial Telecommunications. It is a secure and standardized system that allows the banks to correspond with each other. The charges of the wire transfer are higher as compared to the FCCD, however it is very fast and transfer can be done within 24 hours. On the other hand, a demand draft is physically sent abroad and it takes time for clearance.

You are required to complete and submit a remittance request form where you can mention the details like amount of money and the source of money. You are also need to fill the Form A2 and may need a certificate from a chartered accountant. Before the transaction takes place, the customer is told about the forex rate and you should also check the same with the forex rate card of the bank. RBI does not allow the remittances for the other purposes like gambling, margin trading and others. You need read about the rules and regulations related to the remittances of the country before sending the remittance.

Export Payment Methods - Import Payment Methods

There are several basic Export Payment Methods - Import Payment Methods for products sold abroad. As with domestic sales, a major factor that determines the method of payment is the amount of trust in the buyer's ability and willingness to pay. For sales within our country, if the buyer has good credit, sales are usually made on open account; if not, cash in advance is required. For export sales, these same methods may be used; however, other methods are also often used in international trade. Ranked in order from most secure for the exporter to least secure, the basic methods of payment are

- ➢ Cash in advance,
- ➢ Letter of credit,
- ➢ Documentary collection or draft,
- ➢ Open account.

Since getting paid in full and on time is of utmost concern to exporters, risk is a major consideration. Many factors make exporting riskier than domestic sales. However, there are also several methods of reducing risks. One of the most important factors in reducing risks is to know what risks exist. For that reason, exporters are advised to consult an international banker to determine an acceptable method of payment for each specific transaction.

Cash In Advance

Cash in advance before shipment may seem to be the most desirable method of all, since the shipper is relieved of collection problems and has immediate use of the money if a wire transfer is used. Payment by check, even before shipment, may result in a collection delay of four to six weeks and therefore frustrate the original intention of payment before shipment. On the other hand, advance payment creates cash flow problems and increases risks for the buyer. Thus, cash in advance lacks competitiveness; the buyer may refuse to pay until the merchandise is received.

Documentary Letters Of Credit And Drafts

The buyer may be concerned that the goods may not be sent if the payment is made in advance. To protect the interests of both buyer and seller, documentary letters of credit or drafts are often used. Under these two methods, documents are required to be presented before payment is made. Both letters of credit and drafts may be paid immediately, at sight, or at a later date. Drafts that are to be paid when presented for payment are called sight drafts. Drafts that are to be paid at a later date, which is often after the buyer receives the goods, are called time drafts or date drafts.

Since payment under these two methods is made on the basis of documents, all terms of sale should be clearly specified. For example, "net 30 days" should be specified as "net 30 days from acceptance" or "net 30 days from date of bill of lading" to avoid confusion and delay of payment. Likewise, the currency of payment should be specified as "US$XXX" if payment is to be made in U.S. dollars. International bankers can offer other suggestions to help.

Banks charge fees - usually a small percentage of the amount of payment - for handling letters of credit and less for handling drafts. If fees charged by both the foreign and local banks for their collection services are to be charged to the account of the buyer, this point should be explicitly stated in all quotations and on all drafts.

The exporter usually expects the buyer to pay the charges for the letter of credit, but some buyers may not accept terms that require this added cost. In such cases the exporter must either absorb the letter of credit costs or lose that potential sale.

Letters of credit

A letter of credit adds a bank's promise of paying the exporter to that of the foreign buyer when the exporter has complied with all the terms and conditions of the letter of credit. The foreign buyer applies for issuance of a letter of credit to the exporter and therefore is called the applicant; the exporter is called the beneficiary.

Payment under a documentary letter of credit is based on documents, not on the terms of sale or the condition of the goods sold. Before payment, the bank responsible for making payment verifies that all documents are exactly as required by the letter of credit. When they are not as required, a discrepancy exists, which must be cured before payment can be made. Thus, the full compliance of documents with those specified in the letter of credit is mandatory.

Often a letter of credit issued by a foreign bank is confirmed by a local bank. This means that the local bank, which is the confirming bank, adds its promise to pay to that of the foreign, or issuing, bank. Letters of credit that are not confirmed are advised through a local bank and are called advised letters of credit. Exporters may wish to confirm letters of credit issued by foreign banks not only because they are unfamiliar with the credit risk of the foreign bank but also because there may be concern about the political or economic risk associated with the country in which the bank is located. An international banker can help exporters evaluate these risks to determine what might be appropriate for each specific export transaction.

A letter of credit may be either irrevocable (that is, it cannot be changed unless both the buyer and the seller agree to make the change) or revocable (that is, either party may unilaterally make changes). A revocable letter of credit is inadvisable. A letter of credit may be at sight, which means immediate payment upon presentation of documents, or it may be a time or date letter of credit with payment to be made in the future. See the "Drafts" section of this chapter.

Any change made to a letter of credit after it has been issued is called an amendment. The fees charged by the banks involved in amending the letter of credit may be paid by either the exporter or the foreign buyer, but who is to pay which charges should be specified in the letter of credit. Since changes can be time-consuming and expensive, every effort should be made to get the letter of credit right the first time.

An exporter is usually not paid until the advising or confirming bank receives the funds from the issuing bank. To expedite the receipt of funds, wire transfers may be used. Bank practices vary, however, and the exporter may be able to receive funds by discounting the letter of credit at the bank, which involves paying a fee to the bank for this service. Exporters should consult with their international bankers about bank policy.

Drafts

A draft, sometimes also called a bill of exchange, is analogous to a foreign buyer's check. Like checks used in domestic commerce, drafts sometimes carry the risk that they will be dishonored.

Credit Cards

Many exporters of consumer and other products (generally of low value) that are sold directly to the end user accept Visa and MasterCard in payment for export sales.
International credit card transactions are typically placed by telephone or fax, methods that facilitate fraudulent transactions. Merchants should determine the validity of transactions and obtain proper authorizations.

OPEN ACCOUNT

In a foreign transaction, an open account is a convenient method of payment and may be satisfactory if the buyer is well established, has demonstrated a long and favorable payment record, or has been thoroughly checked for creditworthiness. Under open account, the exporter simply bills the customer, who is expected to pay under agreed terms at a future date. Some of the largest firms abroad make purchases only on open account.

Open account sales do pose risks, however. The absence of documents and banking channels may make legal enforcement of claims difficult to pursue. The exporter may have to pursue collection abroad, which can be difficult and costly. Also, receivables may be harder to finance, since drafts or other evidence of indebtedness are unavailable.

Before issuing a proforma invoice to a buyer, exporters contemplating a sale on open account terms should thoroughly examine the political, economic, and commercial risks and consult with their bankers if financing will be needed for the transaction.

PAYMENT FOR IMPORT

Payments in retirement of bills drawn under L/C as well as bills received from abroad for collection against imports into India, must be received by authorized dealers, irrespective of amount, by debit to the account of the importer with themselves or by means of a crossed cheque drawn by him on his other bankers. Payment against bills should not be accepted in cash. This rule also applies to private imports where the amount involved is Rs. 20,000 or more.

Import Bills

Where the import bills are drawn in Indian Ruppes (INR), an equivalent amount(plus bank charges) is debited to the account of the importer by the authorized dealer and the amount remitted to the foreign seller. In case the bills are drawn in foreign currencies, the INR equivalent is arrived at by applying the appropriate foreign exchange rate.

Fixing of Re. Equivalent-In order to bring uniformity in the handling of import bills under L/C authorized dealers have been directed by the RBI of follow the following procedure:

Sight import bills received under L/C and conforming to credit terms, may be held in foreign currency for a maximum period of 10days from the date of receipt of documents by the Bank.

In case of non-payment by the drawee within 10days, the importer's liability on the foreign currency bill shall be crystallized by converting the foreign currency amount in to rupee at the B.C. Selling rate prevailing on the 10day or the forward exchange contract rate where applicable. Authorized dealers shall keep a proper record of the date of receipt of documents.

MERCHANTING TRADE

The basic requirements to be fulfilled from the Exchange Control angle in the case of merchanting trade or intermediary trade transactions are that the transactions should not involve foreign exchange outlay from India except for the normal transit period not exceeding one month; both the legs of the intermediary trade transaction are financed through the opening of Letters of Credit (with drafts drawn under them being of even tenor) and such credits are on back to back terms. If the Letter of Credit to be opened in favor of the overseas supplier is not backed up by a letter of credit from the overseas buyer, an advance remittance for the full value should have been received from the overseas buyer. Authorized dealers are accordingly authorized to open letters of credit on behalf of their clients, who should be genuine traders in goods and not mere financial intermediaries, in accordance with the basic requirements spelt out in this paragraph and to effect remittances under such letters of credit. They should watch foreign currency receipts from these transactions and for this purpose should maintain suitable records.

Advance Remittances to Overseas Suppliers

Authorized dealers may allow advance remittances by Indian merchant exporters who are their customers to the overseas suppliers, provided (a) confirmed orders have been received by them from the overseas buyers, (b) authorized dealer is satisfied about the capabilities of

the merchant exporter to perform the obligations under the order, (c) the transactions would result in adequate profit to the merchant exporter and (d) the other conditions stipulated in paragraph 7C.1 are satisfied. Where the amount of advance remittance exceeds US $ 15,000, a guarantee from an international bank of repute outside India should be obtained from the overseas seller. The concerned authorized dealer should also monitor such transactions to ensure that they are completed and proceeds representing cost of goods supplied to the foreign buyer are repatriated to India by the merchant exporter within a period of six months from the date of advance payment.

Advance Remittance		
	Authorized dealers may allow advance remittances for import of goods without any ceiling subject to the following conditions :	
	(a)	Documentary evidence indicating the cost of the goods and the insistence of the overseas seller on advance payment should be submitted by the importer.
	(b)	The importer should hold the EC copy of a valid import licence if the goods to be imported are those included in the negative list of imports given in the Export and Import Policy.
	(c)	Remittance is made direct to the suppliers.
	(d)	If the amount of advance remittance exceeds U.S.$ 25,000 or its equivalent, a guarantee from an international bank of repute situated outside India or a guarantee of an authorized dealer in India, if such a guarantee is issued against the counter-guarantee of an international bank of repute situated outside India, should be obtained. An unconditional standby L/C from an international bank of repute situated outside India may be accepted in lieu of bank guarantee provided it is irrevocable, non-transferable and lists out full particulars of the transactions and there is a clear provision for prompt payment being received in convertible currency in an approved manner. The validity of the guarantee/letter of credit should cover adequately the period for the purpose of enforcing payment.
	(e)	Physical import of goods into India should be made within three months (twelve months in case of capital goods) from the date of remittance and the importer should give an undertaking to furnish documentary evidence of import within fifteen days from the close of the relevant period. Authorized dealers may allow extension of time for import not exceeding one month (three months in the case of capital goods) provided the reasons for seeking extension of time are found convincing. In cases where the advance remittance has been made against a bank guarantee, the guarantee should be suitably amended, if need be, to cover the extended period for import of goods into India.

(f)	In case of import of capital goods, certified copy of importer's contract with the supplier or any other evidence indicating terms of payment should be submitted.
(g)	In the case of import of books, a list of books to be imported should be obtained. This should be attached to the form A1 while submitting it along with the relevant R return.
(h)	Authorized dealer should ensure that in the event of non-import of goods, the amount of advance remittance is repatriated to India.

Methods of receiving payment for exports

Method 1	Advance payment
Method 2	Open account trading
Method 3	Collections
Method 3a	Clean collection
Method 3b	Documentary collection: documents against acceptance
Method 3c	Documentary collection: documents against Payment at an agreed period after sight or on a fixed date in the future
Method 4	Documentary Credits

Non-payment is a problem in any kind of trade, but the problem is worse in export trade because:

- ➢ the buyer is overseas
- ➢ the goods are usually overseas, and
- ➢ it is difficult to get the goods back again.

Four main payment methods are used in export trade. They overcome these problems to differing degrees and in different ways, and each has different implications for the movement of:

- ➢ goods and services
- ➢ documents connected with the goods and services
- ➢ the money due on the sale of goods and services.

The four main methods are:

- ➢ advance payment
- ➢ open account trading
- ➢ collections, and
- ➢ documentary Credits.

Method 1: Advance payment

- ➢ The customer sends money first to the exporter.
- ➢ The exporter checks that the money has been received.
- ➢ The exporter sends the goods to the customer.

The exporter may request advance payment because (for example) he is unwilling to send unpaid-for goods to the buyer's country because of some risk over payment (see "Researching the buyer's country"). The customer may agree to advance payment because he wants to induce the seller into an established relationship.

If advance payment is agreed, the exporter's customer sends the payment before the exporter consigns the goods for delivery. The exporter sends off any documents that the customer will need (e.g. original bills of lading, export licences) after he hands the goods to the carrier or carrier's agent.

- ➢ Advantages: All in favor of the exporter.

> ➢ Disadvantages: All against the customer. He has parted with his money and has no assurance of receiving goods.

Method 2: Open account trading

> ➢ The exporter sends goods first to buyer (e.g. on Day 1).
> ➢ The customer sends money afterwards (e.g. on Day 30).

Open account trading requires payment at agreed intervals after the goods have been dispatched to the buyer. It requires a more formal arrangement than is needed for advance payment because a longer and more permanent relationship between exporter and customer is envisaged. The exporter dispatches goods to the buyer and at the same time sends an invoice for those goods, for payment at an agreed date or after an agreed period

Open account trading is also a common payment method used for:

> ➢ Goods bought by an overseas parent company from a UK subsidiary which sources goods for it.
> ➢ Trade between established pairs of exporters and customers, both of whom operate in stable markets such as Western Europe or the USA.

Advantages: All in favour of the customer.

Disadvantages: All against the exporter. If the customer does not pay, or if he does pay but his country blocks remittance of funds to exporter:

> ➢ The exporter has neither the goods nor the money, and
> ➢ The exporter may not get his goods back.

Method 3: Collections

Collections do not give the exporter the security of advance payment or the relative peace of mind that comes from open account transactions with long-term customers in established

relationships. They require both exporter and customer to exercise great care in agreeing the detail of the sales contract.

The transaction is initiated by the exporter, who despatches the goods to the customer's country. At the same time, he entrusts the related documents (which may include negotiable bills of lading) to his bank, for collection of sale proceeds and the delivery of documents to the buyer according to the terms of the sales contract.

There are three types of collection:

1. clean collection
2. documentary collection: documents against acceptance (D/A)
3. documentary collection: documents against payment (D/P)
   - payment at sight
   - payment at an agreed period after sight.

Method 3a – Clean collection

For a clean collection, the exporter dispatches the goods and the related documents directly to the customer and then sends his bank the bill of exchange for the value of the goods drawn according to the sales contract, so that his bank can set in train collection of the due amount from the customer.

- The exporter sends goods first to the customer.
- The exporter sends all documents except the bill of exchange to the customer.
- The exporter sends the bill of exchange to his own bank.
- The exporter's bank sends the bill of exchange to the customer's bank for it to be presented to the customer.
- The customer pays the money, which is remitted to the exporter's bank.

Advantages: All in favor of the customer.

Disadvantages: All against the exporter. If the customer does not pay, or if he does pay but his country blocks remittance of funds to exporter:

➢ The exporter has neither the goods nor the money, and the exporter may not get his goods back.

Method 3b – Documentary collection: documents against acceptance (D/A)

➢ The exporter sends goods first to the destination country.

➢ The exporter sends the required documents to his own bank.

➢ His bank sends the required documents to the customer's bank.

➢ The customer's bank obtains the customer's acceptance of the bill of exchange, payable either at an agreed period after sight or on a fixed date in the future, and releases the required documents to the customer.

➢ The customer obtains delivery of the goods.

➢ The documents referred to in a documentary collection D/A usually include:

➢ a bill of exchange drawn payable at a future date the transport documents needed to obtain delivery of the goods along with other related documents.

For a documentary collection D/A, the exporter (through the bill of exchange) does not authorize release of the transport documents until the customer accepts the bill of exchange for payment at a definite future date. Once the customer accepts the bill of exchange, the customer's bank releases the transport documents needed to obtain delivery of the goods and any other remaining documents. The customer can then take possession of the goods for which he has agreed to pay in terms of the accepted bill at a definite date in the future.

Advantages: All in favor of the customer.

Disadvantages: All against the exporter. If the customer does not pay on the due date, or if he does pay but his country blocks remittance of funds to exporter:

the exporter has neither the goods nor the money, and

the exporter may not get his goods back.

Method 3c – Documentary collection: documents against payment (D/P)

The documents referred to in a documentary collection D/P usually include:

➢ A bill of exchange drawn payable at sight, at an agreed period after sight, or on a fixed date in the future

➢ The transport documents needed to obtain delivery of the goods along with other related documents.

➢ The essential word in D/P collections is "payment". There are two types of D/P collection, according to when payment is made, but in both types the documents that give title to the goods are released to the customer only upon payment. Unlike collections on D/A terms, collections on D/P terms leave the exporter in effective control of the goods until payment.

➢ Payment at sight

➢ The exporter sends goods first to the destination country.

➢ The exporter sends the required documents to his own bank.

➢ His bank sends the required documents to the customer's bank.

➢ The customer's bank obtains the customer's payment and releases the required documents to the customer.

➢ The customer obtains delivery of the goods.

For a documentary collection D/P with payment at sight, the terms of the sales contract stipulate that the customer must pay as soon as the exporter presents the documents. Upon such payment, the exporter releases the transport documents (typically including bills of lading that grant title to the goods) to the customer, who can then arrange for delivery of the goods.

Advantages: Mostly in favour of the exporter, who retains control over his goods until payment is made.

Disadvantages: If the customer's country blocks remittance of funds to the exporter:

- The exporter has neither the goods nor the money, and
- The exporter may not get his goods back.
- If the customer does not pay:
- The exporter may not get his goods back.
- Payment at an agreed period after sight or on a fixed date in the future

For a documentary collection D/P with payment at an agreed period after sight, the terms of the sales contract stipulate that the bills of exchange be drawn at say 30, 60, 90 or 120 days (or such other period as may be agreed) after sight. Alternatively, the bill of exchange may be payable on a fixed date in the future. The buyer is required to accept the bill of exchange for payment at the defined future date, but the exporter does not immediately release the transport documents (which give title to the goods). Thus, the buyer does not immediately get delivery of the goods.

- The exporter sends goods first to the destination country.
- The exporter sends the required documents to his own bank.
- His bank sends the required documents to the customer's bank.
- The customer's bank obtains the customer's acceptance of the bill of exchange payable on a defined future date, and retains all documents in its custody.
- On (or before) the defined future date, the customer's bank obtains the customer's payment and releases the required documents to the customer.
- The customer obtains delivery of the goods.

The customer effects payment on the defined future payment date. The exporter then releases the documents to the buyer, enabling the buyer to take delivery of the goods. If the goods arrive before the defined future payment date, and if the customer then wishes to take

delivery of the goods, the customer must still effect payment before he can receive the documents that enable him to take delivery of the goods.

Advantages: Mostly in favors of the exporter, who retains control over his goods until payment is made.

Disadvantages: If the customer's country blocks remittance of funds to the exporter:

➢ the exporter has neither the goods nor the money, and

➢ the exporter may not get his goods back.

➢ the exporter may not get his goods back.

Method 4: Documentary Credits

With other payment methods (advance payments, open account trading and collections) the exporter and the customer each depend on the other for proper performance in order to ensure a trouble-free exchange of goods for payment. In documentary Credits, however, the exporter and the buyer both have the additional independent assurance of the bank that issues the Credit (the Issuing Bank).

In issuing a Credit in favors of an exporter (or "beneficiary" – the exporter is the beneficiary of any Credits discussed here) an Issuing Bank undertakes to pay the exporter, provided that

➢ the documents stipulated in the Credit are in order, and

➢ the terms and conditions of the Credit are complied with.

A customer (as the applicant for the Credit issued by his bank) has the assurance that his bank will ensure that all the documents he requires (including any transport and insurance documents stipulated in the Credit) are submitted in order and that all the terms and conditions of the Credit are complied with before any payment is made to the exporter.

➢ The exporter agrees a sales contract with the customer.

- ➢ The customer arranges for his bank to issue a documentary Credit in the terms of the sales contract.
- ➢ The customer's bank (the "Issuing Bank") issues the Credit favor of the exporter ("the beneficiary" of the Credit).
- ➢ The Issuing Bank sends the Credit to a bank of its choice (the "Advising Bank") in the exporter's country.
- ➢ The Advising Bank sends the Credit to the exporter (the beneficiary).
- ➢ The exporter checks the terms and conditions of the Credit (including the nature of the documents required under the Credit) to ensure that:
- ➢ It complies with the agreed sales contract, and the exporter can fulfil the terms and conditions.

The exporter must raise any queries with the Advising Bank or the customer (or both) in order to resolve such queries and receive any necessary amendments to the Credit before shipment.

- ➢ The exporter sends the goods to the destination country.
- ➢ Transport and insurance companies (or their agents) send the required transport and insurance documents to the exporter.
- ➢ The exporter presents the assembled documents to the Advising Bank.
  - • The Advising Bank checks that:
- ➢ The documents as presented are in compliance, and
- ➢ Tll the terms of the Credit have been complied with.

If the checks show compliance, the Advising Bank will follow the Issuing Bank's instructions, so that the Issuing Bank's undertaking to pay the exporter is honored through the banking channels indicated in the Credit.

- ➢ The exporter is paid or otherwise satisfied in accordance with the Credit
- ➢ The Advising Bank sends documents to the Issuing Bank.
- ➢ The Issuing Bank obtains payment from the exporter's customer.

➢ The Issuing Bank releases documents to the customer enabling the customer to take delivery of the goods.

The exporter dispatches the goods exactly as required by the terms of the documentary Credit. He also presents, through the banking channels stipulated in the Credit, all the documents stipulated in the Credit. (This may include transport and insurance documents.) Provided that:

➢ the required documents, as presented, are in order, and all terms and conditions of the Credit have been complied with payment is made to the exporter, regardless of any other consideration.

The buyer can obtain the documents he needs by making his payment to the Issuing Bank, and so obtain delivery of the goods.

Because of the additional, independent assurance they provide to both exporter and customer, documentary Credits are often the preferred method of payment in trade with areas outside the EC and USA.

Advantages: Shared by exporter and his customer: both have independent assurance that goods and money will be exchanged according to the terms of the sales contract.

Disadvantages: The exporter is still at some risk of non-payment:

- If the exporter is unable to meet terms and conditions of the Credit, there is no guarantee of payment, even if the goods have already been shipped.
- If the Issuing Bank finds discrepancies not previously found by either the exporter or the Paying Bank, there is no guarantee of payment.
- In the case of an unconfirmed Credit, the exporter does not have the additional guarantee of payment by a second bank (the Confirming Bank).

Documentary Credits are dealt with in detail in "Types and uses of documentary Credits".

Steps the exporter can take to minimize the incidence of non-payment under Credits are described in "Getting paid under Credits".

A graphic description of the exchange of goods for money in a simple documentary Credit operation is shown below:

1   Contract between exporter and buyer.

2   Application of buyer to his bank to issue Credit in favor of the exporter as beneficiary of the Credit.

3   Issuance of Credit and its dispatch to the Advising Bank in the exporters country.

4   Exporter advised of details of Credit

5   Exporter sends goods to buyer's country.

6   Exporter gives documents to Advising (Paying) Bank.

7   Exporter gets paid

8   documents sent to Issuing Bank, which is the buyer's bank.

9   Issuing Bank pays Advising (Paying) Bank

10 Buyer pays Issuing Bank.

11 Documents sent to buyer

12 Buyer takes delivery of goods using the documents released by Issuing Bank.

Foreign Exchange Management Act - 1999

Introduction

Foreign Exchange Management Act or in short (FEMA) is an act that provides guidelines for the free flow of foreign exchange in India. It has brought a new management regime of foreign exchange consistent with the emerging frame work of the World Trade Organization (WTO). Foreign Exchange Management Act was earlier known as FERA (Foreign Exchange Regulation Act), which has been found to be unsuccessful with the proliberalisation policies of the Government of India.FEMA is applicable in all over India and even branches, offices and agencies located outside India, if it belongs to a person who is a resident of India.

Some Highlights of FEMA

- It prohibits foreign exchange dealing undertaken other than an authorized person;

- It also makes it clear that if any person residing in India, received any Forex payment (without there being a corresponding inward remittance from abroad) the concerned person shall be deemed to have received they payment from a non authorized person.

- There are 7 types of current account transactions, which are totally prohibited, and therefore no transaction can be undertaken relating to them. These include transaction relating to lotteries, football pools, banned magazines and a few others.

- FEMA and the related rules give full freedom to Resident of India (ROI) to hold or own or transfer any foreign security or immovable property situated outside India.

- Similar freedom is also given to a resident who inherits such security or immovable property from an ROI.

- An ROI is permitted to hold shares, securities and properties acquired by him while he was a Resident or inherited such properties from a Resident.

- The exchange drawn can also be used for purpose other than for which it is drawn provided drawl of exchange is otherwise permitted for such purpose.

- Certain prescribed limits have been substantially enhanced. For instance, residence now going abroad for business purpose or for participating in conferences seminars will not need the RBI's permission to avail foreign exchange up to US$. 25,000 per trip irrespective of the period of stay, basic travel quota has been increased from the existing US$ 3,000 to US$ 5,000 per calendar year.

Buyers's /Supplier's Credit

Trade Credit have been subjected to dynamic regulation over a period of last two years. Now, Reserve Bank of India (RBI) vide circular number A.P. (DIR Series) Circular No. 24, Dated November 1, 2004, has given general permission to ADs for issuance of Guarantee/ Letter of Undertaking (LoU) / Letter of Comfort (LoC) subject to certain terms and conditions . In view of the above, we are issuing consolidated guidelines and process flow for availing trade credit .

1. Definition of Trade Credit : Credit extended for imports of goods directly by the overseas supplier, bank and financial institution for original maturity of less than three years from the date of shipment is referred to as trade credit for imports. Depending on the source of finance, such trade credit will include supplier's credit or buyers credit , Supplier 's credit relates to credit for imports into India extended by the overseas supplier , while Buyers credit refers to loans for payment of imports in to India arranged by the importer from a bank or financial institution outside India for maturity of less than three years.

   It may be noted that buyers credit and suppliers credit for three years and above come under the category of External Commercial Borrowing (ECB), which are governed by ECB guidelines. Trade credit can be availed for import of goods only therefore interest and other charges will not be a part of trade credit at any point of time.

2. Amount and tenor : For import of all items permissible under the Foreign Trade Policy (except gold), Authorized Dealers (ADs) have been permitted to approved trade credits up to 20 millions per import transaction with a maturity period (from the date of shipment) up to one year.

   Additionally, for import of capital goods, ADs have been permitted to approved trade credits up to USD 20 millions transactions with a maturity period of more than one year and less than three years. No roll over/ extension will be permitted by the AD beyond the permissible period.

3. All in cost ceiling : The all in cost ceiling are as under: Maturity period up to one year 6 months LIBOR +50 basis points.Maturity period more than one year but less than three years 6 months LIBOR* + 125 basis point * for the respective currency of credit or applicable benchmark like EURIBOR., SIBOR, TIBOR, etc.

4. Issue of guarantee, letter of undertaking or letter of comfort in favour of overseas lender : RBI has given general permission to ADs for issuance of guarantee / Letter of Undertaking (LOU) / Letter of Comfort (LOC) in favour of overseas supplier, bank

and financial instruction, up to USD 20 millions per transaction for a period up to one year for import of all non capital goods permissible under Foreign Trade Policy (except gold) and up to three years for import of capital goods. In case the request for trade credit does not comply with any of the RBI stipulations, the importer needs to have approval from the central office of RBI. FEMA regulations have an immense impact in international trade transactions and different modes of payments.RBI release regular notifications and circulars, outlining its clarifications and modifications related to various sections of FEMA.

Introduction of EXIM policies

Export Import Policy or better known as Exim Policy is a set of guidelines and instruction related to the import and export of goods. The government of india notifies the Exim policy for a period of five year(1997-2002)under section 5 of the foreign trade(development and regulation Act,)1992.The current policy cover the period 2002 -207. The export and import policy is updated every year on the 31st of march and the modification, improvements and new schemes becomes effective form1st april of every year. All type of changes or modification related to the exim policy is normally announced by the Union Minister of Commerce and industry who coordinated with the ministry of finance, the Directorate General of Foreign trade and its network of regional offices.

Duration

In exercise of the powers conferred under Section 5 of the Foreign Trade (Development and Regulation Act), 1992 (No. x22 of 1992), the Central Government hereby notifies the Export and Import Policy for the period 2002-2007. This Policy shall come into force with effect from 1st April, 2002 and shall remain in force up to 31st March, 2007 and will be co-terminus with the Tenth Five Year Plan (2002-2007). However, the Central Government reserves the right in public interest to make any amendments to this Policy in exercise of the powers conferred by Section-5 of the Act. Such amendment shall be made by means of a Notification published in the Gazette of India.

Transitional Arrangements

Any Notifications made or Public Notices issued or anything done under the previous Export/ Import policies, and in force immediately before the commencement of this Policy shall, in so far as they are not inconsistent with the provisions of this Policy, continue to be in force and shall be deemed to have been made, issued or done under this Policy. Licence/certificate/permissions issued before the commencement of this Policy shall continue to be valid for the purpose for which such licence/ certificate/permission was issued unless otherwise stipulated.

In case an export or import that is permitted freely under this Policy is subsequently subjected to any restriction or regulation, such export or import will ordinarily be permitted notwithstanding such restriction or regulation, unless otherwise stipulated, provided that the shipment of the export or import is made within the original validity of the irrevocable letter of credit established before the date of imposition of such restriction.

TRADE POLICY IN INDIA:-

TRADE POLICY IN INDIA:- Exim Policies Streamlined trade procedures Liberalised import regime Thrust on export orientation Medium Term Export Strategy, 2002 1% share in global exports by 2007 Foreign Trade Policy 2004-2009 To double India's share in global merchandise trade by 2009.

The International Standard Banking Practice for the Examination of Documents under Documentary Credits.

At a meeting in Rome at the end of October 2002, the Commission on Banking Technique and Practice of the International Chamber of Commerce (the **"ICC"**) voted to approve and adopt the International Standard Banking Practice for the Examination of Documents under Documentary Credits (the **"ISBP"**). The ISBP, drafted by an ICC Task Force and 2½ years in preparation, is intended to help businesses use the ICC's internationally accepted rules on letters of credit, the Uniform Customs and Practice for Documentary Credits (the **"UCP"**).

The ICC believes that the ISBP will help to reduce the number of Documentary Credits that are rejected by banks.

Current trend In Financial Services Provided by Various Investment Agencies

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Abstract

Financial services are the economic services provided by the finance industry, which encompasses a broad range of organizations that manage money, including credit unions, banks, credit   card companies, insurance companies, consumer finance companies, stock brokerages, investment funds and some government sponsored enterprises. As of 2004, the financial services industry represented 20% of the market capitalization of the S&P 500 in the United States

Financial services are the economic services provided by the finance industry, which encompasses a broad range of organizations that manage money, including credit unions, banks, creditcard companies, insurance companies, consumer

finance companies, stock brokerages, investment funds and some government sponsored enterprises. As of 2004, the financial services industry represented 20% of the market capitalization of the S&P 500 in the United States.

Function

Financial institutions provide service as intermediaries of financial markets. They are responsible for transferring funds from investors to companies in need of those funds. Financial institutions facilitate the flow of money through the economy. To do so, savings arise brought to provide funds for loans. Such is the primary means for depository institutions to develop revenue. Should the yield curve become inverse, firms in this arena will offer additional fee-generating services including securities underwriting.

Bank

A "commercial bank" is what is commonly referred to as simply a "bank". The term "commercial" is used to distinguish it from an "investment bank," a type of financial services

entity which, instead of lending money directly to a business, helps businesses raise money from other firms in the form of bonds (debt) or stock (equity).

Banking services

The primary operations of banks include:

- Keeping money safe while also allowing withdrawals when needed
- Issuance of checkbooks so that bills can be paid and other kinds of payments can be delivered by post.
- Provide personal loans, commercial loans, and mortgage loans (typically loans to purchase a home, property or business)
- Issuance of credit cards and processing of credit card transactions and billing
- Issuance of debit cards for use as a substitute for checks
- Allow financial transactions at branches or by using Automatic Teller Machines (ATMs)
- Provide wire transfers of funds and Electronic fund transfers between banks
- Facilitation of standing orders and direct debits, so payments for bills can be made automatically
- Provide overdraft agreements for the temporary advancement of the Bank's own money to meet

    monthly spending commitments of a customer in their current account.
- Provide internet banking system to facilitate the customers to view and operate their respective accounts through internet.
- Provide Charge card advances of the Bank's own money for customers wishing to settle credit advances monthly.
- Provide a check guaranteed by the Bank itself and prepaid by the customer, such as a cashier's check or certified check.
- Notary service for financial and other documents
- Accepting the deposits from customer and provide the credit facilities to them.

Other types of bank services

- **Private banking** - Private Banks provide banking services exclusively to high net worth individuals. Many financial services firms require a person or family to have a certain minimum net worth to qualify for private banking services. Private Banks often provides more personal services, such as wealth management and tax planning, than normal retail banks.

- **Capital market bank** - bank that underwrite debt and equity, assist company deals (advisory services, underwriting and advisory fees), and restructure debt into structured finance products.

- **Bank cards** - include both credit cards and debit cards. Bank Of America is the largest issuer of bank cards.

- **Credit card machine services and networks** - Companies which provide credit card machine and payment networks call themselves "merchant card providers".

Foreign exchange services

Foreign exchange services are provided by many banks around the world. Foreign exchange services include:

Currency exchange - where clients can purchase and sell foreign currency banknotes.

Foreign Currency Banking - banking transactions are done in foreign currency.

Wire transfer - where clients can send funds to international banks abroad.

Investment services

Asset management - the term usually given to describe companies which run collective investment funds. Also refers to services provided by others, generally registered with the Securities and Exchange Commission as Registered Investment Advisors.

Hedge fund management - Hedge funds often employ the services of "prime brokerage" divisions at major investment banks to execute their trades.

Custody services - the safe-keeping and processing of the world's securities trades and servicing the associated portfolios. Assets under custody in the world are approximately $100 trillion.

Insurance

Insurance brokerage - Insurance brokers shop for insurance (generally corporate property and casualty insurance) on behalf of customers. Recently a number of websites have been created to give consumers basic price comparisons for services such as insurance, causing controversy within the industry.

Insurance underwriting - Personal lines insurance underwriters actually underwrite insurance for individuals, a service still offered primarily through agents, insurance brokers, and stock brokers. Underwriters may also offer similar commercial lines of coverage for businesses. Activities include insurance and annuities, life insurance, retirement insurance, health insurance, and property & casualty insurance.

Reinsurance - Reinsurance is insurance sold to insurers themselves, to protect them from catastrophic losses.

Other financial services

Intermediation or advisory services - These services involve stock brokers (private client services) and discount brokers. Stock brokers assist investors in buying or selling shares. Primarily internet-based companies are often referred to as discount brokerages, although many now have branch offices to assist clients. These brokerages primarily target individual investors. Full service and private client firms primarily assist and execute trades for clients with large amounts of capital to invest, such as large companies, wealthy individuals, and investment management funds.

Private equity - Private equity funds are typically closed-end funds, which usually take controlling equity stakes in businesses that are either private, or taken private once acquired. Private equity funds often use leveraged buyouts (LBOs) to acquire the firms in which they

invest. The most successful private equity funds can generate returns significantly higher than provided by the equity markets.

Venture capital is a type of private equity capital typically provided by professional, outside investors to new, high-potential-growth companies in the interest of taking the company to an IPO or trade sale of the business.

Angel investment - An angel investor or angel (known as a business angel or informal investor in Europe), is an affluent individual who provides capital for a business start-up, usually in exchange for convertible debt or ownership equity. A small but increasing number of angel investors organize themselves into angel groups or angel networks to share research and pool their investment capital.

Conglomerates - A financial services conglomerate is a financial services firm that is active in more than one sector of the financial services market e.g. life insurance, general insurance, health insurance, asset management, retail banking, wholesale banking, investment banking, etc. A key rationale for the existence of such businesses is the existence of diversification benefits that are present when different types of businesses are aggregated i.e. bad things don't always happen at the same time. As a consequence, economic capital for a conglomerate is usually substantially less than economic capital is for the sum of its parts.

Debt resolution is a consumer service that assists individuals that have too much debt to pay off as requested, but do not want to file bankruptcy and wish to payoff their debts owed. This debt can be accrued in various ways including but not limited to personal loans, credit cards or in some cases merchant accounts. There are many services/companies that can assist with this. These can include debt consolidation, debt settlement and refinancing.

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MICRO AND MACRO LEVEL ECONOMICS

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Abstract:-

Economists attack and/or defend large corporations. Adam Smith believed a monopoly (oligopoly) firm charges higher price for products than would obtain if the products were produced by a large number of smaller competitive firms. Textbooks on microeconomics teach that there is a range of competition among firms, from perfectly competitive to monopolistically competitive to differentiated oligopoly to pure oligopoly to monopoly.

Economists differ sharply as to the effects of monopoly power. Differences in opinion are even sharper about the role of government (public firms) enterprises in modern economies. Despite the worldwide collapse of communism and concomitant privatization, government enterprises continue to play a role in many economies.

Macroeconomics (Greek makro = 'big') describes and explains economic processes that concern aggregates. An aggregate is a multitude of economic subjects that share some common features. By contrast, microeconomics treats economic processes that concern individuals.

A. <u>Microeconomics:</u>

Economists attack and/or defend large corporations. Adam Smith believed a monopoly (oligopoly) firm charges higher price for products than would obtain if the products were produced by a large number of smaller competitive firms. Textbooks on microeconomics teach that there is a range of competition among firms, from perfectly competitive to monopolistically competitive to differentiated oligopoly to pure oligopoly to monopoly.

Economists differ sharply as to the effects of monopoly power. Differences in opinion are even sharper about the role of government (public firms) enterprises in modern economies. Despite the worldwide collapse of communism and concomitant privatization, government enterprises continue to play a role in many economies.

1. Oligopoly / Government Firm / Mixed Oligopoly Model.

My programs let you model an industry that is:

1. a monopoly (private or public),

2. an oligopoly,

3. an oligopoly with one firm a government (public) firm,

4. specify the managerial incentives for the government (public) enterprise.

(These managerial incentives can also be used in "private firms" with profit centers.)

2. Differentiated Oligopoly.

Each seller in an imperfectly competitive market faces a negatively sloped demand curve for its product, permitting it some control of the price of its product. In a differentiated oligopoly, a few firms produce products different enough for each firm to have its own downward sloping demand curve.

3. Monopolistic Competition.

The many firms in a monopolistically competitive industry produce differentiated yet similar products. New firms can easily enter the industry. A monopolistically competitive firm's own demand curve is highly elastic, permitting it to vary its price within a narrow range of prices. The other firms' products are either very close substitutes or, a large number of other firms' products are substitutes (not necessarily very close substitutes).

4. Production Functions.

These web pages explain the most important production functions used in economics: the Cobb-Douglas production function, the CES production function, the Generalized CES production function, the Translog production function, and the Generalized Leontief (Diewert) production function. You can also estimate the parameters of the Translog and the Generalized Leontief (Diewert) production functions online.

5. Cost Functions.

These web pages explain the most important cost functions used in economics: the Cobb-Douglas cost function, the Normalized Quadratic cost function, the Translog cost function, the Generalized Leontief (Diewert) cost function, the Generalized CES-Translog cost function, and the Generalized CES-Diewert cost function. The web pages demonstrate, numerically, the duality between production and cost functions, and permit you to estimate the parameters of the Translog and the Generalized Leontief (Diewert) cost functions online.

6. Duality of Production / Cost Functions.

Obtain the Cobb-Douglas cost function from the Cobb-Douglas production function, and the CES cost function from the CES production function; and vice-versa. Investigate the Theory of Duality using the Implicit Function Theorem.

B. <u>Macroeconomics:</u>

Macroeconomics (Greek makro = 'big') describes and explains economic processes that concern aggregates. An aggregate is a multitude of economic subjects that share some common features. By contrast, microeconomics treats economic processes that concern individuals.

Example: The decision of a firm to purchase a new office chair from company X is not a macroeconomic problem. The reaction of Austrian households to an increased rate of capital taxation is a macroeconomic problem.

1. Macroeconomics

Macroeconomics attempts to understand the behaviour of the whole economy by analyzing the determination and interaction of such broad economic aggregates as national income and product, consumers' expenditures and savings, producers' output of products and producers' investment in capital, government revenues (taxes) and expenditures, exports and imports, the level and composition (by age, sex, and region) of employment, and the quantity of money in circulation. Much of modern macroeconomics theory and its application in government policy are still based on the work of John Maynard Keynes.

2. Basic IS-LM model.

In the basic IS-LM model, the behaviour of the economic agents - consumers, producers (firms), and the government - is reconciled by the product and money markets. Focusing on the "demand side" of the economy, the IS-LM model is an important starting point in building a more complete macroeconomics model of the economy.

3. Basic IS-LM model with exports and imports.

This web page extends the basic IS-LM model to include exports and imports. By adding the external sector, I model the open economy version of the Canadian economy.

4. Comparative Statics of the IS-LM model.

This web page permits you to adjust the IS-LM model's parameters to see how the equilibrium macroeconomics variables and aggregates of the model change.

5. Aggregate Demand (AD) - Aggregate Supply (AS) model.

By including the labour market and the economy's aggregate production function in the model, I derive the aggregate supply of products (commodities produced by firms) as a function of the price level of products. I also derive the aggregate demand for products as a function of the price level by including the effect of the price level on the money market. The equilibrium between aggregate demand and aggregate supply in the model determines the price level, the level of employment, the money wage rate, the amount of output, and the values of the other macroeconomics aggregates determined in the IS-LM model of the economy.

6. Comparative Statics of the AD-AS Model.

This web page permits you to adjust the AD-AS (Aggregate Demand - Aggregate Supply) model's parameters to see how the equilibrium macroeconomics variables and aggregates of the model change.

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FOOD INFLATION IN INDIA

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ABSTRACT

The Indian economy has been registering a mammoth GDP growth during post liberalization period. The opening up of the Indian economy after 1990s increased India's industrial output, which in turn raised the inflation India rate significantly. The stupendous growth rate of industrial output and employment created an enormous pressure in the market mechanism consequently resulted in inflation rate, which pushed it further.

Food inflation in India has become a contentious issue, the economy is growing at more than eight percent per annum and per capita income has doubled in the last five years. This has given birth for food inflation.

Recent inflation of food articles, which touched 22.9 percent in June 2010, it has led the Government of India to take some drastic monetary policy actions. Between March 2010 and July 2011, the Reserve Bank of India increased the short-term lending (repo) and borrowing (reverse repo) rates by 275 basis points.

This Paper analyses the current state of food inflation in India. It describes the impact of food inflation on the poor and analyses the factors that are contributing to upward movement in food prices. It concludes with a set of possible way out to address food inflation.

INTRODUCTION

"I have said many times that inflation is a sinister beast."

- Richard Fisher

Food inflation in India has become a contentious issue, for obvious reasons. This is happening alongside a very impressive growth of the Indian economy and a significant increase in per capita income over the last several years. The economy is growing at more than eight percent per annum and per capita income has doubled in the last five years. This

has given birth to an argument that one of the major factors for food inflation is sustained economic growth – which is critical for an emerging economy like India, with a large number of poor – over the last few decades.

Recent inflation of food articles, which touched 22.9 percent in June 2010, was unprecedented. It was however, argued by many, including policy makers, that this was due to seasonal factors and will come down in the near future. It has led the Government of India to take some drastic monetary policy actions. Between March 2010 and July 2011, the Reserve Bank of India increased the short-term lending (repo) and borrowing (reverse repo) rates by 275 basis points. Unprecedented food inflation has put the policy makers in a dilemma – whether to continue with the present growth strategy and let the growth take care of inflation, through increasing per capita income, leading to reduction in poverty, or to focus on reducing inflation and allow economic growth to moderate. Indeed, high food inflation is neutralizing the gains made in poverty reduction in recent years, but it is not clear how reduction in growth will control food inflation.

This Paper analyses the current state of food inflation in India. It describes the impact of food inflation on the poor and analyses the factors that are contributing to upward movement in food prices. It concludes with a set of possible way out to address food inflation.

MEASURES OF INFLATION IN INDIA

India has a rich tradition of collection and dissemination of price statistics dating back to 1861 when the Index of Indian Prices was released. Currently, there are five different primary measures of inflation - the Wholesale Price Index (WPI) and four measures of the Consumer Price Index (CPI). In addition, Gross Domestic Product (GDP) deflator and Private Final Consumption Expenditure (PFCE) deflator from the National Accounts Statistics (NAS) provide implicit economy-wide inflation estimate. The WPI is considered as the headline inflation measure because of its availability at high frequency, until recently, national coverage and availability of disaggregated data which facilitate better analysis of inflation.

While the WPI does not cover prices of services, CPIs are meant to reflect the cost of living conditions for a homogeneous group of consumers based on retail prices. Among the four

measures of CPI, the CPI for Industrial workers (IW) has a broader coverage than the others - the CPI for agricultural labourers (AL), rural labourers (RL) and urban non-manual employees (UNME). In the organised sector, CPI-IW is used as a cost of living index.

GDP Deflator, on the other hand, is a comprehensive measure of inflation, implicitly derived from national accounts data as a ratio of GDP at current prices to constant prices. While it encompasses the entire spectrum of economic activities including services, it is available on a quarterly basis with a lag of two months since 1996. Moreover, national income aggregates extensively use WPI for deflating nominal price estimates to derive real price estimates.

DIFFERENCE BETWEEN WPI AND CPI

WPI and CPI are differing in terms of their weighting pattern. First, food has a larger weight in CPI ranging from 46 per cent in CPI-IW to 69 per cent in CPI-AL whereas it has a weight of only 27 percent in WPI. The CPIs are, therefore, more sensitive to changes in prices of food items. Second, the fuel group has a much higher weight in the WPI (14.2 per cent) than the CPIs (5.5 to 8.4 per cent). As a result, movement in international crude prices has a greater bearing on WPI than on the CPIs. Third, services are not covered under WPI while they are, to different degrees, covered under CPIs. Consequently, service price inflation has a greater influence on CPIs.

As the retail market receives commodities from wholesale market, it is expected that the change in the prices of commodities in wholesale market would normally transmit to the retail market. There is also a long run co-integrating relationship between WPI and CPI. Therefore, WPI and CPIs in India may not move away from each other in the long-run. (Chart 1)

Chart 1: Long-run relationship between WPI and CPI Inflation Chart 1: Long-run relationship between WPI and CPI Inflation
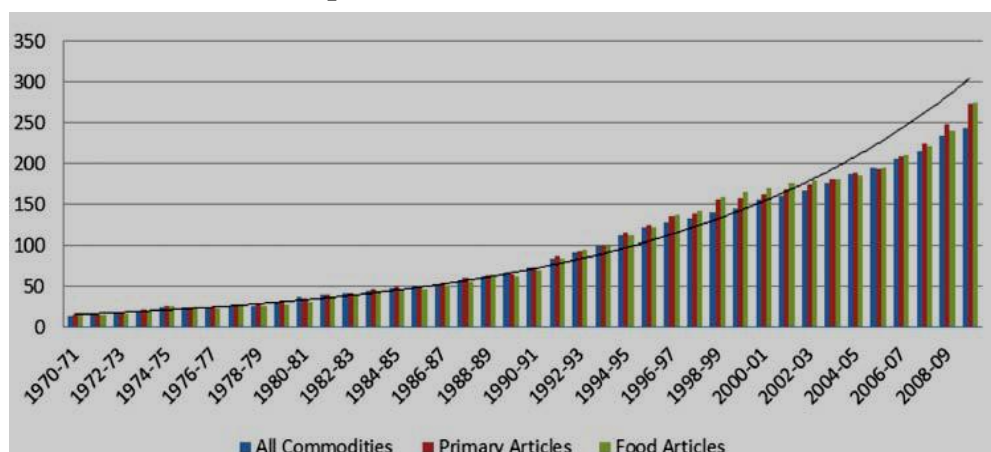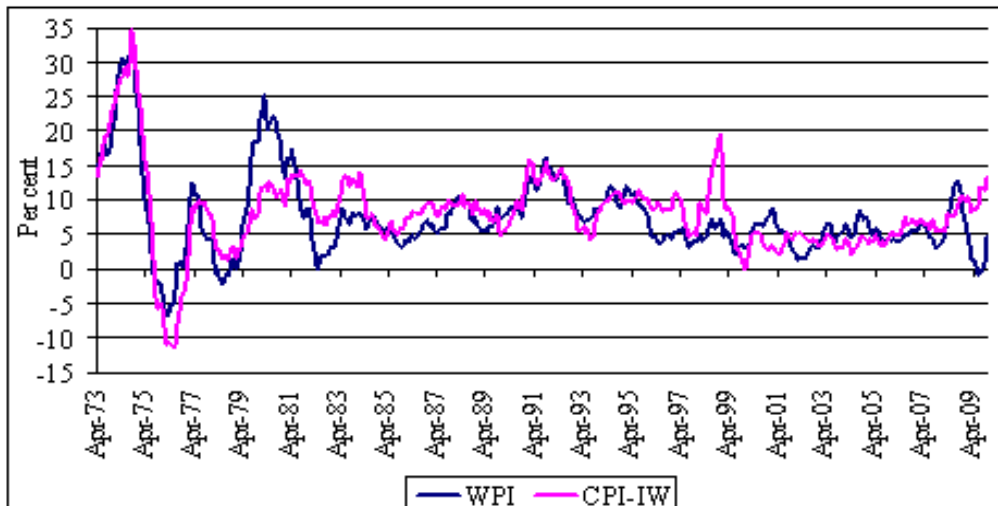
In addition, annual inflation based on WPI, CPI-IW, GDP deflator, and PFCE deflator, over longer time spans, followed a similar path (Table 1).

Table 1: Decadal Average Inflation

Decades	WPI	CPI-IW	GDP Deflator	PFCE Deflator
1971-72 to 1980-81	10.3	8.3	8.8	8.4
1981-82 to 1990-91	7.1	9.0	8.7	8.3
1991-92 to 2000-01	7.8	8.7	8.1	8.5
2001-02 to 2008-09	5.2	5.3	4.6	4.4
Long-term Trend 1971-72 to 2008-09	7.7	8.0	7.7	7.6

(**Source:** Speech by Deepak Mohanty, Executive Director, Reserve Bank of India, at the Conference of Indian Association for Research in National Income and Wealth (IARNIW) at the Centre for Development Studies (CDS), Thiruvananthapuram, January 9, 2010)

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UNDERSTANDING FOOD INFLATION

In the last 40 years and especially during the post-reform period, India has experienced significant growth, leading to an increase in per capita income and improvement in many other socio-economic indicators. These factors are now exerting tremendous pressure on food prices. (Chart-2)
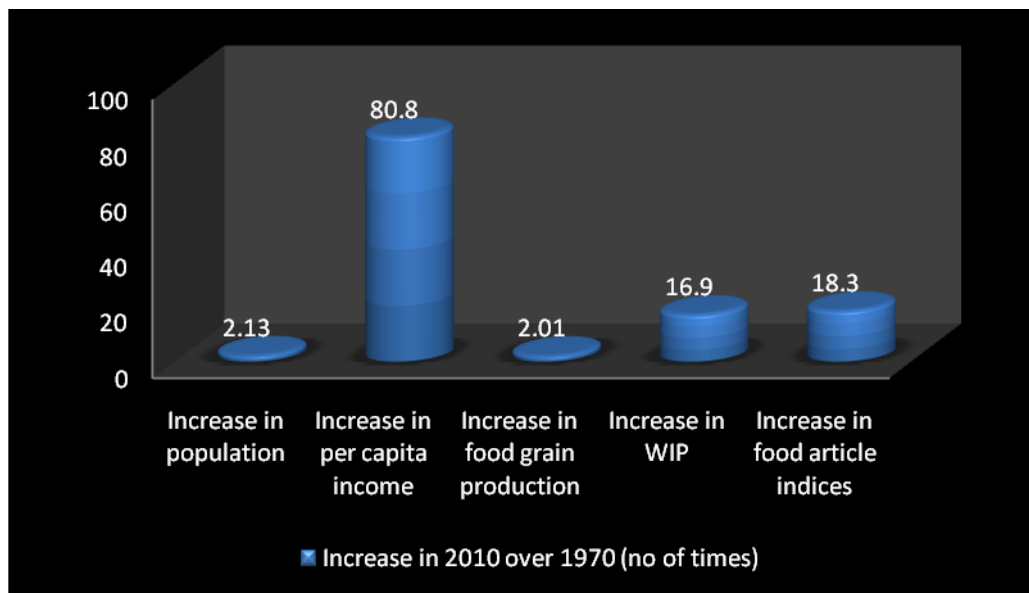
Source: Various, including Economic Survey of India, 2010-11

MAIN REASONS UNDERLYING FOOD INFLATION IN INDIA

The immediate reason for the spurt in the prices of specific food items, like onions today or earlier in the case of sugar and pulses, is hoarding. Trader cartels, encouraged by an inept Government, are mainly responsible for this. Assured of inaction, hoarders are creating artificial shortages and take advantage of people from time to time.[1]

The growing penetration of big corporate in the food economy, international trade in food items and speculative futures trading in agricultural commodities has weakened the government's capacity to control food prices. The share of corporate retail in food distribution has tripled over the past four years. The Government has manipulated trade policies to allow big traders to make huge profits through export and import of essential food

items like wheat, sugar and onions. In most states, the role of the ration shops, state agencies like the NAFED etc. and consumer cooperatives in food distribution, has been whittled down. Therefore, the profit margins of private traders have also increased, reflected in growing gaps between wholesale and retail prices as well as farm gate and wholesale prices.[2] There are medium and long-term reasons too. Our agriculture is in a crisis. We are not producing enough to meet the needs of a growing population. The peasantry continues to be in distress, with 2.5 lakh farmers committing suicide over the past 15 years. State intervention in raising agricultural productivity has been weakened. The Government is more interested in handing over this role to big agribusinesses and retail giants like Wal-Mart and Monsanto in the name of a 'second green revolution'. That will further marginalize the small peasants.[3]

Finally, the cuts in subsidies and price hikes of inputs like diesel and fertilizer are also contributing to food inflation. The deregulation of petrol prices has led to very steep hikes in the recent weeks.

FACTORS INFLECTING FOOD INFLATION

Increase per capita Income (Doubled in the last five years and increase 81 times since 1970)

Speculation in the food market (Speculator exaggerate the price rallies)

Increase in population (Growing at the rate of about 1.7 percent and doubled since 1970)

Leakages in the food supply chain

Food Price increase (Over 18 times since 1970 and about 50 percent in last five year)

Inadequate storage facilities (Over 30 percent of produce food grains, vegetables and fruits rotting due to lack of proper

One way integration of Indian food market with the global market (Supply shocks in global food market lead to increase in food prices

Shift in consumption pattern (With increase in per capita income, people are shifting for more proteinbased food)

Increasing of production (Due to increase in price of fertilizers, pesticides, irrigation etc)

The above-stated factors can be divided into *influencer*and *influenced.* Increase in population, increase in per capita income and increase in food grain production can be termed as *influencer,* whereas increase in WPI and increase in per capita food availability as *influenced.* The figures reveal that effective demand for food has significantly increased over the last four decades. Since production of food grains has not kept pace with this increase, it has resulted in almost negligible increase in per capita food availability. Besides this, other factors are also influencing food prices in India. *(Indicated in above figure)*

CURRENT STATE OF INFLATION IN INDIA

The inflation rate in India as measured by the Wholesale Price Index (WPI) has been rising continuously over the past three years. Inflation in food products has driven overall inflation. (Table-2)

Table-2 WPI Inflation (year-on-year)

	2006-07	2007-08	2008-09	2009-10
All Commodities	6.51	4.82	8.03	3.57
Food	7.99	5.97	9.07	14.52

(Source: Office of the Economic Adviser, Ministry of Commerce and Industry)

As per the latest data, overall WPI Inflation stood at 8.4% in December 2010. In the week ending 22nd January 2011, food inflation stood at 17.05%.

Retail Prices of Some Essential Commodities in Delhi: 2008 to 2011 (Rs. /kg)

Item	Retail Price (end-January 2011)	Retail Price (end-January 2010)	Retail Price (end-January 2009)	Retail Price (end-January 2008)
Rice	23	23	22	17
Wheat	15.5	16	13	13
Atta	17	18	14	14
Chana Dal	35	38	35	35
Arhar Dal	69	84	50	42
Moong Dal	68	81	45	36
Masoor Dal	54	62	62	39
Sugar	34	42.5	23	17
Milk (Rs./litre)	25	22	21	20
Groundnut Oil	135	113	109	121
Mustard Oil	79	71	77	69
Vanaspati	77	57	54	67
Tea Loose	149	156	144	107
Salt Pack (Iodized)	13	12	11	10

Potato	8	9	8	8
Onion	33	23	21	9

(Source: Price Monitoring Cell, Ministry Of Consumer Affairs, Food and Public, Distribution, GoI)

IMPACT OF FOOD INFLATION ON INDIAN CONSUMERS

The high food price inflation is having a significant impact on the Indian Consumer in general and the Indian middle class in particular.

The chart below gives the way the Indians spend.
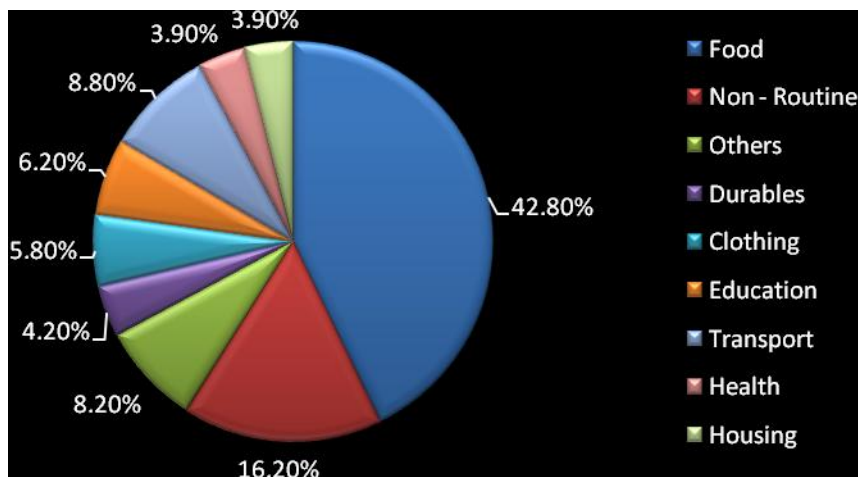
The high food price inflation is having a significant impact on the Indian Consumer in general and the Indian middle class in particular.

The chart below gives the way the Indians spend.

As evident from the chart above, nearly 43% of the personal disposable income goes into food products. Unfortunately, this is the segment which is experiencing highest inflation. High food inflation ensures that consumers have to cut back on their spending (on non-necessary items). This in turn will impact the consumption part of the GDP growth.

POSSIBLE WAY OUT

- The present steps being undertaken by the Government are inadequate. What we need is a long-term strategy to fight inflation. The first step should be to strengthen state intervention in the food economy, both in food distribution and production.

- The Government is of two minds on the Food Security legislation. The Food Security Act should be passed without further delay, which must ensure universal food security. The Government is currently holding stocks of nearly 50 million tonnes of rice and wheat, which is way above the buffer norms. 35 kgs of food grains per month should be supplied through a universalized PDS at Rs. 2 per kg and not limited to the arbitrarily determined BPL families. Moreover, other essential commodities like sugar, pulses and edible oils should be supplied at fixed rates across the country through the PDS.

- Strengthen and create local infrastructure for storage of food, especially non-cereal perishable food articles such as vegetables, fruits, meat, fish, etc., as that would help in reducing wastage and transportation cost and, thus, final cost of food articles. It is estimated that transportation cost accounts for 30 percent of the price of fruits and vegetables, whereas about 45 percent of food is wasted.

- Besides supporting farmers, Government agencies, cooperatives and self-help groups should be supported to open more outlets to sell food items like vegetables, milk etc. Raising agricultural productivity and marketing of agricultural products cannot be left to the private corporate and MNCs. Inflation cannot be controlled with liberalized trade and private profiteering in food items.

- The influence of private corporate and traders in the food economy needs to be restricted. For this it is essential for the Central Government to take the State Governments on board and coordinate measures against hoarding and black-marketing. In this regard, it is also important to prohibit commodity futures trading in food articles, because such trading facilitates speculation on food prices.

- Finally, the costs of agricultural inputs like fuel and fertilizers have to be controlled by the Government. Deregulation of fuel and fertilizer prices will raise agricultural costs and contribute to food inflation. The Government must continue to subsidize fuel and

fertilizer and rationalize the taxes on petroleum products. The decision to deregulate petrol prices need to be reversed.

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Genesis, Implications and Applications of

Professional Management.

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Abstract:-

There appears to be lot of confusion about the concept, nature and scope of professional management. Many people use the phrase as a management jargon simply to impress others at a conference or meeting. According to Sharu   Rangnekar renowned management expert " Now a days everybody talks about professionalising with hardly anybody knowing what it means. Most equate it with hiring MBAs at fancy salaries." Similarly professionalism, of late is being most freely used by every one in business and other organizations in all walks of their life. More often than not this word becomes handy to use as an adjective in qualifying a person, and in most of the cases it represents a winner and an achiever.

Mr Harold Blumer has to say this about professional management " Professionalisation seeks to clothe a given area with standards of excellence, to establish rules of conduct, develop a sense of responsibility, to set criteria for recruitment & training, to ensure a measure of protections to it's members, to establish collective control over the area and to elevate it to a position of dignity and social standing in a society". The scope of professional management is almost omnipresent. Any organization irrespective of its nature of activity or size can be run in a professional manner.

This article ponders over the myths, misgivings and the realities of the professional management which is much talked about but least practiced in India particularly in private sector- more so in closely held organizations irrespective of the filed in which they operate. The study also examines the impact/experimentation of professional management in some family businesses, certain other organizations which are not carrying out any commercial activities."

Key words:-   Professional, Professional management, Professionalism, Corporate, Family   business

Genesis:

There appears to be lot of confusion about the concept and nature of professionalmanagement. Many people use the phrase as a management jargon simply to impress others at a conference or meeting. According to Sharu Rangnekar, renowned management expert " Now a days everybody talks about professionalising with hardly

anybody knowing what it means. Most equate it with hiring MBAs at fancy salaries. What it really means is that you must as a manager voluntarily and consciously constrain your own powers. In other words you must bureaucratise, set rules and apply them to yourself before implementing. There however exists exception and family owned businessmen do not like to subject themselves to such discipline."

In the opinion of the distinguished philosopher Alfred North Whitehead, modern life ever to a great extent is grouping itself into professions. Such activity did begin much before the twentieth century. Occupational licensure, a step in professionlising work, has deep historic roots which can be traced back to the tenth century in Europe in the form of worker's associations called guilds. Today almost every field involving career preparation has its proponents claiming a measure of professionalism. Such claims run through the gamut of careers ranging from those of the established professions, i.e. medicine and law and lately management, to the fields perhaps more tenuous to pass the test of true professionalism.

Morris L. Cogan a renowned scholar thinks " a profession is a vocation whose practice is founded on understanding of the theoretical structure of some department of learning or science and upon the abilities accompanying such understanding. These abilities and understanding are applied to the vital practical affairs of mankind. The practices of the profession are modified by knowledge of a generelised nature and by the accumulated wisdom and experience of mankind, to correct the errors of specialism. The profession serving the vital requirements of man considers its ethical imperative to be altruistic service to the client." Simply stated "Profession" is an activity that involves learning of a distinct intellectual quality. It comprises of the application of expert knowledge for the solution of a specific problem guided and governed by a code of conduct and responsibilities. On the other hand the term "Professionlising" refers to the process of improving various aspects of a field of endeavour to bring that field close to the ideal model of profession.

2. Professionalism & Professional Management:

Professionalism the word more often than not comes handy to use as an adjective in qualifying a person, and in most of the cases it represents a winner, and an achiever. In the

words of Harold Blumer " Professionalisation seeks to clothe a given area with standards of excellence, to establish rules of conduct, develop a sense of responsibility, to set criteria for recruitment and training, to ensure a measure of protections to its members, to establish collective control over the area and to elevate it to a position of dignity and standing in a society" Summarising a profession has certain criterion i.e. Knowledge, Competence, Social responsibility, Application, Self control and Community; and attributes like, Systematic corpus of knowledge, Certain period of apprenticeship, and Code of conduct, to evaluate quality of management

Professional management   logically describes, methods and a well designed set of management principles, aimed to define and simplify the process of managing any activity, business or an organization. The management principles should create an identity of an organization, build reputation through focus, direction, motivation and by providing opportunities for exploiting organizational skills. A good management principle should be ethical, practical oriented, and flexible enough to adopt alternative courses of action with changing scenarios. Professional managers are expected to sacredly follow these principles as "BIBLE" towards achieving the desired goals.

Rise of Separate Class of Professionals: In the modern era a separate class of professional managers has emerged and the role of professionals has gained more significance in the changing social milieu.. Every sector and especially corporate sector today has to look beyond profits because it is considered as an instrument of Socio-Economic change. The question that arises is who is a professional? Abraham Flexner, opines "A professional should be intellectual, learned, practical, expert in relevant technique formally organized and altruistic". A professional has to balance his obligations towards his employer, with peers and subordinates, suppliers, consumers, community at large and also of course with his own conscience. His task at times is often invidious in that he is called upon to serve conflicting interests which as a professional, he must attempt to reconcile. The unfolding liberalized economic scenario has resulted in self-regulations. Professionals today are required to maintain and improve the quality of service they offer and adapt themselves with the changing times, else they may become redundant.

3. Family Management vis-a vis Professional Management:

Family Management is also synonymous with the term Traditional Management. We could define Family Management as a type where the process of decision making rests with the head or the few members of the family. This may also be characterised as a patrimonial management, which is largely prevalent in the private sector and more so in the closely held companies. Apart from family orientation, there is a predominant element of class or caste orientation where blood ties and caste ties provide the passport with ease to the top echelons of management. Outsiders, regardless of their competency, professionalism or technological acumen are barred from this position of decision making, i.e. they get elevated only up-to a certain level in the organisation.

Three phases of growth of Family Business: It would not be out of context to cast a glance at the anatomy of family management. For the sake of convenience the topic is divided into three phases.

1) Family Businesses Founded up to 1950: The pioneer patriarchs of Indian industry in the British Raj, had to maintain a delicate balance i.e. grow the business and at the same time contribute its might to the freedom movement. So the large business groups of those times Tatas, Walchand Hirachand, Bajaj and G.D. Birla, were active in not just creating wealth for themselves but to fuel the freedom struggle. Brotherhood and compassion were the guiding beacons as pointed out by noted business family watcher Gita Piramal. It's probably this paternalistic mindset that hasn't helped many of the families slip easily into the groove of professionalism. Maintaining the position of eminence over the years hasn't been easy for the first flush of Indian industry the Tatas, Kirloskars, Wadias and the Godrejs, all of which are over 100 years old. Since the past decade, the Wadias and the Kirioskars have steadily lost out to a fresh breed of entrepreneurs. The Tatas may still be all-pervading, but have been dethroned from the numero uno position in India's private sector by a relative newcomer Reliance Industried Ltd.   A few groups just faded into oblivion, the once- dominant pharmaceutical business of the Sarabhais, and the Walchand Hirachand empire being two names that surface instantly.

2) <u>Family Businesses that came of Age in the 1970s and 1980s:</u> One of the most regressive legacies of the socialistic regime was the Licence Raj and the "command and control" economy of the seventies and eighties, which in essence killed entrepreneurship and seriously maimed the consumer. Projects took years, sometimes even a decade, to get cleared. If the industry wanted to go right, the government went left. Industry was faced with two choices; either adapt to the system, or take your business someplace else. The latter is exactly what Aditya Vikram Birla did by setting up textile mills and palm oil factories in Egypt, Thailand, Malaysia and Indonesia. Even as other Asian tigers surged ahead in that period, India's economy got stuck in a time warp. If it wasn't competition that changed the old order, the splits within the families, often acrimonious, didn't make things easier. The Birlas spilt into six factions, the Thapars into four, the Goenkas into two, the Bharat Ram group into three and the Walchand group into two.

3) <u>Family Businesses that thrived in 1990s and early 2000s:</u> It has become a fashion in the post-liberalisation era, to rubbish Nehru's brand of socialism and blame India's first Prime Minister for all the woes that plague Indian industry. One must understand that Nehru's priority was clearly social development but the biggest mistake successive Governments made was in failing to recognise that the first PM's socialist baggage couldn't be carried forever. Perhaps Indian industry's current lot could take a cue from history. Indeed, post-1991, a host of new names got added to the corporate glossary. Some of these companies may have taken shape pre-1991 but much of the growth impetus came only in the past decade. The brothers Agarwal, Anil and Navin, set a blistering pace in the copper and aluminum industry with Greenfield capacities and acquisitions. The Adani brothers, have earmarked huge money for forays into power, gas distribution, refining and an industrial park. Subhash Chandra, after flagging off a pioneering business in laminated tubes in the eighties, burst into the limelight by beaming India's first satellite channel into Indian homes. Azim Premji reinvented his father's cooking oil business into a software services giant. Not to be left behind our Kumar Mangalam Birla's exploits, who after taking over in traumatic and rather dramatic circumstances in his late twenties, is today fuelling growth at the A.V. Birla group.

Along with the enthusiasm and aggression that liberalization brought came plenty of pain. For many   business families their mega-ambitions weren't in sync with their funding abilities. As a result, many a mega –project spun viciously out of control.

There is an ongoing debate as to which type is better i.e. whether professional management or family management. The annals of corporate history are overflowing with stories of success and failure of both type of management practices. For the sake of brevity only two significant cases of switchover from family management to professional management have been analysed in order to gauge which one is better.

4. <u>Dabur India Ltd - a failed experiment:</u>

This in fact is a very unique case in the sense that it was the pioneering attempt which miserably boomeranged. Set up in 1884 by Dr S.K. Burman as a small pharmacy in Calcutta, Dabur India (Dr S.K. Burman) Pvt Ltd. got incorporated in 1936. Shifted to New Delhi in 1972, became public company in 1986 and made public issue in 1994. Today Dabur India Ltd with revenue of US$910 mn has many accolades: Fourth largest ayurvedic FMCG powerhouse in India, 5th Best company to work, CEO Sunil Duggal- ranked among the India's Best CEOs, Dabur Chairman ranked among the most powerful CEOs, Burmans figuring among FORBE's 100 richest Indians, the list is big.

In 1998, on the advice of global consultants **McKinsey,** the fourth generation of the Burmans decided to step back and delegate the management control to professional managers. It rocked the business and industry as the biggest breaking news at that time. This was something unheard of in the Indian business circles, where leadership of companies has traditionally passed from father to son to grandson, irrespective of merit. The Burmans were clearly trailblazers. Consultants and academics planned case studies, the stock market responded enthusiastically, but the experiment turned out to be a bitter and different from what was envisaged. When Ninu Khanna joined in November 1998 as Dabour's first non family professional CEO, the sales grew from Rs. 914.80 crores to Rs. 1166.50 crores in 2000-2001. The Market capitalization increased by 17% but when Khanna quit in December

2001, followed by others professionals, suddenly the sales stagnated and profits fell by 19% in the next financial year. The share price also came crashing down from a high of Rs. 175 in January 2000 to Rs. 46 in 2001. Did the most notable experiment of its type in Indian business history failed? Khanna, who had cut his teeth in marketing at Procter & Gamble, came to Dabur in November 1998 from Colgate-Palmolive. The plan was that all the Burmans would keep out from day-to-day functions and their number on the board would also be reduced. The only family member to sit at company's headquarter was to be the Managing Director and Vice-Chairman G. C.Burman, who was to hand-hold Khanna and the company through the transition. The then Chairman A.C. Burman retired to give the Chairmanship to younger brother V.C Burman, who was to pass the mantle on to G.C. Burman once the new management structure firmed up in the next 3 to 5 years. The Burmans kept their promise of withdrawing from day-to-day functioning. But in September 2001, G.C. Burman, died of a sudden heart attack. Khanna resigned in December 2001. Questions and rumours about why he quit floated in the market and to make matters worse, the company's posted its results which were disappointing.

Two theories about this episode started doing rounds and it became almost impossible to judge which one was the truth, because opinions were sharply divided. First theory that Khanna rode the momentum of Daburs already rising sales and profits for the first two years, but when the impetus started fading, he had no solutions, therefore he quit. The other view, Khanna did a good job and Dabour's poor showing in 2001-02 was precisely because he and his team found the Burmans interfering too much and had to quit. By June 2002 Burmans found successor to Khanna and announced the appointment of an inside man Sunil Duggal as CEO-designate, who has been with the company since 1995. He became suffix-less CEO in April, 2003. The Burmans are back in the saddle with four family members sitting on the board occupying positions of Chairman, Vice Chairman, and Whole Time Directors. Now Sunil Duggal is one of the three whole time directors.

5. Ranbaxy Laboratories a success story of sorts:

Ranbaxy Laboratories Ltd can be perhaps cited as the most spectacular and successful case of change over from the family management to professional management in the Indian industry. Ranbaxy did more experiments with several professional CEOs, but the one successful was with D.S. Brar. Ranbaxy started by Ranbir Singh and Gurbax Singh in 1937,as a distributor for Japanese company, was bought by Bhai Mohan Singh in 1952. His elder son Dr Parvinder Singh was inducted in the Board in 1967, became Managing Director in 1982. Since then the family passed through the phase of turbulence, relations between the father and son became bitter and what is known as a **greatest Board-Room- Coup,** Bhai Mohan Singh was forced out of Ranbaxy.

   D.S. Brar a professional manager was appointed sometimes in 2000 for a period of 5 years, by Parvinder Singh's family as CEO of the company completely sidelining his two sons, Malvinder and Satvinder. The changeover not only proved smooth but also gratifying, for the owners and other stakeholders. Under the dynamic leadership of .D.S. Brar the company made remarkable progress, floated many joint ventures abroad and invented several new drugs one of which Cefuroxine Axetil proved a blockbuster product. The turnover of the company multiplied from US$500mn in 1999 to US$1 bn in 2003. After D.S. Brar left in 2004, Dr Brian W Tempest became CEO from 5th July 2004. The family members again took over the reins in 2005. Malvinder Singh was appointed CEO and Managing Director in 2005 and continued till 2008 with Harpal Singh as Non Executive Chairman. Presently Ranbaxy is a giant pharma company, (turnover more than US$1868mn) with wide range of products, generic medicines and integrated research Laboratory, presence in 125 countries across the globe, 14000 multicultural workforce from 50 countries. In June 2008 it had an alliance with largest Japanese innovator Daiichi Sankyo Company Ltd and has been completely taken over form Singh family in 2009.

The exact reasons for the success and failure of above two cases cannot be ascertained and are a matter of debate and discussions. To conclude Family businesses eventually outgrow family control and management. This has been the experience of the developed world. Practically all enterprises that grew into global giants in due course started as family firms. Lever Brother's, Du Pont, Ford to name a few all went through this process. In India

in the era of economic deregulation, many family businesses such as the Ambanis, Bajajs, and the Aditya Birla group to name a few are at the crest of firms creating shareholder's value even as they stand up to International competition. And just as the world does to any family, the world will judge them more by their norms and practices; than by the act of sharing a board or lodging.

6. <u>Professional Management in non commercial organisations:</u>

Professional management has now become all pervasive and omnipresent. Any enterprise irrespective of its nature of activity or size can be run in a professional manner. Whether it is a holy place like temple, sports bodies, educational institutions, NGOs; there are ample examples of application of   professional   approach in these fields, some of which are discussed in the following paragraphs.

The global trend in management of sports bodies is towards corporatisation and professionalisation in the real sense, but the same does not hold good in India. The cash cow, BCCI which is perennially embroiled in controversies and remain shrouded in mysteries about its administration and financials is still managed by committees as a society and even refuses to pay Income Tax. The affairs of Indian Hockey Federation got murkier during the tenure of President K.P.S. Gill IPS, and its reputation was at its nadir. The position in other sports bodies is worst which are mostly treated as the personal fiefdom by the politicians and bureaucrats who lord over the huge funds of these bodies, while the plight of the sportsmen become miserable and pitiable.

WIMBLEDON is a classic example of professional management worth emulating by the sports bodies in India. All England Club started organizing Lawn Tennis from 1877, celebrated 125th Championship in 2011. The All England Lawn Tennis Club (Championship) Limited, is a wholly owned subsidiary of "The All England Lawn Tennis & Croquet Club Ltd, with registered office in London. It is professionally managed like a corporate organization. The patron is Her Majesty the Queen, P.G.H Brook is the Chairman with 5 Functional Directors heading, Finance, Commercial, IT, Championship and Club society departments. Spread across 42 acres of land there are 19 grass courts, 8 American clay

courts, more than 50 administrative staff and about 100 other supporting staff. In 2011 it had surplus of pounds 35,173,814. The company has raised funds through Debentures, there is perfect transparency in financial transactions. It has a well stocked library and gives assistance and aid for research. Nearly 6000 people and 310 Umpires work for organizing a Championship. Flawless record in the areas of HR management, Materials management, Crowd management, Catering and dinning management, Lawn maintenance and Environment Management to boast. FIFA with membership of 147 countries and PGA are some of the international sports governing bodies being managed truly in a professional manner.

7. <u>Management of Shrines and Holy Places:</u>

The professionalism has also entered the sacred corridor of the shrines and holy places. This was but natural in the wake of the revolution brought in by the information technology. In these glum times, religion is a rare growth industry. Flooded with money and thronged by devotees, religious institutions find the silicon gods a great help in managing their multi-crore affairs. The **Bangla Sahib Gurudwara Delhi, Siddhi Vinayak Temple Mumbai, Golden Temple Amritsar, Tirumala Tirupati Devasthanam (TTD)** are some of the examples where professional management is practiced in all the departments like Finance and Accounts, HR, Public Relations, Materials Management, Crowd and Traffic management etc,. The case of TTD has been elaborated below as it is the best of among the lot.

<u>Tirumala Tirupati Devasthanam:</u>It is the richest Hindu temple in India, the Lord above sea level and 20 km uphill from the temple town of Tirupati. IT has become a part of every department's functioning. Temple's once-endless serpentine queues are managed by giving devotees a bar-coded wristband with the time of darshan imprinted. BNA Technologies, a Bangalore based company devised the system, which has been so successful at streamlining the daily flow of about 48,000 devotees that **Gas Authority of India Ltd,** tested and tried it to deal with the long queues at CNG fuelling stations in Delhi, to provide bar-coded tokens to CNG vehicles in the capital.

Behind the scenes at the Tirumala Tirupati Devasthanams (TTD) an army of employees and managers blend modern management techniques with technology and traditional fervor to keep the holy operation shipshape. The Hundi count requires two accesors, who check if all that glitters is indeed gold. Coins are separated from currencies, gold from all else, before being deposited in a bank. People put all sorts of things in the hundi" like a crop sapling, gold and silver ornaments, golden handcuffs, and even a gold Lexica camera, which is now being used by the official photographer of the temple. Apart from tickets for the Darshan and donations (to the hundi or otherwise), Tirupati has a variety of revenues, from the sale of prasadam, gold and silver coins, to the hair shaved off the heads of the devouts. Handling this wealth is a major task and the assets are never kept idle.   The Government   supervises the TTD as per the Act 30 of 1987 through Board of Trustees. Many of the pilgrims who stream in here shave their heads clean. It is not surprising therefore that about 250 tonne of hair is generated and sold every year by TTD through E-Commerce. The   auctions are managed by **Metals and Scraps Trading Corporation(MSTC) Ltd.** a Government of India Company.

In the Accounts Department computerized procedures have been streamlined, and a very efficient internal auditing system with a centralized payment mechanism is implemented. But by far the most important initiative is in **HRD:**   Training and Management. Towards this objective the temple has also launched the **Sri Management Courses** for all its employees. The subjects include temple history, pilgrim-friendliness, and housekeeping and other related areas. It also trains the Paricharikas. TTD's other activities include   running Charitable Institutions, Free medical aid, Rehabilitation of Physically Challenged and Economically Backward, Home for Poor and Deaf, Conservation of Water and Forests through HARITIKA project and a host of other CSR projects. TTD operates Schools and Colleges in Tirupati and New Delhi. It has set up Oriental High School and College, Vedpatsala Training Center, an Ayurveda , Music and Dance, Architecture and Polytechnic colleges. The temple has already invested in the mechanization of i] ladoo- making and ii] separation of coins into various denomination. iii] E-commerce, E-tendering, E- Prasdam, E-pooja, E-Darshan etc,. TTD and some of the other Temples and Shrines like   Bangla Sahib Gurudwara Delhi,

Siddhi Vinayak Temple Mumbai, Golden Temple Amritsar, that are adopting professional approach in their working also offer good lessons to be learned by the corporate and other organizations.

8. Literature Review and Limitations of the Study:

While there is abundant literature on general management, the literature on professional management is meager hence extensive review could not be undertaken. Most of the publications are available with IIMs, AIMA, IIPM, other B. Schools and websites.

  F. John Reh, in his article Professional management vs. Entrepreneurial management (2010) opined " should the founder continue managing his business or engage professional manager is a question that must be faced as the company continues to grow and at the right time the founder should relinquish the control."

  Annika Hall of Jonkoping International Business School, Sweden, in her article (Vol-21 March 2008), holds the view that "switchover of Family Management to Professional Management rests on two competencies formal and cultural, of which only the former is explicitly recognized in current family business scenario".

  V.Dutta and B.Dutta, of IIM Indore, Indore Management Journal (January- March 2011), feels "Professional management and leadership plays an important role in every type   and has to guide the organizational growth".

  Prof Arindam Choudhary Dean of IIPM and renowned management guru in his article in IIPM Journal (2010), says "The Indian industry has not understood the concept and importance of professional management as yet".

  Deepak Parekh Chairman of HDFC in his address to EPGP participants, published by IIM Indore in their Journal (2010), held " realizing leadership potential is a real challenge for professionalisation of Indian corporate sector ".

  Limitations: Constraints and limitations are always an integral part of any study and investigation. i] It was not feasible to collect primary data. However the researcher is a professional with vast working experience of 32 years in Public and Private Sector at corporate level, which helped him in knowing the intricacies of professional management

and   this served the purpose of primary data to some extent. Further the data collected earlier for doctoral research also proved very useful and relevant for this study. ii] **This being exploratory study** main source has been the secondary data.

9. Conclusions:

Lawrence Applex, President of American Management Association, thinks   the gradual separation of ownership from management has facilitated the rise of Management Profession. The role of professional is akin to the change agents". The Professional Management works on certain fundamentals which are "sine- qua –non" for its success. Formalising visions and goals, Strategic planning organising and resourcing, Proper structuring and restructuring of the organization, Judicious blend of centralisation and de-centralisation and delegation of adequate authority at every level, Total integration with emphasis on strategic and opportunity management, Optimisation of resources   and application of principles of Scientific Management, Team building and coordination, Mentoring   and steering the processes,   Making   the best out of an opportunity, Self motivation, hard work and adaptability, Honesty, Integrity and transparency, Respect to the laws of the land and following the ethical practices, Striking the right balance between the organizational and personal goals, Leading by examples, Patience, Good reflexes and will to win, the list is just indicative.

Professional business leadership in any concern, large or small, is subjected to many pressures. Chief among the external pressure are the stockholders' interests, Government regulations, tactics of labour unions, competition and free market forces, litigation, public opinion and scrutiny by media etc,. In its responsibilities to stockholders, leadership is obligated to operate the business most profitably while maintaining its stability without compromising on its growth. Prosperity requires initiative, innovation, and rebalance between that of profit making which may lead to stagnation and deterioration for lack of vitality, but extravagant experimentation and untested ventures may lead to loss and failure. Professionals of today have to face multiple challenges, which calls for dedication of oneself in service, not only to the owners of the business through his board but also as a steward to

the company's customer, its business, its employees and to the community at large. The services of the professionals have become indispensable in the present complex world. The process is getting finally personal thus establishing as relevant the Aristotelian ideas of virtue, development and character formation. Though professional Associations are a necessary complement but it is on the individual level that managerial challenges are met and that managerial opportunities are successfully seized. As summed up by Ralph J. Cordisner, President of General Electric   Company, " There is no such thing as the common man. Each one has distinctive and individual contribution that he alone can make. When the professional manager at every level of the organization recognises this, cherishes it as his most deeply held belief about his fellow men, then he has found the clue of leadership. It is leadership of this kind that will determine whether the way of freedom will be the way of the world"

10. <u>Scope for Further Research.</u>

Professional management is all-embracing and any type of organization can adopt the professional approach. In fact in this era of globalization, borderless and free markets where information is available   just at the click of the mouse button, the significance of professional management increases manifold.   In India though many organisations are professionally managed, yet there is a big number which are not really inclined to switch over from traditional pattern, e.g. NGOs,   Educational Institutions,   Government departments, Health sector, Service providers, Courts and judiciaries and number of un organized sectors. The author feels that there is a good scope for further in depth research in this field which will certainly add value and volumes to the existing literature and also encourage the organizations to make a smooth transition from traditional management to the professional management.

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PERSONNEL SELLING & SALES MANAGEMENT A RELATIONSHIP MARKETING PERSPECTIVE.

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Abstract:

Personal selling and sales management is changing as a result of the increased attention on long-term, buyer-seller relationships and identify some implications of these changes. Changes in the traditional personal selling and sales management activities are needed to support the emergence of the partnering role for salespeople. For salespeople in the partnering role, the personal selling shifts from a focus on influencing buyer behavior to managing the conflict inherent in buyer-seller relationships. The emphasis on building relationships rather than making short-term sales and the use of sales teams dictates changes in the way firms select, train, evaluate, and compensate salespeople and members of sales teams, I want to suggest some issues concerning the emerging partnering role for salespeople that deserve the attention of in personal selling and sales management.

Keywords: Personal selling, sales person, sales management, marketing, customer,

Personal selling and sales management is changing as a result of the increased attention on long-term, buyer-seller relationships and identify some implications of these changes. Changes in the traditional personal selling and sales management activities are needed to support the emergence of the partnering role for salespeople. For salespeople in the partnering role, the personal selling shifts from a focus on influencing buyer behavior to managing the conflict inherent in buyer-seller relationships, Sales management involves planning the selling program and implementing and controlling the personal selling effort of the firm. Personal selling, unlike advertising or sale promotion, involves direct relationships between the seller and the prospect or customer. In a forma sense, personal selling can be

defined as a two-way flow of communication between a potential buyer and a salesperson that is designed to accomplish at least three objectives: (1) identify the potential buyer's needs; (2) match those needs to one or more of the firm's products or services; (3) on the basis of this match, convince the buyer to purchase the product. Finally, it is a complex communication process, one still not fully understood by marketers

The importance of the personal selling function depends partially on the nature of the product. As a general rule, goods that are new and different, technically complex or expensive require more personal selling effort. The salesperson plays a key role in providing the consumer with information about such products to reduce the risks involved in purchase and use. Insurance, for example, is a complex and technical product that often needs significant amounts of personal selling.

It is important to remember that for many companies the salesperson represents the customer's main link to the firm. In fact, the salesperson is the company. Therefore it is imperative that the company take advantage of this unique link. Through the efforts of the successful salesperson, a company can build relationships with customers that continue long. Personal selling is an integral of the marketing system, fulfilling two vital duties: one for customers and one for companies. Lacking relevant information, customers are likely to make poor buying decisions. For example: Doctors would have difficulty finding out about new drugs and procedures were it not for pharmaceutical salespeople. Second, salespeople act as a source of marketing intelligence for management. Marketing success depends on satisfying customers needs. If present products don't fulfill customer needs then profitable opportunities may exist for new or improved products. If problems with a company's products exist, then management must be quickly apprised of the fact. In either situation, salespeople are in the best position to act as the intermediary through which valuable information can be passed back and forth between product providers and buyers.

In essence, personal selling involves the building of relationships through communication for the purposes of creating a sales transaction. Personal selling, as defined by Weitz, Castleberry, and Tanner (2004), is an interpersonal process whereby a seller tries to uncover

and satisfy a buyer's needs in a mutually, long-term beneficial manner suitable for both parties. Thus, personal selling is interpersonal, two-way communication between a buyer and seller whereby the seller employs persuasive communication regarding goods and/or services Adaptive selling research proposes that salespeople have an opportunity to gather information, process that information, and adjust to the customer based on the sales representative's skills and capabilities during a sales interaction. This process requires communicative activities that include probing for information, asking questions, listening, and detecting verbal and nonverbal cues yet empirical relationships between such cues and selling effectiveness is meager. Recently, sales and marketing scholars have started exploring the antecedent skills and capabilities of sales representatives through an analysis of social cognitions.

The relationships between sales and marketing Marketing and sales differ greatly, but have the same goal. Marketing improves the selling environment and plays a very important role in sales. If the marketing department generates a list of potential customers, that can benefit sales. A marketing department in an organization has the goal increasing the number of interactions between potential customers and the organization. Achieving this goal may involve the sales team using promotional techniques such as advertising, sales promotion, publicity, and public relations, creating new sales channels, or creating new products (new product development), among other things. It can also include bringing the potential customer to visit the organization's website(s) for more information, or to contact the organization for more information, or to interact with the organization via social media such as Twitter, Facebook and blogs. The relatively newfield of sales process engineering views "sales" as the output of a larger system, not just as the output of one department. The larger system includes many functional areas within an organization. From this perspective, "sales" and "marketing" (among others, such as "customer service") label for a number of processes whose inputs and outputs supply one another to varying degrees. In this context, improving an "output" (such as sales) involves studying and improving the broader sales process, as in any system, since the component functional areas interact and are interdependent.

Most large corporations structure their marketing departments in a similar fashion to sales departmentsand the managers of these teams must coordinate efforts in order to drive profits and business success. For example, an "inbound" focused campaign seeks to drive more customers "through the door", giving the sales department a better chance of selling their product to the consumer. A good marketing program would address any potential downsides as well.

The sales department would aim to improve the interaction between the customer and the sales facility or mechanism (example, web site) and/or salesperson. Sales management would break down the selling process and then increase the effectiveness of the discrete processes as well as the interaction between processes. For example, in many out-bound sales environments, the typical process includes out-bound calling, the sales pitch, handling objections, opportunity identification, and the close. Each step of the process has sales-related issues, skills, and training needs, as well as marketing solutions to improve each discrete step, as well as the whole process.

One further common complication of marketing involves the inability to measure results for a great deal of marketing initiatives. In essence, many marketing and advertising executives often lose sight of the objective of sales/revenue/profit, as they focus on establishing a creative/innovative program, without concern for the top or bottom lines - a fundamental pitfall of marketing for marketing's sake. Many companies find it challenging to get marketing and sales. The two departments, although different in nature, handle very similar concepts and have to work together for sales to be successful. Building a good relationship between the two that encourages communication can be the key to success - even in a down economy. Marketing potentially negates the need for sales. Some sales authors and consultants contend that an expertly planned and executed marketing strategy may negate the need for outside sales entirely. They suggest that by effectively bringing more customers "through the door" and enticing them into contact, sales organizations can dramatically improve their results, efficiency, profitability, and allow salespeople to provide a drastically higher level of customer service and satisfaction, instead of spending the majority of their working hours searching for someone to sell to.

Industrial marketing

The idea that marketing can potentially eliminate the need for sales people depends entirely on context. For example, this may be possible in some B2C situations; however, for many B2B transactions (for example, those involving industrial organizations) this is mostly impossible. Another dimension is the value of the goods being sold. Fast-moving consumer-goods (FMCG) require no sales people at the point of sale to get them to jump off the supermarket shelf and into the customer's trolley. However, the purchase of large mining equipment worth millions of dollars will require a sales person to manage the sales process - particularly in the face of competitors.

Another area of discussion involves the need for alignment and integration between corporate sales and marketing functions. According to a report from the Chief Marketing Officer (CMO) Council, only 40 percent of companies have formal programs, systems or processes in place to align and integrate the two critical functions.

Traditionally, these two functions, as referenced above, have operated separately, left in siloed areas of tactical responsibility. Glen Petersen's book The Profit Maximization Paradoxsees the changes in the competitive landscape between the 1950s and the time of writing as so dramatic that the complexity of choice, price and opportunities for the customer forced this seemingly simple and integrated relationship between sales and marketing to change forever. Petersen goes on to highlight that salespeople spend approximately 40 percent of their time preparing customer-facing deliverables while leveraging less than 50 percent of the materials created by marketing, adding to perceptions that marketing is out of touch with the customer and that sales is resistant to messaging and strategy.

Possibly the most dramatic change to occur in how salespeople function on a day-to-day basis it involves the integration of customer relationship management (CRM) systems into the selling arena. CRM is the name given to both the technology and the philosophy that drives companies to gain a better understanding of their customers with the goal of building stronger long-term relationships. The essential requirement for an effective CRM system is the need for all customer contact points (e.g., salespeople, customer service, and websites) to

gather information so that this can be shared with others in the company. But CRM has faced some rough times within the sales force for the exact reason it is important: salespeople must share their information. Salespeople have historically been very good at developing relationships and learning about customers, but often loath sharing this since, in effect, information is what makes them important. In the minds of some salespeople, letting go of the information reduces their importance to the company. For example, some salespeople feel that sharing all they know about a customer will make them expendable as a salesperson since a company can simply insert someone new into their spot at anytime. While the attitude toward CRM has made its implementation difficult in many companies, salespeople should understand that it is not going away. CRM and information sharing has proven to be critical for maintaining strong customer relations and salespeople must learn to adapt to it.

As salespeople may require the assistance of others in their organization to effectively deal with prospects. In fact, many companies are moving away from the traditional sale force arrangement, where a single salesperson handles nearly all communication with an account, in favor of a team approach where multiple people are involved. Teams consist of individuals from several functional areas such as marketing, manufacturing, distribution, and customer service. In some configurations all members share bonuses if the team meets sales goals. Clearly to be effective a team approach requires the implementation of customer relationship management systems that we discussed earlier

With the recent advent of social media, consumers are rapidly adopting social networking sites and engaging in micro-blogging to enhance their social lives and promote communication with friends and family. However, at the organizational level, firms have been slower to adopt these technologies but are quickly seeing the potential value in their use. Of the firms and strategic business units that have witnessed the potential impact of social media, the sales function holds the potential to be dramatically changed by these technological advancements. Virtually all aspects of personal selling and sales management could be inherently affected by these technologies. Importantly, social media is not limited to technologies available for public consumption (i.e., Facebook, LinkedIn, MySpace, Twitter, etc.) but also includes internal social media and network tools being offered by companies

such as Salesforce.com (Chatter). Yet, there has been little research on the role of social media and its influence on salesperson behavior, the selling process, and sales management practices.

The following thirteen propositions identify possible personal selling contexts appropriate for sales management; potentially fruitful areas of inquiry include but are not limited to:

1. The examination of the communicative skills necessary for the sales representative to successfully progresses through different points in the sales cycle

2. Similarly, the communicative goals of successful sales representatives to trigger behavioral objectives for a customer at each stage of the sales cycle

3. The flow of information from within the sales organization to outside the organization via the sales representative

4. The flow of information (or lack thereof) of information from outside the organization into the sales organization via the sales representative

5. The examination of communication skills taught during sales training

6. Written materials – such as marketing slicks, letters, and emails – utilized by sales representatives for the purpose of persuading customers

7. The utilization (or lack thereof) of Customer Relationship Management (CRM) by sales representatives

8. The examination the communication-related traits of successful versus less successful sales representatives

9. The development of "pitch scripts" for face-to-face and phone calls

10. The management of the emotional rollercoaster associated with being a sales representative

11. Customer-based research into effective communication (messages, behaviors, and etc.) bys sales representatives

12. The use of facework when dealing with customers

13. The use of storytelling by sales representatives during sales interactions

Conclusion

As attempted to outline and explain the personal selling aspect sales management. An emphasis was placed on describing the importance of the relationship-building aspect of the personal selling process. For organizations that wish to continue to grow and prosper, personal selling plays an integral part in the marketing of products and services. As long as production continues to expand through the development of new and highly technical products, personal selling will continue to be an important part of marketing strategy Selling and sales management have clearly arrived at a critical juncture toward the advancement and shaping of theory and practice alike. Academics engaging in sales research have a real opportunity to contribute new ideas and the advancement of knowledge for organizations immersed in dynamic, competitive business environments, Sales force automation, relationship selling, outsourcing, sales management tasks, e-commerce, and internationalization of the sales force are all hot topics within organizations with real implications for the success or failure of the organization (Dubinsky, 2006). In addition, with the increased emphasis on and changing environment of the sales landscape, the sales force's role as critical ambassadors of the organization, important mouthpieces and representatives. Towards the formation of organizational identities, and active boundary-spanners linking companies to customers' needs to be examined through market research.

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"MEDICAL TOURISM ON RISE"

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ABSTRACT

Medical tourism is one of the major external drivers of growth of the Indian healthcare sector. The emergence of India as a destination for medical tourism leverage's the countries well educated, English speaking medical staff, state-of-the-art private hospitals and diagnostic facilities, and relatively low cost to address the spiraling healthcare cost of the western world. India provide best in class treatment, in some case's at less than one-tenth the cost incurred in US. India's private hospitals excel in fields such as cardiology, joint replacement, orthopedic surgery, gastroenterology, ophthalmology, transplants and urology.

Several developing countries like Bangladesh, Pakistan, do not have necessary expertise for medical treatment in certain areas and medical treatment in popular destination in India is cheaper as compare to many developed countries.

This paper evaluate, analyze and discuss the growth and development of medical tourism in India and also understand the key issues and challenges that a hospital face in promoting medical tourism.

Key word : tourism, transplant,

Medical tourism is one of the major external drivers of growth of the Indian healthcare sector. The emergence of India as a destination for medical tourism leverages the countries well educated, English specking medical staff, state-of-the-art private hospitals and diagnostic facilities facilities ,and relatively low cost to address the spiraling healthcare cost of the western world. India provides best in class treatment , in some cases at less than one-tenth the cost incurred in the US .

India's private hospitals Excel in fields such as cardiology, Joint replacement, orthopedic surgery, gastroenterology, ophthalmology, transplants and urology. Several developing countries like Bangladesh, Pakistan do not have necessary expertise for medical treatment in certain areas. Medical treatment in certain areas. medical treatment at proper destination is cheaper as compare to many developed countries.

'Medical tourism 'is the term used to refer to a travel activity that evolves a medical procedure or to activities that promote the well being of the tourist .This paper

Evaluate analyze and discuss the growth and development of medical tourism Unacceptably long hospital queues and high cost of medical procedure in western countries have created the demand for medical tourism hence, as this new global product gain popularity in India and monitoring and greater accreditation of this services is required to keep with an increases in its international demand.

Objective of this paper is to understand the key issue and changeless that a hospitals faces in

Promoting medical tourism .Marketing communication plays a very major role – word of mouth communication, tie ups with leading medical insurance companies also help in reducing the cost of the tour operators. Additionally tie –ups with foreign Universities where in internship is offered in India also help in securing medical tourists to India. From customer's perspective, key drivers which motivated a patient to travel in India for medical purpose are:

a) Availability of hospitals with international accreditation

b) Treatment provided is comparable to any other destination in developed countries

c) English speaking doctors

d) Connectivity is good

e) Possibility of on- line diagnosis especially for post care and for future consultation

f) Large pool of Doctors (Over 650,000)

g) Nurses and paramedical – highly skilled experts with good communication skill

h) Strong pharma sector and gaining worldwide recognition

i) The easy availability of major tourist destinations like Goa, Agra,Jaipure and Kerala

. and Wardha .As it is having historical background as a Mahatmas Gandhis residence bapu kuti at sevagram

India has hug resources for tourism that can convert it in to one of the top destinations for tourism. Some of them are

- Cultural and religious diversity

- Centuries old vibrant civilization

- Number of attractions ranging from wildlife to culture heritage.

Based on above factors, India can easily become an alternative destination for medical tourism of the industry developed properly as per IBEF; Indian medical tourism market is worth US $ 333 million. Mc kinsey –CII estimates that the market size will increases up to US $ 2 billion by 2012

The cost difference would be a huge factor in making India as popular destination. Following table shows the costs for various medical treatments in different countries

Medical Treatment Budgets (in US $)

Name of treatment	Countries		
	US/UK	India	Thailand
Bone Marrow Transplant	250,000	30,000	62,500
Liver Transplant	300,000	40,000	75,000
Open Heart Surgery	150,000	7000	14250
Hip Replacement	17000	4500	7000
Knee Surgery	24000	4500	7000
Cataract	2000	500	NA

The cost details provided in the above table do illustrate the advantage of India.

Positive Aspect of Medical Tourism:-

- Brings in valuable foreign exchange.

- Generate large scale secondary employment.

- Development of World-class medical infrastructure.

- Option of combining wellness with tourism.

Negative Aspect of Medical Tourism:-

Some of the concerns associated with medical / health tourism relating to India are,

- Hygiene / Unsanitary condition

- Pollution

- Not developed and bureaucratic country.

- Accreditation of hospitals

- Medical Insurance frauds

- Terrorism prone

Conclusion:-Medical tourism is becoming a new and emerging international business that is gradually increasing in importance india is a recent entrant into medical tourism .according to study by Mc Kinsey and confederation of Indian Industry (CII), Medical tourism in India could become a $ 2 billion business by 2012 The hospital industry of India should take this as opportunity and promote their hospitals internationally by highlighting the state-of-art facilities and economic factor to international consumer.   In capitalising on the tourism infrastructure that supports this industry, nations do not need not invest much more in supporting medical tourism. As an international business, this is not too different from the subcontracting or the off-shoring of services. With higher costs and expertise, in the future, medical tourism is likely to be the new global trend for providing medical services. It remains to be seen in the future which countries will adopt theproactive stance to strategically avoid future problems to maintain and protect their country's reputation in this important and growing area of healthcare.

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THE POSITIVE EFFECTS OF GLOBALIZATION ON THE INDIAN ECONOMY

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Abstract:

Globalization refers to the process of integration of the world into one huge market. It provides several things to several people with removal of all trade barriers among countries. Globalization happens through three channels: trade in goods & services, movement of capital and flow of finance. Globalization in India is generally taken to mean 'integrating' the economy of the country with the world economy .The oil crisis and the problems of the thin foreign exchange reserve compelled the Indian political set up to get rid of protectionism and to adopt the policy of liberalization and globalization. The wave of globalization appeared on India's shores in 1991.

With the adoption of the globalization the Indian economy has its far reaching effects. The genie of globalization had brought in its sack the number of fruits for the different sectors of the Indian Economy. In the present research paper an attempt is made to highlight the positive tides of the globalization and the structural reforms on the canvass of the Indian economic arena. The paper is focusing the favorable aspects of the acceptance of the globalization on the various sectors and in turns its profound influence on the overall growth of the economy. There are some performance indicators which reflect   the free sail of the economy on the oceans of development and growth.

Keywords: Globalization,   Indian Economy,   Growth

Introduction:

The growing integration of economies and societies around the world has been one of the most debated topics in international economics over the past few years. The speedy growth of the GDP, increasing share in international trade ,poverty alleviation   in India, and other developing countries which were considered poor economies earlier, has been a positive aspect of Liberalization, Privatization and Globalization(LPG).   The genie of globalization had brought in its sack the number of fruits for the different sectors of the

Indian economy. But the critics of Globalization has also raised their concerns that it has increased inequality and environmental degradation. There is a need to study the impact of globalization on Indian economy from the point of view of the inward foreign direct investment, the trade and industrial policy and the entry of the MNCs in the domestic economy of the country. This paper attempts to investigate the positive benefits of globalization is causing the economic growth in India.

The present paper is organized in the three sections: Section 1 throws light on the meaning of globalization and makes the enquiry of brief history of the protectionism and trade policy in the period of 1950 to 1990. Section 2 gives the account of the economic changes after the adoption of globalization and the economic reforms. Section 3 summarizes results and makes a conclusion that in general it is not very hard to prove that even a limited attempt of globalization has benefited Indian economy in the best possible way.

SECTION ONE

What do we mean by globalization?

For the purposes of the argument in this paper, as well as understanding some of theresponses to globalization, it is important to define what we mean by this term. Globalization has many meanings depending on the context and on the person who is talking about.Though the precise definition of globalization is still unavailable a few definitions are worth viewing,

Guy Brainbant: says that the process of globalization not only includes opening up of world trade, development of advanced means of communication, internationalization of financial markets, growing importance of MNC's, population migrations and more generally increased mobility of persons, goods, capital, data and ideas but also infections, diseases and pollution.The term globalization refers to the integration of economies of the world through uninhibited trade and financial flows, as also through mutual exchange of technology and knowledge. Ideally, it also contains free inter-country movement of labour. In context to India, this implies opening up the economy to foreign direct investment by providing facilities to foreign companies to invest in different fields of economic activity in India,

removing constraints and obstacles to the entry of MNCs in India, allowing Indian companies to enter into foreign collaborations and also encouraging them to set up joint ventures abroad; carrying out massive import liberalization programs by switching over from quantitative restrictions to tariffs and import duties, therefore globalization has been identified with the policy reforms of 1991 in India.

The term globalization has, therefore, four parameters:

1. Reduction of trade barriers to permit free flow of goods and services among nation-states;

2. Creation of environment in which free flow of capital can take place

3. Creation of environment, permitting free flow of technology; and

4. Last, but not the least, from the point of view of developing countries, creation of environment in which free movement of labour can take place in different countries of the world.

Protectionist posture of India before the first generation reforms:

The Indian independence movement in 1940s, led by Mahatma Gandhi, was based on "Swadeshi" . There was a strong belief that India can produce everything at home, can be "self reliant" and "self dependent" .Moreover, it was believed by strong nationalist movement that the import of any good was there to bring the "foreign dominance". As a result foreign direct investment was seen to be a curse rather than blessing or a means of attracting higher investment. As a consequence, multi-national corporations were seen as the exploitative entities that merely benefit from cheap labor in the country, and were believed to be the ones that take the profits back home to better their lavish living and conspicuous standard of living.

There was the same attitude on the part of the policy makers to provide the protected environment to the Indian industries in the name of the patriotism. This so called extreme nationalism resulted in the economic planning , industrial policy, and the foreign trade which put the economy in the stage of "autarky". Before the reforms the Indian economy was at the stage of stagnation with the modest annual growth rate of around 3.5 % which was popularly known as the "HINDU GROWTH RATE". The export and import were so low

that they formed less than one percent of the total world trade.In general the 1950 to 1990 was a turbulent time period. It witnessed the stagnation of the economy as well as that of Indian trade. The following table better explain the such situation.

India's Trade: 1965-1985

	Merchandise Exports	Services Exports	Merchandise Imports	Services Imports	Trade Balance
1965	129.4	62.1	125.3	57.5	4.9
1966	139.3	69.1	146.5	66.2	-8.6
1967	98.9	74.8	152.1	73.2	-57.3
1968	82.5	67.0	130.6	63.0	-51.2
1969	107.1	69.3	107.0	56.8	.9
1970	146.2	85.1	143.5	71.3	2.1
1971	150.8	97.2	200.6	85.0	-49.0
1972	191.7	99.8	215.5	84.0	-25.8
1973	291.0	118.9	326.0	93.2	-16.2
1974	329.4	140.7	476.7	125.3	-160.4
1975	306.5	182.5	441.9	118.3	-102.7
1976	402.0	172.5	427.9	117.2	-22.8
1977	512.6	212.1	564.7	149.8	-48.3
1978	640.3	262.0	618.4	192.1	18.9
1979	779.6	2 92.8	754.1	253.5	-21.2
1980	919.8	279.8	899.9	262.8	-79.1
1981	896.4	302.8	925.5	282.0	-147.9
1982	685.5	340.6	837.6	308.5	-263.2
1983	742.0	342.5	721.6	280.7	-56.9
1984	743.2	347.1	756.6	310.9	-131.3
1985	814.0	394.3	814.3	362.9	-115.1

Source: International Financial Statistics Yearbook 1994, International Monetary Fund, Washington D.C. All figures are expressed in millions of US dollars at the current prices.

SECTION TWO

Adoption of the Reforms -March Towards Globalization :

The period of seventies put the economy in the plight where the situation became more grim because of the outbreak of the war in 1971 and it was worsen due to the petroleum oil crises of 1973 when the OPEC nation increased the prices of oil .The monsoon god also put the oil in the fire. These were the serious jolts to the economy which compelled the government to relax the high tariff rate to certain extent. The seeds of reforms were sown by then prime minister Mr. Rajiv Gandhi. But the efforts that had been made were not serious and economy faced the various crises in the late eighties and the early nineties .The economy was suffering with the following:

- Where the foreign exchange reserve could permit the import of only one week.
- The high inflation rate which was around 13%
- High fiscal deficit etc.

It was the high time to take some concrete actions by the government. The reform was initiated by then Government which was chaired by then Prime Minister Mr. Narsimha Rao .The new industrial policy resolution was adopted and the the economy made open for the world i.e. .liberalization and globalization were adopted .

Prominent measures which were initiated as a part of the globalization and liberalization process include the following:

- Devaluation of the Indian Rupee by around 20%.
- End of the Industrial Licensing Raj.
- Permission of the FDI in the various sectors.
- Privatisation and disinvestment strategy
- Removal of the quantitative restrictions on the import.
- Cutting down of the high tariff rate
- Abolition of the MRTP Act
- Transformation from FERA To FEMA
- Membership of WTO

- easier entry of multinationals

Positive Impacts of Globalization On Indian Economy:

Though the globalization has increased the inter dependence of the economies , the benefits which it reap are many. The Indian economy has no exceptions. Globalization boosted the confidence of the economy and its   positive effects one can see on the different sectors.

Increasing Growth Rate:

Globalization in India had the favorable impact on the annual growth rate of GDP before the globalization the GDP was around 3.5% but there is remarkable progress in the GDP which are highlighted with the following figure .There is a continuous increase in the growth rate . In 2006 it reached to around 8%.

GDP growth rate

Since the economic liberalization of 1991, India's GDP has been growing at a higher rate.

Year Growth (real) (%)

2000 5.5

2001 6.0

2002 4.3

2003 4.3

2004 8.3

2005 6.2

2006 8.4

2007 9.2

2008 9.0

2009 7.4

India's Annual GDP Growth.

Sources: Economic Survey

The above table shows the remarkable increase in the growth rate after the globalization in the year 2007 it was 9.2% It was one of the highest ever percentage in the history of India's economic growth. The pace of development declined in the year 2009 and it was due to the global slowdown and its repercussion on the Indian scene.

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Change in the Structural Pattern:

There is transformation of the economy from the agrarian to the service .The contribution of the service sector is increasing in the GDP .The service sector is contributing around 57% in the GDP. The sector wise contribution is as under:

%of GDP	2002-03	2003-04	2004-5
Agriculture	26.5	21.7	20.5
Industry	22.1	21.6	21.9
Service	51.4	56.7	57.6

Sources: Economic Survey 2004-05

The contribution of the agriculture is declining day by day and the service sector is enhancing its share in the overall GDP. If we see the overall contribution of the service sector in the developed nations the service sector contribution is generally higher. The share of the service sector was around 57.6% in the year 2004-5.This contribution is reflecting the development of the economy..

Foreign Trade -Export –Import:

The following table shows the drastic turnaround of the economy in 1990s in terms of international trade patterns. While the exports increased drastically, the opening of the

borders and reduction in tariff rates also allowed the imports to go up. The balance of trade figures were in a manageable amount (almost always less that $14 billion).

International Trade Performance Post 1991 Years

	Exports	Imports	BOT	Exchange rate
	In billions of US dollars for 3 columns			Rs/SDR
1991	18.09	21.08	4.01	36.95
1992	20.01	22.93	4.71	36.02
1993	22.01	24.1	3.48	43.10
1994	25.52	29.67	6.31	45.81
1995	31.23	37.95	10.21	52.29
1996	33.73	43.78	13.98	51.66
1997	35.20	45.73	13.36	52.99
1998	34.07	44.82	13.60	59.81
1999	36.87	45.55	11.44	59.69
2000	43.13	55.32	13.77	60.91
2001	43.82	50.53	5.97	60.54
2002	52.71	51.41	7.58	65.29
2003	63.45	61.42	8.69	67.27
2004	65.09	77.03	13.37	68.88

Source: IMF's International Financial Statistics Year book, 2003

With the adoption of the globalization India's export performance improved at the same time there is improvement in the import. The above table also shows the increase in the import . In the year 2003 the total import of Inida was $ 61.42 billion .

Capital Inflow in the Indian Economy:

After the economic realization of the early 90's FDI net inflow expanded quickly reaching the figure of over $2 billion in 1995.India ranked fourth after China, Hong Kong and

Singapore in receipt of the FDI. The condition of India is quite remarkable on the global arena. Following table shows the FDI inflow in India.

Capital inflow:

Year	FDI net inflow(In Million Dollar)
1995	2026.44
1996	2186.73
1997	3464.41
1998	2587.06
1999	2089.23
2000	3074.68
2001	4073.96
2002	3947.90
2003	3260.04

Source:World Development Indicators(WDI) Report of the World Bank.

In terms of net capital inflow in the form of foreign direct investment is continuously increasing the positive trend. But as compare to China and Singapore the total inflow of capital is still less. There is further need to improve the basic infrastructure to attract the FDI.The Government should also relax the laws and norms.

Entry of the MNC in the Indian Market:

Large number of multinationals have moved to India after Globalization . This entry is in the from   100% equity, collaboration, franchise, importing, manufacturing . As a result the consumers are getting the variety of goods. The market is full of the no of articles the earlier choice restriction is removed. Different international brands are appearing on the Indian market. Following are the some of the brands those appear on the Indian markets

- Beverages (Coke, Pepsi)
- Fast Foods (McDonalds, Pizza Hut, KFC)
- Coffee (Barista, Café Coffee Day)
- Sports Wear & Goods (Nike, Adidas)
- Apparels & Garments (Levis, Reid & Taylor)
- Cosmetics (Revlon, Oriflame, Maybellene)

- Two/Four Wheelers (Honda, Toyota, Suzuki, Hyundai, General Motors, Ford, Mercedes)

- Computers (Del, HP, IBM, Samsung, Sony, Compaq)

- White Goods (LG, Samsung, GE)

- Construction

- Engineering Companies

- Pharmaceuticals (US, Europe, Britain)

- Music (Sony, BMG, Warner)

- Entertainment Channels (Star, National Geographic, Discovery, Sony)

- Sourcing (IKEA, Adidas, Nike, many others)

SECTION THREE
SUMMARY AND CONCLUSIONS

Main finding of this paper is that India's economic growth has received a strong impetus in post 1991 era. This increased economic growth is mainly and directly is a result of country's free trade movement . The early period i.e. after independence there was lethargy in the economic development it was also due to the protectionist policy of the country. The figures of different parameters show the remarkable and positive impact of the globalization on the Indan economy but every coin has the two sides where the genie of globalsation is giving much momentum to the economy but we can't avoid some of the negative impact of this process. The careful march on the globalization is essential for India to achieve its target of high growth rate which in turn will help to alleviate the poverty. For the alleviation of the poverty more generation of employment is necessary which can be promoted by the continuous inflow of foreign direct investment in the economy and its effective use for the gainful employment generation.

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MANAGERIAL DECISION MAKING AND THE PRACTICES OF GENDER DISPARITIES

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Abstract:

As managerial context for every organization, at every level and every time requires apt decisions, decision making has become the key element of success. The reputation goes for the persons who take productive decisions or those that are talented enough in taking every possible right decision against the challenges they meet every now and then. Now the debate is who would be the preferable gender-- Men or Women?

A world in which women and men have equal rights and opportunities at all stages of their lives to express their creativity in all fields of human endeavor, and in which women are respected and valued as equal and able partners in establishing values of social justice, equity, democracy and respect of human rights. Within such a frame work of values, women and men will work in collaboration and partnership to ensure people-centered sustainable development for all nations. Does this work out in the most dynamic private and corporate sector?

While women increasingly are assuming positions of prominence in modern organizations, and while considerable research exists demonstrating that, in general males and females are in some respect differ in their communication patterns, no previous study has sought to determine what differences, if any, exist between the

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equity, democracy and respect of human rights. Within such a frame work of values, women and men will work in collaboration and partnership to ensure people-centered sustainable development for all nations. Does this work out in the most dynamic private and corporate sector?

While women increasingly are assuming positions of prominence in modern organizations, and while considerable research exists demonstrating that, in general males and females are in some respect differ in their communication patterns, no previous study has sought to determine what differences, if any, exist between the communicative behaviors exhibited by male and female supervisors in organizations. Thus, the present study was undertaken to discover whether female managers enact a "male" role when they present the style of Decision Making in a dexterous way.

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It shows how intuition and judgment rest on extensive experience and knowledge of different genders; in fact, they can be understood in terms of the recognition of cues and the consequent evocation from memory of relevant experiences. We can also discuss some of the pathologies of men and women commonly encountered in managerial behavior, both those produced by emotions and stress and those arising from the lack of appropriate habits— i,e to say, of appropriate intuitive responses. This diagnosis leads to certain specific conclusions about the kinds of intuitions that need to be cultivated and habituated in organizations, and some of the ways in which they can be developed.

STRATEGIC DECISION MAKING

The strategicdecision-making of male and female from small business persons to entrepreneurs are mixed with a gender comparison by the testing of the Entrepreneurial Strategy Matrix- a situational model, which suggests that strategies for new and ongoing

ventures in response to the identification of different levels of venture innovation and risk taking. Results indicate that there are significant gender differences in venture innovation / risk situation or in the strategies chosen by business owners.

FINANCIAL DECISION MAKING

There are gender differences in risk propensity and strategy in financial decision-making which can be viewed as of general traits, or whether they arise because of contextual factors. It presents the results of two computerized laboratory experiments designed to examine whether differences in risk preference and decision strategies are explained by the framing of tasks and level of task familiarity to subjects. The results show that females are less risk seeking than males irrespective of familiarity and framing tasks or ambiguity. The results also indicate that males and females adopt different strategies in financial decision environments but these strategies have no significant impact on ability to perform. Because strategies are more easily observed than either risk preference or outcomes in day to day decisions, strategy differences may reinforce stereotypical beliefs that females are less able financial managers.

MARKETING DECISION MAKING

We should take the influences of perceptions regarding the importance of ethics and social responsibility into consideration on ethical intentions of marketing professionals. There by we can find out the effects of perceived ethical problems and gender on ethical intentions. The results, based on a survey of practitioner members of the American Marketing Association, revealed that a marketing professional's perception regarding the importance of ethics and social responsibility seems to influence his or her ethical intention in a positive way. The survey results also indicate a positive relationship between ethical perception and ethical intention. The results reveal some gender differences in ethical intentions of marketing professionals.

It is to be identified whether or not differences exist between the ethical decisions of male and female managers; and, if they do exist, to identify the areas in which differences occurred. An additional evaluation determines how each perceives their counterpart would respond to the same ethical decision making situations. Distinctive demographic characteristics among the segments show only one area where a significant difference is existed between males and females on what they considered to be ethical. However there were significant differences when they rated the ethical behavior of their male/female counterparts, i.e., males rated females as being significantly less ethical than they and vice-versa.

TECHNOLOGY DECISION MAKING

The research revealed that the gender differences in the overlooked context of individual adoption and sustained usage of technology in the workplace by using the Theory of Planned Behavior (TPB). User reactions and technology usage behavior were studied over a period among workers which being introduced through a new software technology application. When compared to women's decisions, the decisions of men were more strongly influenced by their attitude toward using the new technology. In contrast, women were more strongly influenced by subjective norms and perceived behavioral control. Sustained technology usage behavior was driven by early usage behavior, thus fortifying the lasting influence of gender-based early evaluations of the new technology. These findings were robust across income, organization position, education, and computer self-efficacy levels.

HUMAN RESOURCE DECI SION MAKING

With reference to the HR decision making, women have been more seen as soft cornered than men. By nature it is felt that women are more sympathetic to the situations than men. Some of the researches revealed that tackling the situations at industry or firm level felt to be more difficult particularly while dealing with trade unions and industrial disputes. At the same time it was also found that, the women at HR department are proving to be the more patient, empathetic and sincere in enduring the promises to the work force.

Eventually it can be understood that the managerial decision making has been a crucial aspect and the gender disparities makes a significant difference in all functionary areas of business administration.

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"Bringing Healthcare at your doorstep"

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Introduction

Healthcare institutions everywhere today are attempting to reduce the cost and improve the effectiveness of healthcare system. About 75% of the health resources are concentrated in urban areas where only 27% of total Indian population stays i.e. 73% of the population is still deprived of healthcare services. Even though the planning commission has increased its spending on healthcare from 1.2% of GDP to 2.4% in next five year plan but still healthcare sector clearly needs more innovative methods for delivering healthcare at affordable prices. m- health offers one such method by combining IT and telecom for credible healthcare delivery. With population of 1.2 billion, India is currently having 894 million subscribers (2nd largest in terms of mobile subscribers after China) and world's fourth largest net users with over 121 million in Dec. 2011 whom 59% access the net via mobile phones and is projected to increase upto 1.15 billion by 2013. So these statistics shows that with greater access to mobile phones to all the sections of country including rural areas has the potential to bring healthcare services at your doorstep.

Aim

To empower the healthcare providers in providing high quality and affordable healthcare facilities to consumers by using mobile technology ultimately improving healthcare delivery system of India.

Objectives   The main objective is to suggest an innovative model

To show how mobile technology can be used to create a virtual link between patient and healthcare provider bringing accessibility to all.

To project the use of mobile technology for patient monitoring and for providing better and quicker diagnostic service

Methodology : Use of secondary data through extensive literature review on:

Technology advancements and its relevance in health care Burden of disease in India And its effects on health, social and economic aspects are analyzed.

Discussion : The application of this model to highlight its relevance in the area of real time management of patients, access to patient records (EMR), point of care documentation and in providing advance diagnostic services. It's about connectivity, real time access, affordability, convenience, quality and timely accurate information. The hospital stands to gain by reducing the time spent at its set-up for both the patient and clinician alike; as well as providing round the clock customer service. This technology will help clinicians treat more patients with far less turn over time than with other conventional techniques. Patients benefit through continuous monitoring, reduction in the number of visits and expenditure.

Conclusion : Today, m-Health is reaching in rural villages of India, which still do not have a landline and a wired phone but a wireless technology. With a meager switching over cost, mobile phones would provide direct health care services; where the best service, the best products and prompt delivery across the masses is possible in a minimal time frame.

Keywords : m-Health, accessible, affordable, quality healthcare.

INTRODUCTION

Over the years, the health care industry has seen an increased focus on preventive healthcare by the private sector. The healthcare and medical research field is experiencing rapid transitions. With continuous innovation in technologies, healthcare is bringing many better facets of treatment and patient care forward, giving the patients the best of healthcare experience that one could receive. With the growth and ease to access internet and other upcoming technologies, there have been a plethora of changes happening across industries and the healthcare and medical research industries are no exception to it. As on today, the mere definition of healthcare initiatives for hospitals has broadened its horizons from just dispensing basic "treatment" to having more patient concentric services and thus, satisfaction. In this era, with technologies such as internet and mobiles playing a pivotal role in our lives, ensure that such services are within the reach of the common man and patients coming from different socioeconomic strata. Getting quicker and accurate information for quick decision making and actions that are more "to the point" oriented are just some key advantages of mobile healthcare services in a healthcare environment and which is the need of the hour. Although there are ways and means for keeping a check on the patient's status of health, we must look at new and innovative ways that are not only simple to use but are omnipresent. If one gets to thinking, the only common denominator that exists across different societal levels is a mobile phone, from a vegetable vendor to an auto- rickshaw driver to a high flying business or corporate person; most of them carry at least one mobile device if not two. The penetration of mobile devices in hard to reach geographies has given the stakeholders in healthcare a reason to adopt this technology for delivery of healthcare. M-Health is quickly emerging as a channel that drives accessible, real time and efficient healthcare delivery.

The Indian Scenario

India is the most populous country of the world and has changing socio-political, demographic and morbidity patterns that have been drawing global attention in recent years. Being heralded as one of the several possible solutions to some of the medical dilemmas facing many developing countries, *m-health can provide a plethora of benefits to the*

populace of India, especially those living in the rural and remote areas as about 75% of health infrastructure, medical manpower and other health resources are concentrated in urban areas, where only 27% of the total Indian population stays. The majority of the population actually resides in the rural areas of India with a much lesser facilities in every sector including health. One of the many reasons for the huge potential of m-health in India is because a large chunk of India's rural population doesn't have access (or have very limited access)to even primary healthcare facilities.We should accept the fact that India has a large populationand providing quality healthcare to such a large populationis not an easy task. The lack of funds is a major hindrancetowards setting up of as many medical facilities as are needed.Specialists are stationed at these limited medical facilities,and patients have to travel to these centres, even to simply getdiagnosed. The alternative being that of specialist making periodicvisits to the patient. Such approaches are implemented in various rural and other parts of India with mobile clinics, mobile specialty hospitals, etc. However, the response time in either case is generally high. Besides wastage of precious time(in case of some critical illness every minute can be precious) in commuting to thehealth centres from remote areas, other important dimension is the financial implication of making visits to a health centre or the patient site for a diagnosis. The associated costs of travelling, staying, equipment movement, etc. are high.

In such a scenario, which is very much prevalent in India, m-health can emerge as a welcome alternative to supplement conventional healthcare. One of the biggest benefits it provides is the death of distance deploying it can reduce unnecessary travel, expense and even strain. Once the virtual presence of a specialist is acknowledged, a patient can access medical resources without the constraints of distance. It also solves the problem of retaining specialists in non-urban areas. Moreover in our country, where a large population lives in rural and semi-urban areas, the m- health holds a great promise for the masses at large, as the hospitals and the health centres located in these areas are in general ill-equipped in terms of medical expertise or the diagnostic equipments. According to the available rural healthcare statistics (2010), there is shortage of 19,590 sub-centres; 4,252 PHCs and 2,115 CHCs in the country.*About 75 percent of the qualified doctors in India practice in urban areas, and 23*

percent in semi-urban areas, so this leaves only 2 percent of the doctors to cater to the health needs of a whopping 70 percent of the Indian population, living in villages creatingshortage of 2,433 doctors at PHCs (10.27 per cent of the required number); 11,361 specialists at CHCs (62.6 per cent of the required number); and 13,683 nurses at PHCs and CHCs combined (i.e., 24.69 per cent of the required number). In addition 7,655 Pharmacists and 14,225 Laboratory Technicians are needed at PHCs ∧ CHCs (27.13 per cent and 50.42 per cent of the required number) in the country. These numbers are based on the 2001 Census. The most unfortunate outcome of this distribution is that 80 percent of the medical facilities in India are being channelized to the urban areas and a meagre 20 percent comes to the rural areas. In such an otherwise depressing scenario, m-health has the promise to revolutionize this lopsided delivery of healthcare in India.

What is m-health

Mobile health, or "m-Health," refers to the widespread use of mobile telecommunication and multimedia technology involved in the delivery of health services and distribution of health information. Within the past decade, the definition of m-Health has expanded to encompass public health and wellness, and the definition of "mobile phone" has also stretched to include not only voice messaging, SMS (short messaging service), and MMS (multimedia messaging service), but also smart phone capabilities such as internet, video, and imaging functions. In the literature, the term mobile phone, and sometimes cellular phone, is used to denote standard voice, short message service (SMS), and multimedia messaging service (MMS) functionality, and in some cases web browsing and email.

The term PDA stands for *personal digital assistant* and refers to the earliest version of a mobile phone with personal organization functionalities such as web browsing, email, and the ability to write easily using pen or stylus. Despite being almost discontinued, many studies in the literature focus on the use of PDAs, especially for data collection and health information support. Smart phones are the most recent technology and combine the functions of a mobile phone and PDA, in addition to enabling Internet access and imaging and video functionality. Although these phones are gaining popularity in high-income countries, for

most individuals in Low Middle Income Countries, the cost is prohibitive. Nevertheless, the lines between smart phones and mobile phones are increasingly blurring, and the distinction between the two is decreasing rapidly. ***The main objective of our paper is to design an innovative model through which following benefits can be generated***.

- Increased access to healthcare and health-related information, particularly for hard-to-reach population

- Increased efficiency and lower cost of service delivery

- Improved ability to diagnose, treat, and track diseases

- Timely, more actionable public health information

- Expanded access to ongoing medical education and training for health workers.

Though the m-Health field is still in its early stages, there are indications that it is starting to transform health systems—demonstrating its potential for extending the reach of health information and services to remote populations and promoting a shift toward citizen-centred health care and well-being.

So the main aim of this paper is to empower the healthcare providers in providing high quality and affordable healthcare facilities to consumers by using mobile technology ultimately improving accessibility and healthcare delivery system of India.

Potential of Mobile Technology to improve the Health

Mobile communication offers an effective means of bringing healthcare services to developing-country citizens. With low-cost handsets and the penetration of mobile phone networks globally, tens of millions of citizens that never had regular access to a fixed-line telephone or computer now use mobile devices as daily tools for communication and data transfer. Health challenges present arguably the most significant barrier to sustainable global development. Disease and the lack of adequate preventative care take a significant toll on both developing populations, measurable in disability- adjusted life years (DALYs), and economies. Despite the broad economic advances of this decade, the 2008 UN report on progress toward meeting the Millennium Development Goals (MDGs) indicates continuing dire conditions in crucial public health areas. According to the WHO, among 57 countries,

mostly in the developing world, there is a critical shortfall in healthcare workers, representing a total deficit of 2.4 million healthcare workers worldwide. This human resources constraint intensifies the already increasing pressure on developing-world health systems. Not only must they cope with the burden of containing the spread of communicable diseases associated with extreme poverty, they must also contend with the growing incidence of chronic diseases, such as diabetes and heart disease, an effect of new-found (relative) affluence. Governments, businesses, NGOs, foundations, and multilateral organizations all recognize the importance of leveraging new tools and solutions to address these distinct but interrelated health challenges.
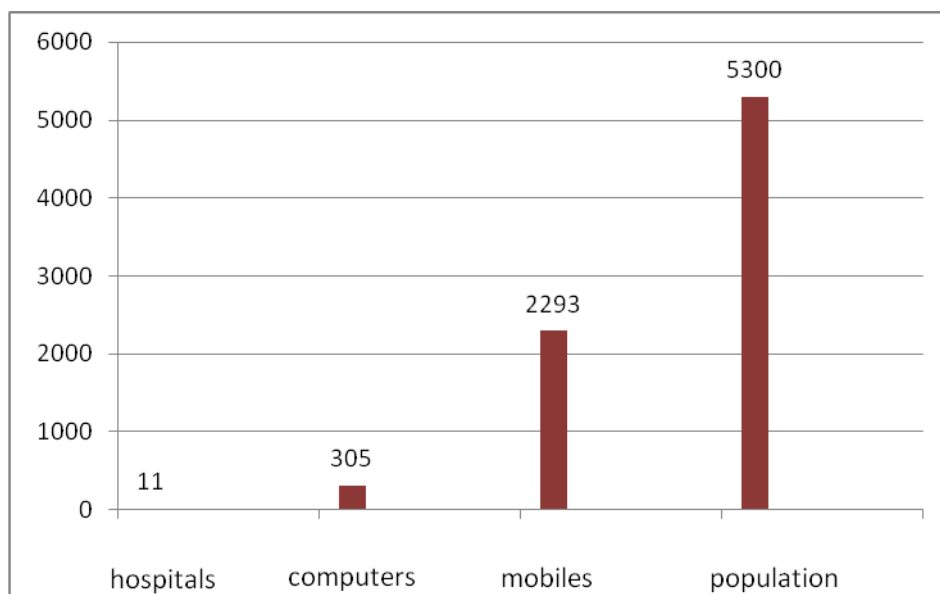
Technology and Health related statistics for developing countries (millions)

Above figure illustrates that developing world citizens have plentiful access to mobile phones, even while other technologies and health infrastructure are scarce. This explosion of mobile phone usage has the potential to improve health service delivery on a massive scale. For example, mobile technology can support increasingly inclusive health systems by enabling health workers to provide real-time health information and diagnoses in rural and marginalized areas where health services are often scarce or absent altogether.

Market Forecast

The global healthcare IT market is estimated to be US $53.8 billion by 2014, growing at a CAGR of 16.1 percent. It is expected that the market for general applications in health IT will grow at an overall CAGR of 13 percent from 2009 to 2014 EMR services. Within the health IT market in India, have a high growth potential with an estimated CAGR of 13.5 percent from 2009 to 2016. *With population of 1.2 billion, India is currently having 894 million subscribers (2nd largest in terms of mobile subscribers after China) and world's fourth largest net users with over 121 million in Dec. 2011 whom 59% access the net via mobile phones and is projected to increase upto 1.15 billion by 2013.* Mobile communication technology is the fastest growing sector of the communications industry in low income countries. In the last two decades, the global digital divide has narrowed most for mobile phone use, with many low income countries "leap-frogging" over fixed-line communications technologies, straight to expansion of wireless cellular communication network.
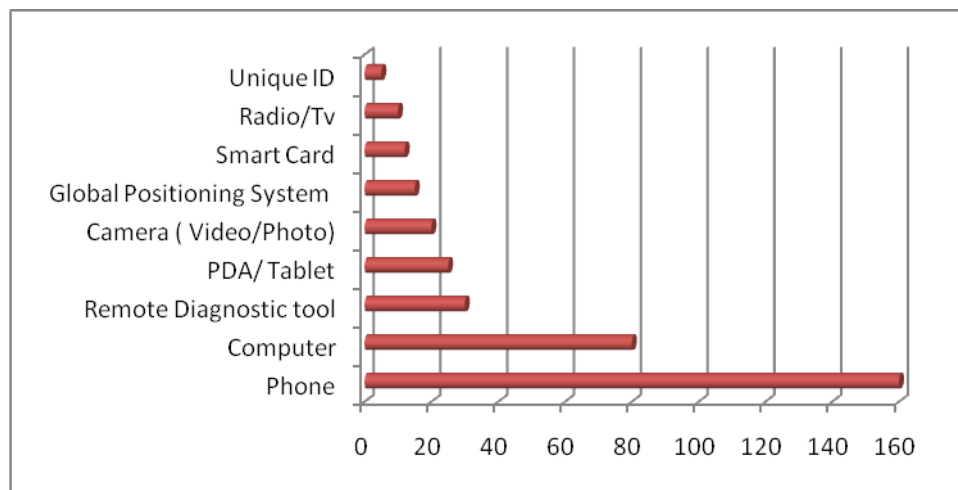
Number of Technology- enabled programs by type of device used

Features of Mobile Technology

Mobile technologies have a number of key features that give them an advantage over other information and communication technologies in particular activities within health care and public health. Firstly, many Mobile Electronic Devices (MED) have wireless cellular communication capability, providing the potential for continuous, interactive communication

from any location e.g. telephone calls, text and multimedia messaging and also internet access via Wireless Application Protocol (WAP) or mobile broadband internet. Secondly, the devices are portable because of their small size, low weight and rechargeable, long-life battery power. Finally, many MEDs have sufficient computing power to support multimedia software applications. The combination of these features varies between specific devices and their relative importance will change with the health activity in which they are used. However, with advances in technology development, single devices increasingly possess many or all of these functions.

Mobile Phone	Voice	SMS	MMS	Email	WAP Internet	Wireless Broadband	Audio	Video	Additional Software support
Nokia 1280	✔	✔							
Nokia 6303	✔	✔	✔	✔	✔		✔	✔	
PDA	✔	✔	✔	✔	✔	✔			✔
Smart Phone	✔	✔	✔	✔		✔	✔	✔	✔
PDA Phone	✔	✔		✔	✔		✔	✔	✔
Portable M.P.							✔	✔	

Functions of Mobile Electronic Device

Existing systematic reviews of M-health interventions, and recently published protocols , focus on the application of specific devices (e.g. mobile phones) or specific functions (e.g. text messaging) to individual diseases or healthcare fields (e.g. diabetes care or chronic disease management). In this systematic review, we propose to look all types of mobile technologies and all health outcomes, to provide a broad overview of the M-health fields, sector at this relatively early point in its development. This will allow us to describe the use of different mobile technology functions across a range of healthcare and public health from health behaviour to clinical outcomes such as medication compliance and service use, both to highlight similarities in mechanisms of action for a particular device or function and to suggest where they may be usefully transferred to new areas. Finally, we will identify studies

of newer technologies such as Smartphone's and portable media players, which are unlikely to be captured in technology-specific reviews.

How m-health Technology is improving Health Program Effectiveness

Following are some practising models of m-health that are paving the Indian health market.

- **m-Dhil** - This Bangalore start-up provides healthcare information to the general Indian public mainly through text messaging, but increasingly through mobile web and digital content. With a paid subscriber list of over 250,000 users, m-Dhil is becoming somewhat of a WebMD for the Indian market.

- **m-Pedigree** – Started in Ghana and now also operating in India, m-Pedigree has created a mobile platform to track and check the validity of medicines in order to combat the rampant practice of drug counterfeiting.

- **E Healthpoints** – Operating currently in Punjab, E Healthpoints is creating a network of modern clinics that offer telemedicine, clean water, diagnostics, and safe drugs to peri-urban Indians. They recently partnered with Proctor & Gamble to scale 2000 E Healthpoints across five north Indian states.

- **World Health Partners** – This non-profit has created a multi-level service delivery network which leverages the latest in telemedicine and point-of-care diagnostic technology to improve access and quality of care to rural and peri-urban India. They are scaling from Uttar Pradesh to Bihar through funding from the Gates Foundation.

- **ZMQ Software Systems** – This technology has developed mobile games to combat HIV in India by trying to change adverse health behaviours. This fusion of digital entertainment, specifically games and health has massive growth potential to influence healthy behaviours and change adverse ones.

Our Model
"One Call Health For All"
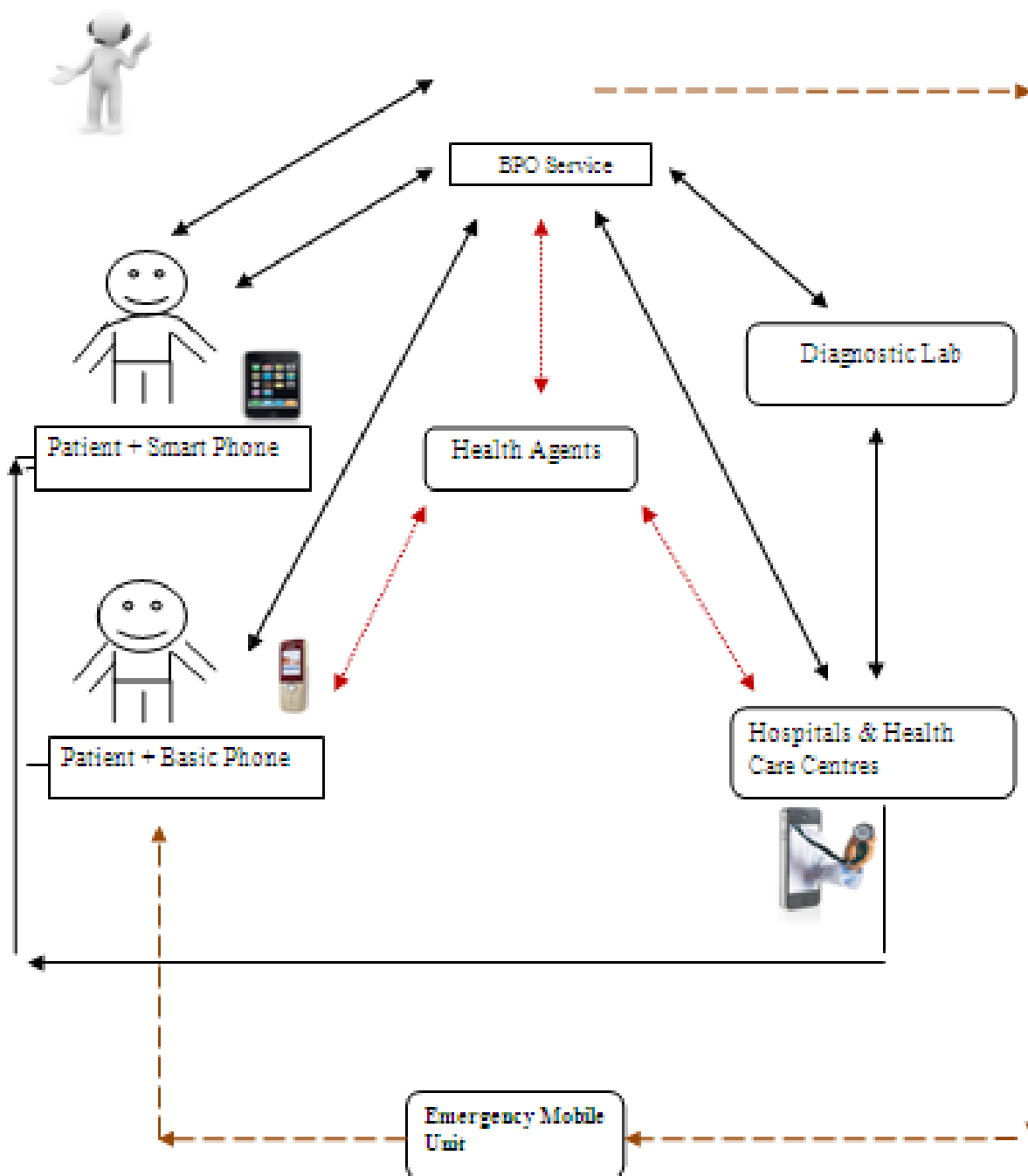
Components of the Model

- Health Agent

  Recruited from amongst the local community itself, must be at least a graduate, preferably female, as they enjoy a better access to both male and female patients. Would be trained to measure the vital health statistics of the patient, to percuss body and look out for any specific deformities and other visible symptoms, basic life support and first aid techniques.

  They would be equipped with either a smart phone or the newly developed indigenous Indian palmtop tablet called "Aakash and Aakash 2" and Medical emergency first aid kit along with instruments like thermometer, sphygmomanometer etc.

- BPO Centre

  Employs and trains people from professional backgrounds like Paramedics, Information technology and Health management, taught to work upon specially made software dealing with provisional diagnosis of diseases based upon series of predefined questionnaires. And also trained to handle emergency patient calls, interact with diagnostic centers and Hospitals.

- Hospitals and Health care centers

  It Comprises of Specialists and super specialist medical professionals who are trained further in the field of telemedicine and e-health delivery models. Taught to make diagnosis on the basis of inputs from the BPO centre and Health Agents with the help of tele and video conferencing as well as internet.

- Diagnostic Centers

Works in coherence with the BPO centre and the Hospitals. Part of the chain of our m-Health model. Provides reports to the BPO centers through internet and mobile technology.

- Emergency Mobile Unit

  It consists of all the emergency medical care and response facililities and instruments. These can be fitted and removed on the spot according to the nature of emergency where the unit needs to be sent to handle the situation. Equipped with latest mobile and internet facilities.

Service delivery of our model.

For Patient's with Basic phone's

Route (patient- Health agent-BPO-Hospital)

- Health agents visits villager's house on regular basis or in case of need the villager's themselves visits them. The health agent then records the vitals and notes down the basic signs and symptoms in his/her advanced smart phone, take pictures, if and when they are required and conveys the same to BPO centre. With the help of their specially designed software, they generate a provisional diagnosis, which is further conveyed to Hospitals and Health care centers. Here the doctor ponders upon all the details, and generates a diagnosis. He also has the provision to talk to the patient directly through the Health agent in case he has any doubts. Diagnoses as well as the e-prescription are then sent to the BPO centre. Who conveys it to the Health agent, and subsequently to the patient.

- If at any point, Doctor feels that some diagnostic tests are required, he directs the health agent to get it done by the patient. Once done with it ,patient need not go back

to collect reports, as the diagnostic centre will send the report directly to the BPO centre who will convey it to the Health agent as well as the Doctor in charge of the case. According to which, Doctor gives a diagnosis and generates an e-prescription

- BPO also sends simple understandable videos and texts regarding the diagnosed disease to the Health agent so that he/she can have a better understanding of that disease and can educate the patient too regarding it.

- BPO also keeps on sending reminder sms's to the patient, so that he keeps on taking drugs on time as prescribed and finally when the procedure gets over, they take a feedback from the patient regarding the services of the doctor as well as the health agent.

For Patient's with smart phones

Route- (patient-BPO-Hospital)

- Patient does also have the option to get in touch with the BPO directly if they have an advanced smart phone of their own. The BPO then sends a questionnaire to their handset which they need to fill and send back, BPO centre executives may then ask any other diagnostic questions, if required. In this mode of treatment, patient need to measure their vitals themselves, if asked for, so they need to have basic instruments like thermometer, electronic sphygmomanometer etc with them .Once the BPO centre executive is done, as described earlier, he will generate a provisional diagnosis with the help of his software and send it to the Doctor (Hospital and Health care centre).

- Now, Doctor has three options, if satisfied with the provisional diagnosis, he can generate a final diagnosis as well as the e-prescription, if in doubt, he can talk to the patient directly through BPO and thus reach to a diagnosis, thirdly, if required, he can prescribe some diagnostic tests, whose report would be sent to the BPO centre and

subsequently to the doctor, who will then send his final diagnosis to the BPO center, who will convey it to the patient.

- Patient would be sent the related simplifies videos and texts to better understand the disease and its prevention in future, along with this they would be getting reminder sms's to take drugs on time as per their prescription.

- Once procedure is over, patient would be called by the BPO for feedback about their own as well as the Doctor's services.

Handling medical emergencies.

- In case of an emergency, the patient or his/her attendant can call the Health agent, who depending upon the nature of emergency, would guide them on phone or if necessary will rush to the spot, and in the meantime will inform the BPO centre about the situation, who can then get the mobile emergency unit ready accordingly, available nearest to the spot, and will also get the nearby hospital ready for the emergency, hence saving on valuable time.

- Patient or their attendants can directly call the emergency numbers of the BPO, who can then guide as well as arrange for the further procedures including Health agent care and Mobile emergency unit.

Benefits of model – One Call Health For All

- ***Extending Geographic Access***- This model will help in overcoming distance between and doctor and replaces traditional visit to doctor thus bringing accessibility to all.

- *Facilitating Patient Communication* – It can be used for general health education, texting patients to encourage drug compliance and to follow up after an appointment.

- *Diagnostic and Treatment Support* - Patients are able to receive treatment in their villages and homes, averting the need for expensive hospital visits, which are beyond reach for many. Diagnostic and treatment applications use the phone as a point-of-care device.

- *Data Management* - The most important benefit of this is to improve the collection, organization or analysis of data, resulting in increased speed, enhanced transmission of data, and the enabling of remote collection.

- *Disease and Epidemiology Outbreak Tracking* - With the application of this model, the ability to quickly capture and transmit data on disease incidence, can be decisive in the prevention and containment of outbreaks

Training of Healthcare workers – Lastly it will help in providing training to healthcare workers so that their functions can be performed effectively and self- sufficiently.

Factors Contributing Sustainability of the Model

- *Forge strong partnerships*
  Partners from multiple sectors bring diverse strengths to the project. Ensuring that each partner advances its organizational goals through the project paves the way for successful future collaborations.

- *Design with the end user in mind and maintain a focus on usability*
  Applications and devices must take the users work environment into account in the design phase. In the m-Health environment, ease of use is essential.

- *Build a long-term funding plan*

Continuing the project beyond the initial seed funding can be accomplished by aligning with long-term national health goals. Integration with the national health care program of the country of operation is essential.

- *Set measurable goals*

   By setting interim goals and benchmarks, m-Health projects can provide proof of success, allowing them to secure support and funding for expansion.

- *Collaborate with other m-Health organizations*

   With dozens of projects currently operating, the m-Health field is now in a strong position to move forward by sharing techniques and applications. Organizations such as the Open Mobile Consortium are facilitating the ability of the field to move for sharing experiences.

Conclusion: Looking Forward

The field of m-Health is at an inflection point. With dozens of projects implemented and proven benefits, all trends indicate that investment will continue and m-Health projects will serve an ever wider range of constituents in the years ahead. At the same time, technological innovations will bring enhanced benefits, particularly in the areas of data collection, patient monitoring, and remote diagnostic and treatment support, where application development is already proceeding at breakneck speed. Health needs in the developing world are rapidly evolving to include chronic diseases, in addition to the communicable diseases most often associated with developing countries. m-Health is well-positioned to address these challenges using currently available technology. For example, SMS alerts can be equally useful in raising public health awareness of HIV/AIDS and in ensuring patient adherence to treatments for chronic diseases such as diabetes. Emerging technologies, such as wide-area wireless systems, will also be an asset in tackling today's health challenges and those of tomorrow. The transformational power of mobile networks

and devices is helping drive the adoption of scalable and sustainable health initiatives, particularly in the developing world. To move forward, leading players in the field of m-Health agree that multi-stakeholder collaboration on a global level is needed.

Due to its nascent stage, m-Health presents a tremendous opportunity to create a global facilitation body, enabling maximum innovation and impact on global health. There is an agreement among participants in this arena on the need for a body to address the many informational and logistical gaps in the m-Health ecosystems; from basic market research to best practices; from policy engagement and standards advocacy; to support scalable implementations of m-Health pilot programs through public-private partnerships. An alliance cultivating the cross-sectoral and pan regional partnerships and projects necessary to expand the existing embryonic m-Health ecosystem would be a significant step in enabling closer collaboration on m-Health initiatives by multi-sectoral organizations. The long-term goal and expectation underlying all these efforts is that m-Health programs will have a significant and lasting positive impact on health outcomes such as reduced infant mortality, longer life spans, and decreased contraction of disease. This report is designed to move the field one step further in the achievement of this ambitious goal by outlining the current state of the field, highlighting m-Health initiatives taking root around the globe, and outlining the building blocks required for successful and sustainable approach.

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RURAL HEALTH CARE DELIVERY SYSTEM- MAJOR CHALLENGES

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Abstarct:-

Objective : The main objective of the study is to throw light on major issues and challenges of rural health care delivery system of India.

Materials and Methods : data was collected from various sub centres, Primary Health Centres, Community Health Centres of Jaipur, Dosa and Sikar districts of Rajasthan. 500 houses of two villages of Jaipur were surveyed.

Settings : Checklist and questionnaires were prepared to carry out the study.

Results: India has made huge progress after independence especially in health sector. But health care facilities are confined to cities only. Rural population is far away from Health for all, India's Vision 2020. During study it was found that quality of health services in public health institutions was very poor in terms of infrastructure , equipments, drugs and manpower . Quantity of these services was not sufficient as per IPHS norms. System was characterized by centralization of authority with ill defined accountability. There was poor integration and referral linkages between these centres.While carrying out the study in various houses of our sample villages it was found that there was lack of trust among people towards public health services, hence a burden of out of pocket spending was there. For poor people public health services were out of access. So there is a need of increasing public health spending, proper strategic planning of health services and their implementation and public private partnership for the betterment of rural health of India.

Key Words: IPHS, Out of Pocket Spending, Centralization.

Introduction

India is a signatory to the Alma-Ata declaration on 1978 and had committed to attaining 'Health for all" by thought of improving primary health care approach. The establishment of primary health centres in India started as early as in 1952, and over the last five decades it has under gone several changes to meet the increasing demand for rural health care services. The trust has been on qualitative improvement in the rural health services through strenghtening of physical facilities like provision of essential equipment, Supply of essential drugs and construction of building and staff quarters, filling up of vacant posts of medical and paramedical staff and in service training of staff. The National Health Policy stressed on the provision of preventive, promotive and rehabilitative health services to the people there

by making a shift from medical care to health care. The delivery of primary health care is the foundation of the rural health care system and is an integral part of the national health care system. In the rural areas, health services are provided through a network of integrated health and family welfare system and the health programmes have been structured and reoriented from time to time to meet the objectives of the national health policy. The present study is an attempt to assess the "Rural Health Care Delivery System –major challenges. In present time several types of rural health care systems are providing health care services in the rural area. The health care delivery system in India can be grouped into three types of rural health care system.

1. Government health care system including Community Health Centres(CHC), Primary Health Centres(PHC) and Sub Centres(SC).

2. Private rural health care system, those run by degree holder doctors, General Private doctors , Registered Medical Practioner (RMP) who are trained in Professional training, registered and licensed personals and clinics.

 3. Informal traditional faith health care system encompasses traditional faith healers, Herbalists, Bhopas, Devara, Jadu, Tona, Totka, Jada Funk, Ratri Jagaran Victims etc.

The present study throws light on the government rural health care systems which is the major source of health care among rural people.

Objective

The main objectives of the study is to assess the availability of infrastructure, facilities, essential equipment, supply of drugs, buildings and staff quarters and in service training of staff in the different rural health care system and assess the quality of services and community satisfaction about available of health care system services.

Study Areas and Methodology

Three district namely Jaipur, Seeker, Ajmer were selected from Rajasthan state. From each district four village were selected for the collection of information and from each village all the available government health care system were covered for the assessment of their quality of services. Five exit patients were interviewed from each health system. For gathering the

qualitative information two villages namely Akodiya and Nimodiya were covered to get people's access and satisfaction level about the government health care delivery services.

Rural Health care delivery system

In the public sector, a Sub-Centre (SC) is the most peripheral and first contact point between the primary health care system and the community. As per the population norms, one Sub-centre is established for every5000 population in plain areas and for every 3000 population in hilly/tribal/desert areas. A Sub-centre provides interface with the community at the grass-root level, providing all the primary health care services. As sub-centres are the first contact point with the community, the success of any Nationwide programme would depend largely on well functioning sub-centres providing services of acceptable standard to the people. The current level of functioning of the Sub-Centres are much below the expectations. There is a felt need for quality management and quality assurance in health care delivery system so as to make the same more effective, economical and accountable. No concerted effort has been made so far to prepare comprehensive standards for the Sub-centres. The launching of National Rural Health Mission(NRHM) has provided the opportunity for framing Indian Public Health Standards(IPHS). In order to provide Quality Care in these Sub-centres, Indian Public Health Standards (IPHS) are being prescribed to provide basic primary health care services to the community and achieve and maintain an acceptable standard of quality of care. These standards would help to monitor and improve functioning of the sub-centre. Setting standards is a dynamic process. Currently the IPHS for Sub-centres has been prepared keeping in view the resources available with respect to functional requirement for Sub-centres with minimum standards, such as building, manpower, instruments and equipments, drugs and other facilities etc. The overall objective of IPHS is to provide health care that is quality oriented and sensitive to the needs of the community.

Manpower requirement:

In order to provide above services, each sub-centre should have the following

personnel:

Manpower	Existing / Proposed

Health worker (female)   1   2

Health worker (male) 1   1 (appointed by the state govt.)

Voluntary worker to keep

 the Sub-centre clean   1(optional) /   1(optional) assisting ANM. She is Paid by the ANM

from her contingency fund @ Rs.100/pm

Total   **2/3**   **3/4**

Primary Health Centre is the first contact point between village community and the Medical Officer. The PHCs were envisaged to provide an integrated curative and preventive health care to the rural population with emphasis on preventive and promotive aspect of health care. The PHCs are established and maintained by state government under Minimum Need Programme(MNP) . As per minimum requirement , a PHC is to be manned by a Medical Officer supported by 14 paramedical and other staff. Under National Rural Health Mission there is a provision for two additional staff nurses at PHC on contract basis. It acts as a referral unit for six sub-centres. It has 4-6 beds for patients.

Community Health Centre are being also established and maintained by State government under MNP progamme. As per minimum norms, a CHC is required to be manned by four medical specialists i.e. Surgeon , Physician, Gynaecologist and Paediatrician supported by 21 paramedical and other staff. It has 30 in- door beds with one Operation Theatre, X-ray, Labour Room and Laboratory facilities. It serves as a referral centre for 4 PHCs and also provides facilities for obstetrics care and specialist consultations.

GOVERNMENT RURAL HEALTH CARE SYSTEM

 Background characteristic of Head and Patients :

 Out of the total 30 government rural health care system 10 PHC's, 10 sub centre and 10 CHCs were covered.300 houses were also surveyed.

 In case of patients more than 50% were male, more than 80% were Hindu, more than 60% were schedule caste and tribes, more than 40% patient were illiterate while less than 60% were educated with below Sr. Secondary standard

 Status of Infrastructure, Equipment, Supply and Stock

 Most of the government rural health care system 20% were not having their own government building, very few health system in available vehicle and telephoned only 20

percent health system were having regular supply of water with tap. In 30 percent of them water facility were not available. In 30 percent of them no electricity is there. Sub- Centres don't have public facilities neither for females nor for males. 69 percent of PHCs and CHCs have toilet facility but most of them are not used due to lack of water supply or very poor hygienic conditions. Only about fifty percent health system were having staff quarters and electricity. Sub- Centres do not have residence facility for ANM.   Men power position in the Rural Health care system out of total 20 percent Doctor and male Nurse, 40 percent ANM, 12 percent LHV, 15 percent MPW and 42 percent posted peon. In the PHC atleast one medical officer and ANM in all PHC and one ANM in all sub-centre were available at the time of survey. But out of 10 PHCs no one was having Ayurvedic Medical Officer. In 80% of the CHCs no Anaesthetist doctor was available if available that was on call .In more than 85% CHCs only 20% of the required nursing staff as per IPHS norms, were available. In all 10 visited CHCs no eye surgeon was there. Equipment availability shows that more than 25 percent health system do not have tables, chairs, delivery kits etc. In the government rural health care system all the PHCs and sub centres more than 25 percent were found not equipped well. Most of the (95%) government health system were having regular supply and sufficient stock of Oral Rehydration Solution(ORS) packets and Nirodh for next two months on the day of survey, 40 percent large Iron Folic Acid tablets, oral pills, Intra Uterine Devices and normal delivery kit were supplied with sufficient stock.

Service Performance and types of treatment

· All the government health care system had registered all the out door patients. More than one fourth of the health care system do not have facilities available about ante natal check up, immunization of pregnant women and children, condom supply, family welfare motivation followed by routine medical care, Reproductive Tract Infection/Sexually Transmitted Diseases awareness, and blood pressure check up etc.

Poor access to health care services

Physical access is a major barrier to preventive and curative health services for India's (>70%) rural population. The number of beds in government hospitals in urban areas is more than twice that in rural areas. Again the Quality of available resources is affected by high

rates of absenteeism among health workers (>40% in some studies), restrictions in opening hours, insufficient availability of drugs and other supplies, poor-quality work environments, and inadequate provider training and knowledge. In study it was found that more than 40 percent of the people have no trust in public health services. They prefer private doctors or informal doctors for treatment of most of the ailments. So there is extra burden of out of pocket spending. More ever public health care services are far away from providing free health care services. Poor people have to pay transportation bill and user fee as well imposing a burden over them. More than 70 percent of the village women don't prefer institutional delivery. For more than 40 percent of the rural family out of pocket expenditure is exceeding their annual income. Most of the people of surveyed village are under debt. Private doctors from whom they seek treatment are mostly unqualified in rural Rajasthan, most private providers were unqualified—about 40% did not have a medical degree, and almost 20% had not completed secondary school education. Dissatisfaction with the quality of care in the public sector might be the reason why individuals who are poor seeking care in the private sector. Increase in the exposure to unnecessary and potentially harmful treatments, and discouragement of appropriate healthseeking behaviour are important issues to be think upon.

Centralization of authority in public health care sector

During the studies it was seen that all public health care institutions are completely centralized. Informations flow from higher authorities to lower authorities. There is lack of accountability in the system . It finally affects the outcome of services.

Patients availed services on the day of exit interviewed

 Out of the total exit interviewed patients 42.86 percent were availed routine medical care services followed by 24.76 percent child health care and immunization, 21 percent maternal health care and 11.43 percent family welfare services.

 Patient Received Treatment and satisfaction

 42.86 percent patients received treatment on the minimum cost, 32.38 percent free of cost and about one fourth received on cost on the day of exit interviewed.   More than fifty (53.33%) patients of government rural health care system were received allopathic treatment

while 28.57 percent Ayurvedic treatment, 18.10 percent received only advised. Out of the total government health care system exit patients, 60 percent were satisfied with their services. Patients opinion about quality of facilities and services. Opinion of patients was like 33.33 percent were excellent, 44.76 percent were good and 22 percent were poor in terms of quality of government rural health care system. Out of the total government health system 16.67 percent assess very clean, 52.38 percent clean and 30.95 percent were dirty on the visit of survey whereas 50 percent of the premised of government health system were found dirty and 38.10 percent clean.

Suggestions

The above findings indicated that the rural health care system should consider immediate attention to the following issues to improve the facilities and quality through which the demand for rural health care services will likely increase.

1. There should be a coherent relationship between the availability of trained personnel, equipment, instrument, supplies, sufficient stock and facilities to provide quality of health services by rural health care system. Additionally, the logistic system needs to be strengthened to ensure the regular supply of contraceptives and other supplies in the all of the rural health care system.

2. Remote village, where there are no any government rural health systems, are under served both by private rural health care systems and informal traditional faith health care systems need to be encouraged to provide their services.

3. Record file and patients registration books were unavailable to some of government rural health system and most of the private and informal health systems. All the records keeping should be completed by the rural health system. The management information system should be improved to insure better record keeping system and flow of information from village to district level for district health planning and research.

4. All the health care providers must receive adequate training in counselling and skill training on all the health care policy issues, so that they can better providers health services and interact with clients.

5. The most of the private and informal faith health care providers were professionally untrained special namely Bangali Doctors. These either immediately should be banned their services of clinic or should be given professional training according to national health care policy.

6. Building of Primary Health Centres, Sub-Centres, Anganwadis, Ayurvedic dispensaries and staff residential accommodations were found poor in the study areas that should be improved.

7. An effective planning and frequent supervision are needed for effective functioning of rural health care systems, Supervision should be supportive with intention of solving problems and increasing efficiency.

8. New government rural health centres should be established evenly and adequately according to settlement pattern of rural and tribal areas.

9. Government health systems, private health systems and informal faith health system staff should be bound to follow protocol and guidelines of RCH services strictly.

Strengthening of Rural Health Infrastructure under National Rural Health Mission

The national rural health mission seeks to provide effective health care to the rural population throughout the country with special focus on 18 states out of which Rajasthan is one target. The mission is an articulation of the commitment of the Government to raise public spending on health from 0.9% of GDP to 2-3% of GDP. National Rural Health Mission aims to undertake architectural correction of health system to enable it to effectively handle increased allocations as promised under National Common Minimum Programme and promote policies that strengthen the public health management and service delivery in the country.

ABBREVATIONS :

PHC -   Primary Health Centre

CHC -   Community Health Centre

SC   -   Sub- Centre

NRHM-   National Rural Health Mission

GDP -   Gross Domestic Product

RCH-   Reproductive Child Health

LHV-   Lady Health Volunteer

MPW-   Multi Purpose Health Worker

ANM-   Auxiliary Nursing Midwif

Success Story of "National Rural Health Mission"

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Abstract:

Health plays an important role in social and economic development of a nation. India has made a significant progress in improving life expectancy at birth and reducing the mortality rate over the last few decades. But, in spite of that, a large part of the population, especially in the rural areas continue to suffer from preventable diseases, pregnancy complications and malnutrition. Realizing the importance of health, Government of India launched NRHM in April 2005 with a view to improve the quality of life of the people and carrying out architectural correction in the basic healthcare delivery system. The mission had a goal to improve the availability of and access to the quality healthcare by the rural population throughout the country with a special focus on 18 states. This is a descriptive analysis of NRHM and analysis of secondary data.

The mission adopted a synergistic approach by relating health to its determinants – nutrition, sanitation, hygiene and safe drinking water. It has benefitted the country's health system in terms of human resource, physical infrastructure, untied grants for maintenance and local action, better maternal and child health services, mobile medical units and emergency medical transport and ambulance services. It has helped states in improving their health indicators and achieving the MDGs. NRHM has promoted a culture of local recruitment, selection and accountability. It is on right track and further it only needs better governance.

Keywords: NRHM, quality healthcare, nutrition, hygiene, MDGs.

Introduction

India is a developing nation. Since independence India has made considerable progress in area of Health. CBR per thousand population which was 40.8 in 1951 has declined to 22.5 in 2011. Similarly, IMR per thousand live births currently is 50 as compared to 146 in 1951.The number of CHCs, PHCs and SCs has increased. But in spite of the progress made, a high proportion of population especially in rural areas, continue to suffer and die from preventable diseases, pregnancy and child birth complications as well malnutrition. In addition to this, the health system in the country is facing emerging threats and challenges because of the epidemiological and demographic transition. Non communicable diseases

like cancer, CVD and mental illness have put a burden on already overstretched healthcare system in the country. This could be a major economic and human resource loss for India. Also, inequity is reflected in the availability of public resources between advanced and less advanced areas. Urban population has better access to health services as compared to rural population. Moreover, the Indian public health spending is among the lowest in the world. India's total health expenditure is 5.1% of GDP, out of which 0.9% is the public spending and 4.2% is private spending. Other Asian countries have an average public health spending of 3% of GDP and its quite surprising that India, currently seen internationally as an economic powerhouse has government health expenditure less than 1% of GDP. Thus the health expenditure is dominated by private spending in India. But the private sector healthcare is unregulated and increasing the cost of healthcare making it unaffordable for the rural poor.

Therefore, the country has to deal with multiple health crisis, rising cost of health care and mounting expectations of the people. For this, India needs to transform the public health system into an accountable, accessible and affordable system of quality   services.

According to the Commission on Macroeconomics and Health of the World Health Organization (2001) **'health is a creator and pre-requisite of development'** means it is the key not only to better health outcomes and reductions in poverty, but also increased productivity, and hence growth, in poorer countries.

To carry out necessary architectural correction in the basic healthcare delivery system **National Rural Health Mission** was launched. It has a goal to improve the availability of and access to quality healthcare by people in rural areas, the women, children and poor.

India's National Rural Health Mission

National rural Health Mission was launched with a view to set up a better healthcare delivery system. NRHM was launched by the government in April 2005 for a period of 7 years. Its detailed framework for implementation was approved in July 2006. It is the largest primary healthcare program being run in any single country. Certain objectives were set and a plan of action for NRHM was designed for architectural correction in the health system.

Major objectives of NRHM:

* For regional equity in healthcare, NRHM focused on 18 states with poor health indicators. These **Empowered Action Group** states are – Jammu & Kashmir, Himachal Pradesh, Uttaranchal, Uttar Pradesh, Rajasthan, Madhya Pradesh, Orissa, Bihar, Jharkhand, Chhattisgarh, Assam, Sikkim, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Tripura and Nagaland.

* To raise the public health spending from 0.9% of GDP to 2-3% of GDP.

* To provide access to primary healthcare services for the rural poor especially the women and children.

* Effective integration of health with its determinants – sanitation, hygiene, nutrition and safe drinking water.

* Reduction in **IMR** and **MMR**.

* Prevention and Control of communicable and non-communicable diseases.

* Revitalizing **AYUSH** and local health traditions.

* Population stabilization.

* Effective risk pooling and social health insurance for poor.

The Mission's uniqueness lie primarily in the institutional instruments used to achieve the objectives. NRHM facilitated decentralization and communitization in the system. Its **core strategies** included-: **1)** Training the PRIs to control and manage public health services. **2)** Creation of a female health activist – ASHA. **3)** Health Plan for each village through Village Health and Sanitation Committees

(VHSCs)   **4)** Strengthening the sub-centres with untied funds and Multi Purpose Workers (MPWs). **5)** Strengthening the existing PHCs and CHCs and setting up the new ones. **6)** Implementing the District Health Plan prepared by District Health Mission.

7) Integration of Health and Family Welfare Programmes at national, state, block and district levels. **8)** Better planning, monitoring and supervision by data collection in a better way. **9)** Career development of human resources in health.

Along with the above, public private partnerships are promoted for achieving the public health goals. Efforts are there for bringing the alternative systems of medicine (AYUSH) into the mainstream so that people can get an access to health care through any of the systems.

1) NRHM has empowered the PRIs at each level i.e. Gram Panchayat, Panchayat Samiti and Zila Parishad for controlling and managing the public health infrastructure. It has been to decentralize and provide flexibility for action at the local level. VHSCs have been formed in each village and consist of the Panchayat representatives, ASHA, ANM/MPW, Anganwadi workers and community health volunteers. Rogi Kalyan Samitis are formed for day to day management of affairs of the hospital.

2) Each village has a female health activist – ASHA, that is chosen by and accountable to the Panchayat, to provide healthcare at the household level. ASHA is a volunteer and works as a connecting link between the community and the health system. She is responsible for promoting universal immunization, referral and escort services for RCH, construction of household toilets and healthcare delivery programmes. ASHA is the visible face of NRHM. She is chosen by and accountable to the village health and sanitation committee.

3) The VHSC comprises of the panchayat representatives, ANM/MPW, ASHA, community health workers and anganwadi workers. It is responsible for developing the health for the village.

4) The existing sub-centres are strengthened by providing them with an untied fund of Rs. 10,000 per annum that could be used for its upgradation. The money is deposited in the joint account of the ANM and Sarpanch and is operated in consultation with VHSC. Along with this, MPW and essential drugs are supplied to the SC wherever needed.

5) At PHC level, the mission has tried to provide quality preventive, promotive, curative and outreach services. It has worked for 50% of the existing PHCs to offer 24 hour service through AYUSH manpower. Also the PHCs are now supplied with ADS and essential drugs and equipments.

For strengthening of CHCs, NRHM has put efforts for existing CHCs to operate as 24 hour FRUs by up to dating it with the manpower and services. RKSs have now been part of the hospital management system. Citizen's Charter is developed and displayed at CHC as well as PHC level.

Moreover, new SCs, PHCs and CHCs are set up in the outreach and tribal areas under NRHM.

6) All the vertical Health and Family Welfare Programmes at district level are merged into **" District Health Mission "**. It develops a district health plan which is the combination of village health plan and the efforts by state and national government for health, water supply, nutrition and sanitation. District is the core unit of planning, budgeting and implementation. Total Sanitation Campaign under DHM covers almost all the districts and includes IEC activities, individual household toilets, school sanitation programmes etc.

7) Decentralized planning, district health plans and community ownership of the health care delivery system are the pillars on which super structure of NRHM is

built. The workforce at the district and state level needs to be have specific skills and also at the central level, the program management unit in MoHFW need technical and management support in the field. Therefore, the health programmes at national, state, block and district levels are integrated for providing technical assistance for capacity building and improving service delivery in health sector.

8) The NRHM framework has proposed community based monitoring, external surveys and internal monitoring for ensuring accountability. Therefore all health institutions are asked to display information regarding grants received, medicines and vaccines in stock, services offered etc. compulsorily under RTI. Health Monitoring and Planning Committees are formed at PHC, Block, District and State levels. The Mission Steering Group and the Empowered Programme Committee at central and the state level also monitor the progress periodically. Household and Facility Surveys track the effectiveness of various activities under NRHM.

9) The NRHM has worked to fill in the gaps in workforce required to have a better healthcare delivery system. Under it health activists in every village has been appointed. The staff required at CHC, PHC and SC level as per IPHS norms could be seen. Incentives are provided to motivate the doctors and paramedical staff to work in rural areas. Therefore, NRHM has increased the manpower to deliver healthcare services.

Working as per above strategies, NRHM has brought a revolution in Healthcare Delivery System in rural India. Before NRHM several factors might have come in the way of the utilization of public health services such as distance, shortage of health personnel and medicines, absence of doctors, poor quality of services, unhygienic atmosphere, inappropriate behavior of health staff and corruption.

Assessment of Progress under NRHM

The Rural Health Care System in India is now many folds developed. The data from **RHS-Bulletin March 2010** supports this fact. The data compares the figures of 2005 i.e. before NRHM with 2010 i.e. after NRHM.

1) Physical Infrastructure

The data shows that the total number of Sub Centres functioning in India in 2005 was 1,46,026 and that in 2010 was 1,47,069. The total number of PHCs functioning in 2005 was 23,236 whereas in 2010 it was 23,673. The number of 24x7 PHCs has reached 8324 by March 2010. There has been 2.5 folds increase in FRUs since 2005. And for the functioning CHCs the number in 2005 was 3346 and in 2010, it was 4535.

By March 2010, 944 Sub-Divisional and 635 District Hospital have been set up and 1084 Mobile Medical Units have developed.

There has been an increase in hospital bed strength in government institutions up to CHC level. In 2005 the total bed strength in India was 4,69,559 and the number was 5,40,328 in 2009.

This clearly depicts the efforts of NRHM during this period. Developing and improving the existing infrastructure has been one of the core strategies of NRHM and it has been successful to implement this strategy.

2) Human Resource

Improvement in health outcomes in rural areas mainly depends on the availability of trained human resources. NRHM by adding 1 lakh doctors, specialists, nurses, ANMs, AYUSH doctors and Paramedics has brought a revolution in developing the manpower for providing the healthcare services. ASHA, the visible face of NRHM, has contributed towards better utilization of health services. Under NRHM 7.49 lakh ASHAs have been selected and after training about 5.20 lakh ASHAs with drug kits have been appointed.The total ANMs in position at SCs and PHCs in 2005 were 133194 whereas in 2010 this number rose to 191457 but with a **shortfall** of 15079.

The total number of doctors in position at PHCs in 2005 was 20308 but in 2010 there were 25870 doctors at PHC level with a **shortfall** number of 2433.

The specialists in position at CHC level in 2005 were 3550 and in 2010 the number almost doubled to 6781, but still there was a shortfall of 11361 specialists.

The nursing staff, pharmacists, laboratory technicians and radiographers at PHC and CHC levels have been incremented since 2005 but the numbers are still lacking at some places.

Before NRHM, AYUSH doctors were not given preference in PHCs and CHCs. But NRHM has provided a platform for mainstreaming the AYUSH practitioners. NRHM has a vision to provide basic healthcare to the rural population either through allopathic or the Indian system of medicine. By March 2010, 8900 PHCs were reported to have AYUSH facility. Therefore, it has also rejuvenated the Alternative system of medicine.

Also, the Medical Council of India has proposed to start a rural MBBS course called Bachelor of Rural Medicine and Surgery (BRMS) in district hospitals. This will create a workforce for rural India and the problem of shortage in manpower would be overcome, as many doctors are not willing to work in rural areas and the government has to provide incentives to motivate them.

3) Decentralization and Communitization

NRHM has empowered the PRIs so that there could be functional clarity and good governance to the activities performed. NRHM has involved PRIs to manage and supervise the functioning of health care infrastructure and manpower to coordinate the activities of different departments at village and block levels.

The District Health Mission is led by **Zila Parishad** that controls and manages the SCs, PHCs and CHCs in the district.

The **Village Health and Sanitation Committee** of the Panchayat designs the village health plan. About 4,51,473 VHSCs have been set up under NRHM.

ASHAs are selected by and accountable to the **Village Panchayat**.

PRIs are also having participation in **Rogi Kalyan Samitis** for good hospital management. 29,223 RKSs have been set up under NRHM.

The untied funds provided to the health institutions are also operated on in consultation with the PRIs. This way the PRIs have become a part of the health system of the country and have helped the health system by working at the local level in a flexible way.

4) Maternal and Child Health Services

NRHM's one of the objectives was to reduce the IMR and MMR. The expected outcomes by 2012 were to reduce IMR to 30 per thousand live births and MMR by 100 per lakh live births. In 2005, IMR was 58 and as per SRS Jan 2011 IMR is 50. Rural areas have better reduction figures as compared to the urban areas. Some of the states including the EAG states have achieved the target figure of 30 and most of the states have achieved between 30 – 40.

On the other hand, MMR was 301 in 2001-2003 and as per SRS Jan 2011 MMR is 212. There has been remarkable improvement in MMR figures during this period.

The figures so achieved for IMR and MMR are because of the programmes and schemes launched by NRHM.

RCH Program– II was launched under NRHM and the main objective was to reduce the three critical indicators – IMR, MMR and TFR and there has been considerable reduction in figures. TFR was 2.9 in 2005 and presently it is 2.6.

Janani Suraksha Yojna was launched in 2005. JSY is one of the flagship components of the NRHM, and is the key strategy to enable women to access institutional deliveries and assured referral transport and thereby effect reductions in maternal mortality. Considerable progress has been made under JSY. 7.04 lakh women were covered under JSY in 2005-06 and 78.41 lakh women in 2009-10.

Above all, these results have been achieved because ASHAs have worked in motivating mothers for institutional deliveries, immunization of the mother and the

newborn and creating awareness in the community regarding facilities provided by the government.

5) Mobile Medical Units, Ambulances and Emergency Transport

Under NRHM, 1031 MMUs are working to provide diagnostic and outpatient care in rural and remote areas. States have used NRHM funds to provide emergency transport systems and ambulances to improve timely hospital referrals. Additional 1674 ambulances are provided to the states for PHCs, CHCs, Sub-Divisional and District Hospitals.

Apart from above facts and figures, NRHM is also working for the **Vector Borne Disease Control, TB Control Programme, Blindness Control Programme, Leprosy Eradication Programme and Iodine Deficiency Disorders** to better their results.

DLHS – III Report

1) Workforce at district level has increased and thus there is better delivery of healthcare services.

2) 24x7 PHCs and CHCs have increased considerably.

3) 90.7% of villages have beneficiary under JSY.

4) Availability of ASHAs, ANMs and JSY facility has improved the number of institutional deliveries and immunization figures.

5) 72.6% villages have SCs within 3 Kms.

6) About 53.1% PHCs are functioning on 24 hour basis.

7) 90.1% CHCs have24 hour normal delivery facility.

8) 52% of the total CHCs are designated as FRUs.

9) There's lack of blood storage units in most of the FRUs.

Third Common Review Mission of NRHM – Dec 2009

According to the findings of third common review of NRHM – "States have progressed through incremental strengthening of the health infrastructure and

human resource at facilities, strengthening of the ASHA programme, initiation and strengthening of other community processes. The State NRHM has matured to a point where it is able to consolidate the gains of the first three years and initiate creative approaches with confidence.

Self evaluation during Field visits

The students under PGDHM are exposed to the ground realities through field visits. During "Health Care Delivery System and Policy in India "we have been sent to the villages in Jaipur and the neighboring districts. We visited the SC, PHC and CHC in Chaksu and Padampura villages and District Hospital in Jaipur, Sikar and Alwar.

The District Hospital was equipped with all the facilities as per norms - citizen's charter, well maintained labor room, blood storage unit, ICTC unit etc., but the only thing that caught our attention was the unhygienic conditions within the hospital.

The CHC had specialists, ambulance service, X-Ray facility, DOTs room, RKSs department etc. there was no blood storage facility, OT was not well maintained and the labor room was also the same. There was no connecting link with other institutions at the same level as HMIS was not implemented.

At PHC level, services were not as per norms. We were disappointed to visit the PHC. During the Sub-Centre visit, we met with the appointed ASHA and ANM. They told us about their day to day activities and household visits.

After the visits we could make the broader picture of the prevailing healthcare delivery system in rural India. Though with certain loopholes, the health system in our country has a large infrastructure and it needs to be better governed by the healthcare professionals.

Conclusion

National Rural Health Mission has put a lot of efforts in strengthening the Health System of rural India. It has rejuvenated the system by adding human resources, infrastructure, working at the ground levels and involving the people of the

community to contribute in improving the healthcare services. It's one of the major objective to raise the public health spending has not been fulfilled yet. Though, funds allocated to the mission have increased every year but the target for public health spending is yet to be achieved. As far as other objectives are concerned, much of the work has been done over them and is still continuing.

Some suggestions:

1) **Appointing Public Health Specialists** – NRHM has involved the PRIs in the health system to work at the local level and to have a watch over the activities going under the mission. But as per our view, there's a need for a person who has the better understanding of the system and aware of its shortcomings. By appointing the public health professionals, at block or district level, the same work that is being done would be more organized and refined.

2) **Urban Health** – NRHM has strengthenedthe basic healthcare delivery system in rural areas. But the government **must** develop the Urban Health Mission, keeping in view the emerging public health problems.

3) **Health Management Information System** – For empowering the institutions and communities with timely and understandable health-related information, it is necessary to implement HMIS in the health system. This would ensure the accountability and improve governance. Also HMIS would strengthen the evidence base for formulating health policies.

4) **Rashtriya Swasthya Bima Yojna** – For providing cashless services to the poor, RSBY needs to be implemented in a more pronounced way.

Primary Health Care Infrastructure and Human Resource in SCs, PHCs and CHCs
Comparison of RHS 2005 and RHS 2010

S.No	Infrastructure/Human Resource	2005	2010
1.	No. of Sub Centres	1,46,026	1,47,069
2.	No. of PHCs	23,236	23,673
3.	No. of CHCs	3,346	4,535
4.	No. of 24x7 PHCs	1,263	8,324

5.	No. of FRUs	987	2,463
6.	No. of Sub Divisional Hospitals	-	944
7.	No. of District Hospitals	-	635
8.	No. of Mobile Medical Units	-	1084
9.	No. of Doctors at PHCs	20308	25870
10.	No. of Specialists at CHCs	3550	6781
11.	No. of ANMs at SCs & PHCs	1,39,798	1,91,457
12.	No. of PHCs with AYUSH facility	-	8900
13.	Bed Strength in Govt. Institutions	4,69,559	5,40,328 (2009)

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"RURAL HEALTHCARE MARKET: A NEW HORIZON FOR ENTREPRENEURS

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Abstract:

Health plays an important role in social and economic development of a nation. India has made a significant progress in improving life expectancy at birth and reducing the mortality rate over the last few decades. But, in spite of that, a large part of the population, especially in the rural areas continue to suffer from preventable diseases, pregnancy complications and malnutrition. Realizing the importance of health, Government of India launched NRHM in April 2005 with a view to improve the quality of life of the people and carrying out architectural correction in the basic healthcare delivery system. The mission had a goal to improve the availability of and access to the quality healthcare by the rural population throughout the country with a special focus on 18 states. This is a descriptive analysis of NRHM and analysis of secondary data.

The mission adopted a synergistic approach by relating health to its determinants – nutrition, sanitation, hygiene and safe drinking water. It has benefitted the country's health system in terms of human resource, physical infrastructure, untied grants for maintenance and local action, better maternal and child health services, mobile medical units and emergency medical transport and ambulance services. It has helped states in improving their health indicators and achieving the MDGs. NRHM has promoted a culture of local recruitment, selection and accountability. It is on right track and further it only needs better governance.

Keywords: NRHM, quality healthcare, nutrition, hygiene, MDGs.

Introduction:

In India around 72.2% of population are present in rural area. There are 638000 numbers of villages are present with …….number of blocks and 628 numbers of districts. The healthcare fasciitis for these large population mainly provided by various public hospitals run by government (states and supported by central govt.).There are various level of public healthcare institutions. In India Number of corporate mostly situated in metro cities or capital city of states. Some 2nd tier cities also have little number of corporate hospitals. But all district head quarters have not such facilities. For which rural peoples are not get these services. In some cases when they need quality or higher health care services they need to go cities which is not only create a huge economical burden but also waste time and working hours.

The private hospitals of the cities also rural footfall but it is not enough. As there are number of corporate sectors enters in the market and the competition in urban health care market is very high. So all private hospitals try to attract the clients by so many ways. It was predicted that after few years this market becomes saturated these institutions may depends on rural market in future to cater more customers. Size of rural healthcare market is very large and the economical growth of this market is quite promising. This large market is now cover by the local doctors, pharmacists and quacks which create another un-organized market which is always away from the real market and known as parallel heath care market. The objectives of this paper are to briefly describe about this market and propose a conceptual business model for health care entrepreneurs.

Socio-economical and demographic features of Indian rural health care market: India is a country if large population. The wide variation of its geographical, demographical, cultural and socio-economical structure made its unique. Still a high percentage Indian population lives in rural areas in spite of urbanization. The demand of health care facilities is very high which is mainly cater by public hospitals and some by parallel market run by formal and informal practitioners. Though it is one of the largest markets in world but due to above factors the rural health care market still consider as a barren market by most of the major corporate and private players. But the growing market competition in urban areas and growth of rural health care market demand along with economical growth of these areas in near future it may be a fertile market if a innovative market model plan and implemented.

Past, future and Current scenario Indian health care market: The Indian Healthcare market has grown from US$ 22.8 billion in the year 2005, at a CAGR of 16% .In 2011 it is around US$ 50.2 billion and Market is expected to grow to US$ 50.2 billion and US$ 78.6 billion by 2016.

This is mainly because of rise health care demand, economical growth of customers and the insurance sector growth. The fig.1 clearly shows the growth.

Fig.1

2005   2006   2011   2016

The rural health care market: The health care market of Indian rural are not estimated properly in past. The whole market mainly cover by public sector in past and But due to growth of demand of health care the rural health care market explore day by day. The following comparison of rural and urban health care need may clearly reflect the overall market structure.

The fig. -2 shows the how many number of cases hospitalised that means the share of the private sector in total number of beds in the country has gradually increased from 41 percent in 1983 to an estimated 78 percent in 2009 .Also the rural market demand also significantly increases and also equal to urban need.Unforunately all the health care provider s only focus on the urban sector.

Contributrion of rural and urban sector in outpatint health care market

Fig-3

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The above graphical presentation indicates that there is little difference between rural and urban health care market of outpatients. This market mainly occupy by some formal health care providers and mostly by informal health care providers which create a parallel health care market

The parallel market and factors promoting parallel market: Despite a strong infrastructural base of the public health care facilities in many Indian states, the majority of outpatient services, especially in the rural areas, are provided by private health care providers, most of whom practice modern allopath without any formal training. This section of medical practitioners is often identified as Rural Medical Practitioners (RMPs), "unqualified", "less than fully qualified (LTFQ)" providers, or simply "quacks". West Bengal is no exception, where, according to the National Family Health Survey (NFHS-II) conducted in 1995-96; about 60 percent of the households visited the private medical sector for outpatient care when they fell sick. Also along with these informal providers some formal provider either of govt. employees or retired health cares personnel's. We can call all of them as un-organized healthcare market.

New horizon for healthcare entrepreneurs: Indian healthcare entrepreneurs are now riding high over the wave of 'new ventures'. In last few years these entrepreneurs and organizations develop a lot and introduce number of projects which increase the sphere of competition. The positive and upward trend in our healthcare segment creates a significant change in the healthcare scenario. The corporate and private players are mainly concentrate on urban areas so that the market becomes saturated. For which some of them now focus on semi urban and non-metro areas. But no doubt this was not enough. So, they should think beyond and increase the existing spectrum of market. The new market is the next milestone health care industry .This mile stone is nothing but to extend the venture model to the rural sector which is still barren. The path of health care entrepreneurship in rural health sector is not so easy but quite promising.

In following few steps describe about the various dimensions of rural health care sector through SWOT analysis of the market.

SWOT analysis of rural health care market with reference to health care entrepreneurs:

STRENGTH:
- **Rural-Urban population distribution**
- **Current socio-economical growth pattern of rural people**
- **The demand –supply gap**
- **The monopoly of parallel and public sector& system failure**

WEAKNESS:
- **Large number of BPL population**
- **Healthcare seeking behavior of rural peoples**
-

OPPURTUNITIES:
- **A Potential market**
- **Low infrastructure cost**
- **Favorable govt. policy**
- **Improve communication**
- **Less competition**

THREATS:
- **Human Resources (health are professionals)**
- **Free Healthcare by public sector**
- **Well establish health care parallel market**
- **Roads & electricity**
- **Investor or financial support**

Strength:

1. **Rural-Urban population-**Around 70% of population of India lives in rural area and the growth rate of population is……… It indicates the size of rural healthcare market and the opportunities for entrepreneurs to provide a effective and efficient market to the same. If 30 % of urban population provides I huge market in urban sectors then 70% of rural people why not.

2. **Current socio-economic growth of rural area**: India's healthcare sector has been growing rapidly and is estimated to be worth $40 billion by 2012. Revenues from the healthcare sector account for 5.2 per cent of the GDP, making it the third largest growth segment in India.The economical growth of India and rural India both increases significantly. So the

paying capacity for health and per capita expenditure per health increases. More important fact is that the entry of health insurance sector by govt. to every individual by RSBY scheme and private insurance provider's initiative towards this also create opportunity. So for the health care entrepreneurs those interested in rural health care sector it becomes strength.

3. **The demand and supply gap-** There is a   need of over 6,800 more hospitals in rural areas of India to provide basic health facilities to people mentions the annual Economic Survey released recently. India has only 0.7 beds per 1,000 people - far below the global average of 2.6. India needs to add 2 million beds to the existing 1.1 million by 2027 to manage the increasing healthcare requirement of the population. All these factors have attracted healthcare entrepreneurs and stock holders, industry leaders and investors to hospital care delivery by leaps and bounds. The initial statistics from ongoing studies indicate that there is a minor increase in the number of beds/1000.So the huge gap in between the demand of services and the supply of services create an unmet need and a strong demand of health care services in rural are. If corporate hospitals move into the rural market and cater this un met need then they must becomes the pioneers of the rural healthcare boom. The ease of service availability is the biggest achievement of this trend with multi-specialty hospitals succeeding in offering multiple services in one place. People no longer have to travel wide and far for different medical requirement. This move has also brought to the fore the cost effectiveness of the Indian healthcare industry in comparison with the other countries. The healthcare industry has also focused a lot on improving the quality of services provided. In fact the success rates of the Indian healthcare providers equals to or at times much better than its counterparts even in developed countries. The new trend in the healthcare industry has increased employment opportunities. There are more than 5 million people employed in this industry and the healthcare sector is the largest employer in the country second only to the education sector.

4. **The monopoly of public health care sector and parallel health care market and system failure:** The main players of the rural health care market are the public hospitals and the parallel market of informal and formal health care providers. The public health care sector

in rural India almost collapse due to multiple factors .But due to its wide net work, free treatment model and now it little strengthen by govt. through NRHM it occupy the whole market. Along with this a large health care parallel market runs smoothly and becomes the only and one major player in the rural health care market. Due to lack of healthy competitive atmosphere they monopolized their service in term of quality, price and responsibility. This is the most important strength of new players to take advantage of the system failure of the existing market.

5. **Awareness among rural peoples:** Gradually health care consciousnesses among rural people increases significantly due to increase education, penetration of electronic and print media .So the health care seeking behavior of most of them change and they demand for quality care and also willing to pay. This new strength of the market well cater by parallel market.

- **Weakness:** The major and most genuine weaknessof the rural health care market is ability to pay. The high BPL population, low-middle class population prevalence is one of the major factor .Though the customers need these services but due to inability to pay they opted for public health care services which is almost free or quacks where treatment cost is low.

  Opportunities:

  A Potential market-In spite of few weakness the rural health care market is potential enough due to its large size and high need of health care services

  Low infrastructure cost-Also the cost of infrastructure in rural areas is very less as the land price ,price for water and price of un skilled labor is very low compare to urban areas. So initial cost reduce to some extend which is a advantage for entrepreneurs.

- **Favorable govt. policy:** The govt. of India's policy regardingthe establishment of hospitals or healthcare services also favors for the new players. There is provision of finance, low interest, subsidiary in electric and water supply, low cost land lease etc. also promote the venture.

- **Improve communication: Earlier the lack of communication to rural areas creates a barrier for the initiative of any health acre facilities but now this is not a problem.**

- **Less competition:** The last but not least most favorable one is the competitive enviourment for the new players is in rural sector is very weak. The informal providers are not organized and the formal are not streamline .So one can take advantage of channelizing the customers with little managerial and marketing effort**.**

Threats: Like any sector in this sector also there are numbers of threats, but some of are very genuine. Which perhaps the main cause of public health care system may failure .So proper attention and strategy required to mange this threats and get rid from them. The major threats are **Human Resources (health care professionals)** unwillingness to work in rural area and difficulties in retaining the same for long period.

Free Healthcare by public sector may stood as a threat as a threat as it is avail free of cost. So to provide pay-mode service may not be well accepted by people**.**

Well establish health care parallel market is another factor may create problem for new comers in this sector. Though this market is un-organized but the goodwill behind them acts as a barrier.

Roads & electricity: Irregularity of electricity supply in some areas and bad condition of roads may be one factor which affects the development.

Investor or financial support: As most of the financers still now not willing to finance for rural health care sector because as they perceive it is not a profit generating sector. So the new comers may face problem of financing.

Conclusion and discussion:

The above all discussion though not clearly reflects that rural health care entrepreneurship project is a feasible one. If we critically analyze the all SWOT then it becomes clearly forecast that the future of this type of projects is very promising and a profit generating self sustain project may establish. The model rural health care institutions of 100-150 in-patient capacity and few multi specialties outpatient department is an ideal model. With a proper marketing strategy this model becomes feasible. The model hospital may be run at district head quarters, block or taluka level. The services provided by this are both secondary and

tertiary care. The marketing strategy should be based and focused on strategy to pull patients and gradually increase the share in the market by pulling the same from the public hospital and parallel market. To manage the paying capacity rural people health insurance initiative and the health card facility along with third party sharing policy may be adopted. Retaining health care professional though quite difficult but some innovative strategies may help in this regard. At last we like to conclude that really the rural healthcare market may be a new horizon for entrepreneurs. The major players of the corporate healthcare and private healthcare providers think about it and step forward for new initiative in rural healthcare market.

Abbreviation: SWOT, BPL,NRHM

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Managing Incongruity towards Rural Healthcare through 'E-Swasthaya' Model

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Abstract:

The increasing level of patients demand across India obliges government to face health services in a more flexible and uniform manner. According to estimates of Census of India (2011), 70% of the total population lives in rural areas out of which 75% are underserved, so it is better to build an agent based health information system's platform in order to grant health care services according to the patient's need. As a technological solution, e-swasthya has the potential to provide accessible, affordable and high quality of health care especially to rural population. One of the successful running model is 'Piramal-e-Swasthya' which provides healthcare at the doorsteps of villagers through 'Information Communication Technology'.

Objectives:

1) To explore the scope of technological advancement in managing healthcare

2) To study issues and challenges in e- health

3) Building a case of " Piramal-e-swasthya, an IT initiative in healthcare"

Methodology:
Observational and logical aspects to deal with different issues concerned with e-health. It is based on review of service statistics of Piramal-e-swasthya

Conclusion:
 It has experimented with several innovative approaches like telemedicine, clinical decision support system and village based health entrepreneurs to manage healthcare services. e-Swasthya as an upcoming innovative model if applied to other parts of India as a whole is bound to revolutionise healthcare management system.

Keywords: e- Swasthya, clinical decision support system, village based health entrepreneur.

Introduction:

India is emerging as a superpower in regards to technology. Despite this there is an unmet need to make this technology reach the masses. The technological advancement is utilized mostly by affluent and elite people of the society. There is no denying of the fact that India as a country, even after six decades of its political independence, is still failing to address the basic needs of its million populations.

Perhaps one of the most basic needs is of primary healthcare facilities to its population. Health is a neglected sector in India. Only 30% of Indians have access to modern medicine. Despite having 20% of the global disease burden, India has only 6% of the hospital beds.

According to estimates of census of India 2011, 70% of the total population lives in rural area out of which 75% are underserved. It has been found that there is great disparity between the healthcare services in urban and rural regions.IMR rural-58/1000 live births, urban-36/1000 live births (SRS 2009).TFR rural-2.98, urban-2.07(NFHS3).7% of income of rural Indian is spend on availing healthcare facilities. Out of which 25% is spent merely on commuting (travelling expense).

Challenges to Healthcare system:

- ➢ Lack of physical infrastructure in remote areas : there are
- ➢ Deficient manpower in healthcare industry especially in rural regions
- ➢ Lack of technical sophistication
- ➢ Uneven distribution of population
- ➢ No access to qualified doctors.
- ➢ Significant expenditure on private primary healthcare.
- ➢ Travel cost, loss wages, delay add up to health care cost.
- ➢ Indiscriminate use of spurious drugs like steroids which are harmful in long run.
- ➢ Questionable treatment ethics (over dosage, expired drugs / pilfered drugs, injection misuse, frequent IV interventions)
- ➢ Unnecessary referrals to higher care.
- ➢ No counselling on basic dos and don'ts.

> ➢ Procrastination for taking treatment till condition gets worse.
> ➢ Overall lack of quality primary care services in rural India.

Need of the hour

Healthcare services should be accessible, affordable and require minimum time to avail this facility. Medical consultancy from qualified doctor should be there.Patients should get right drugs at the right price .Proper counseling and health promotion-awareness about existing programmes should be imparted to patients.

By the application of e-health technology to the healthcare system, healthcare facilities can be made accessible to remote corners of India.

Objectives:

1. To explore the scope of technological advancement in health care.
2. To suggest means by which e-health can be incorporated in healthcare delivery services.
3. Explaining e-health with the help of a case study, "Piramal –e- swasthya", an IT initiative in healthcare sector.
4. To study issues and challenges in e-swasthya.

Methodology:

A systematic review was undertaken with the aim of summarising the available literature on the scope of technological advancement in healthcare. Service statistics of Piramal-e-swasthya was reviewed to address the issues and challenges of e- swasthya.

Defining e- health:

It is the use of emerging information and communication technology especially the internet to improve the healthcare services.

IT initiatives in e- health include:

1. Telemedicine:Telemedicine is the use of medical information exchanged from one site to another via electronic communications to improve patients' health status. Some of the successful projects are Apollo Telemedicine network foundation, Tata memorial hospital run telemedicine in regard to cancer care, Escorts heart institute run cardio-telemedicine project.

2. Electronic medical recording (EMR):An **electronic medical record** (**EMR**) is a computerized medical records created in an organization that delivers care, such as a hospital or physician's office

3. m–health: is a term used for the practice of medicine and public health, supported by mobile devices. The term is most commonly used in reference to using mobile communication devices, such as mobile phones, tablet computers and PDAs, for health services and information. Some of the successful m-health projects of India m-health point, mDHIL, m-pedigree, cheeny kum etc.

4. Health informatics: It is a discipline at the intersection of information science, computer science, and health care. Health informatics tools include not only computers but also clinical guidance formal medical terminologies, and information and communication systems. It is applied to the areas of nursing, clinical care, dentistry, pharmacy, public health, occupational therapy, and (bio) medical research.

5. Evidence based medicine: It aims to apply the best available evidence gained from the scientific method to clinical decision making.

Application of e – health:

e-health can be employed in the following departments:

1. Laboratory information management system: e-health can be used in laboratory-specific activities or for reporting results to administrators and healthcare personnel.

2. Pharmacy information system*:* System used to order, dispense, or track medications or medication orders including computerized order entry systems.

3. Patient registration or scheduling system: System used to monitor and manage the movement of patients through multistep processes or to maintain a census. Example is admissions-discharge-transfer systems.

4. <u>Monitoring, evaluation, and patient tracking system</u>: System used for aggregate reporting of information, program monitoring, and tracking of patients' status. Examples include district health information systems or health management information systems.

5. <u>Clinical decision support system</u>: system designed to improve clinical decision making, in which characteristics of individual patients are matched to a computerized knowledge base and software algorithms generate patient-specific recommendations.

6. <u>Patient reminder system</u>: a system used to prompt patients to perform a specific action. As example take medications or attend the clinic.

7. <u>Research/data collection system</u>: System used for collecting data from different locations or for storing, managing, or reporting on data used for research purposes.

SWOT Analysis of e- health

• <u>Strengths:</u> One of the biggest implications of e-health is that it bridges the gap of healthcare facilities in rural and urban sector.It provides quality healthcare facility at door steps in rural area and hence patients receive immediate relief. e-health uses cutting-edge technology and proved to be a boon for underprivileged Indians.. The whole procedure of prescribing medicine to a patient takes just 7mins.

• <u>Weaknesses:</u> The demand of incorporation of e-Health in healthcare delivery system is still more than supply.There is lack of rural skilled manpower. More resources are required for its successful running i.e human, financial etc.

• <u>Opportunity:</u> New technology hasgreat scope in untapped rural areas of India .It can be expanded to semi urban and slum areas of urban as well.Livelihood opportunity are generated for rural mass truly democratising healthcare.

• <u>Threats:</u> There is a risk of unacceptability of new technology by the community.Social and cultural barriers act an obstacle for optimal utilization of this initiative. Competition because of technological advancement.Till now these are not profit generating models and there are various ggovernment interventions too

A Case Study: Piramal-e-Swasthya, an IT initiative in healthcare

A remote healthcare delivery telemedicine model has been started by Piramal Enterprises Limited in Rajasthan. It is aptly named as 'Piramal–e-Swasthya'.This model is all set to bring healthcare in reach of villages with population as less as 1000 to 1500. This model was created to explore ways to provide reliable primary healthcare services at people's doorsteps.

Vision – To democratize healthcare

Mission – To provide reliable primary healthcare services at people's doorsteps in every village of India

Goal – To improve the quality of life and reduce the burden of disease in 100,000 villages by 2013

Components of this model:

A) Piramal Swasthaya Sahayika (PSS)

A female from a village is selected for the post of PSS. The minimum qualification required for the post is at least a graduate degree. She is recruited through multiple phases with due diligence, and is trained for 21 days in patient care, mobile usage, accounting , are trained to collect simple diagnostic information like temperature, blood pressure, sensitivity/pain. In addition they learn about preventive medicine, first-aid and customer service etc.

PSS acts as a communication bridge between patient and doctors/paramedics sitting at a consultation office called 'Nucleus' based in Mumbai.

B) Nucleus (Telemedicine Call Centre)

Nucleus is a consultation office at Mumbai and manned by qualified Doctors and Paramedics. There is a Clinical Decision Support System (CDSS) developed in consultation with Tata Consultancy Services. All the patient details are stored in a central database.

C) Field Manpower

- Lady Field force has been appointed to support the PSS in marketing, canvassing and patient follow up visits etc.

- Gents field supervisors take care of logistics and supply of material and consumables to the PSS

- There is a <u>cluster head</u> who supervises a cluster of 50 villages and there is other routine staff like administrative officers, sales and logistic executive etc. to support day to day functioning

A village is identified which has population of at least 1200 resident population

A woman Piramal Swasthaya Sahayika (PSS) is appointed per 1000 population in a village to promote health care awareness and facilitate telephonic conversation between the patients and the doctors.

PSS is recruited on their educational qualification and feedback from the villagers. During the training period, she would be doing a village health survey thus giving her an opportunity to interact with every member of her village with specific focus on health and know their needs better.

After successful completion of training and after giving the franchising fee, PSS is given a medical kit (only OTC products), marketing material and a mobile phone. She is then asked to set up a tele-clinic (Piramal e-Swasthaya Centre) at her own house in the village.

Villagers who feel ill would come to the Piramal e-Swasthaya centre and use the mobile telephone that is available with the PSS. The PSS, then calls up the backend centre 'Nucleus ' at Mumbai and puts the patient on call to the paramedic who uses a clinical support systems to collect proper history and arrive at a tentative diagnosis. The call then gets transferred to the doctor manning the call centre who certifies the diagnosis and prescription given by the CDSS.

Simultaneously, e-prescription is sent to the PSS. The PSS hands over the OTC products/drugs as per prescription to the patients and collect the money from the patients on MRP basis.

Each patient is given a unique identity number and the data is stored for any future reference.

Piramal e-Swasthaya focuses on the most common acute and chronic ailments. The cases which cannot be handled at the village level are referred to the nearest CHCs and empanelled doctors in the town with appropriate guidance about these services so as to avoid unnecessary waste of time and resources for the patient. The healthcare worker also conducts preventive health workshops which creates awareness about important preventive issues such

as sanitation, nutrition and first aid. To spread awareness and to make this service available to maximum no of villagers, the PSS goes from house to house call along with the lady field force.

Piramal – e –swasthya model
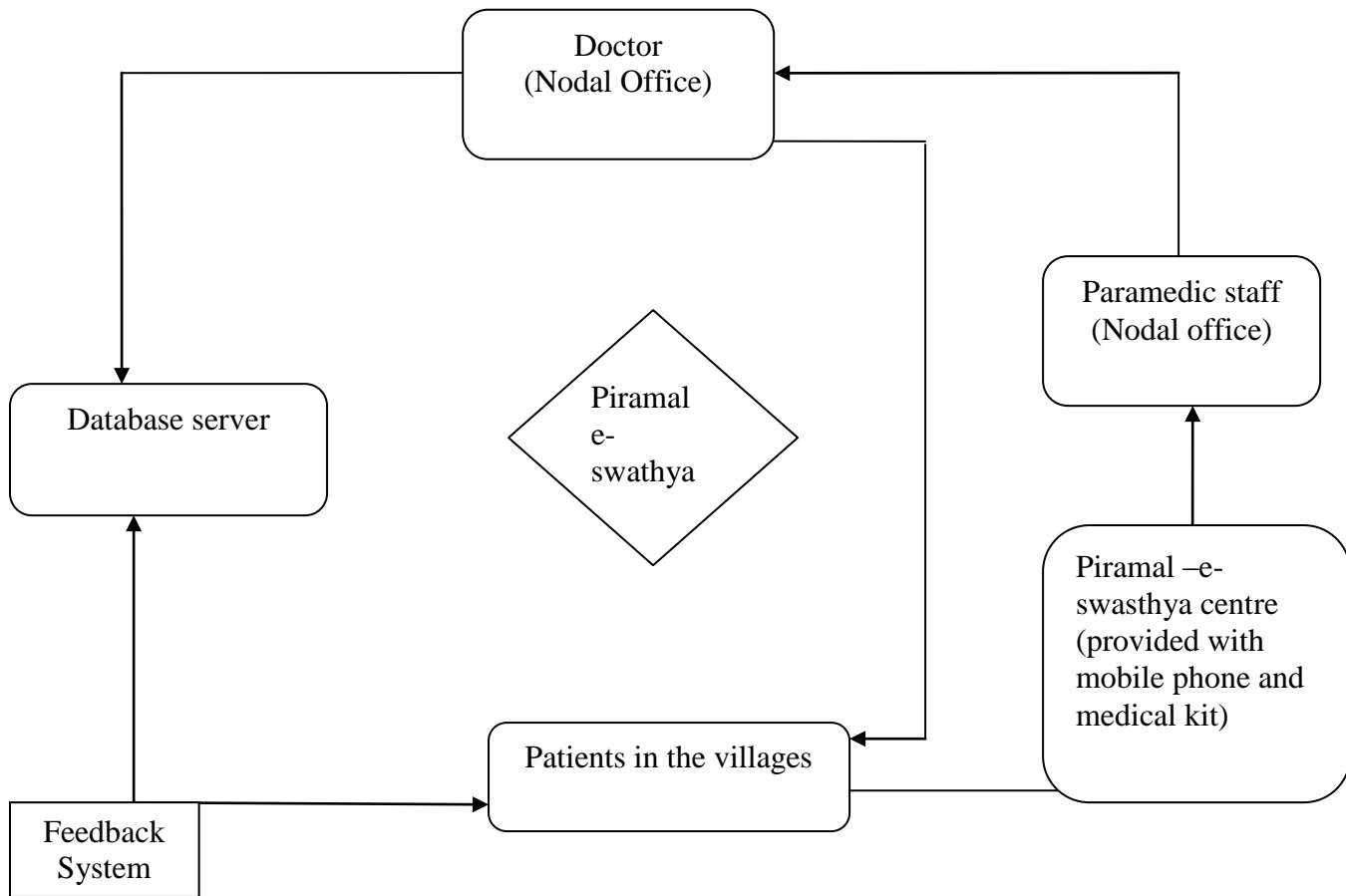
Services offered

- Telephonic consultation
- Delivery of medicine in the village
- Minor Dressing
- Diagnostic Test
- Health Counselling
- Health checkups

- Health care products
- OTC products and Referral Services

Diversification:

Piramal-e-Swasthaya started to work with the government of Rajasthan to hire <u>ASHA workers</u> as there health workers. She has a kit of over-the-counter drugs, conducts health related surveys and supports most government initiatives such as polio camps.

The Rajasthan government has shown interest in this model and Piramal has now been launched a public private partnership pilot with the <u>Churu collectorate</u> as part of which they are launching 100+ villages in one block of the district. This is a win-win situation for Piramal e- Swasthaya Model. The government can provide primary health care consultation now within the village, they get access to trained health workers who already have an established "health service provider" relationship with the village, and the ASHA worker can increase her income by working with them.

Partnership with Private Players:

Piramal has partnership with several players to offer better and high quality products/service to our clients and strengthen the model. Some of our partners include:

➢ *Tata Consultancy Services* - TCS has designed the CDSS system for this system.
➢ *Vision Spring* - They have enabled them to add primary eye care also to their service offering by giving access to low cost reading glasses. This is an additional source of income for the health workers and provides quality eye care to their clients
➢ *Medentech and aquatabs* - They have worked with these organization that manufacture water purification tablets that help reduce water contamination at the household level

Marketing Initiatives taken at Piramal-e- swasthaya :

a) <u>Patient follow up call</u>- Each patient with telephone number is contacted on the day his treatment is over to get a response on his health status. There is clear segregation of relieved and non- relieved patients. The non-relieved patient details are then tracked for corrective action purpose.

b) <u>Feedback call</u>- Patients who have undergone treatment are called up for feedback purpose. Feedback on ambience and cleanliness of the kiosk, behaviour of the PSS, communication etiquettes of the doctors/paramedic at the back end consulting office, post treatment follow up, health related sms, treatment quality etc are evaluated based on this survey.

c) <u>Health related sms</u>- Short tips , suggestions, etc on health are send as health messages to all the patients of Piramal-e-Swasthaya twice a week. They are of general type. Specialized messages like diabetic or hypertension related are sent to chronic patients once a week.

d) <u>House to house visits</u>- There are regular home calls / house to house visits made to educate the villagers.

e) <u>Health camps</u>- Apart from these initiatives, there are health camps conducted in these villages Eg- general health camp, diabetic camp, hypertension and arthritis camp etc.

f) <u>Discount / Loyalty cards</u> –To promote the loyalty amongst the patients and to extend the benefit to other family members, each family is given a discount card. This helps the patients and their family members to get a discount of 10% on each visit.

g) <u>Free consultation</u> –There is no consultation fee. Consultation is done completely free of cost by the backend consulting facility

Benefits of Piramal- e-Swasthaya to villagers :

• Easy Access: It is located in village itself and hence anyone can reach easily for their treatment.

• Time Saving: It saves a lot of time being spent while waiting in queue to seek professional guidance.

• Cost effectiveness- There is minimal travelling expense and free consultation is provided to patients through Piramal swasthya sahaiyka.

• Past History / Data base referral -Each patient is given a unique code, this helps physician to access patients past medical history.

• Precise Diagnosis - Readings are diagnosed/interpreted by physician themselves and not by their assistants/compounders.

Result :

Since its inception in 2008, 'Piramal-e-swasthya' has experimented with several innovative approaches like telemedicine, clinical decision support system and village based health entrepreneurs to deliver healthcare services. In last three years they have achieved following milestones:

Total patient treated - over 40,000

- In Rajasthan, it covered more than 200 villages in three districts and trained 200 healthcare workers. Total cost for treatment per person, Rs 30-50, total time for entire process per patient 7mins.

Traditional method	Each doctor treats 100 patients/day
Through Piramal model	Each doctor treats 400patients/day

Conclusion and Recommendation:

Healthcare is yet to reach the villages and no doctor zones of the country. Lack of accessibility, affordability and poor quality of healthcare services are the biggest hurdles to rural health system. A modern day concept of **e-health** has the potential to greatly improve healthcare service efficiency, expand or scale up treatment delivery to thousands of patients in developing countries, and improve patient outcomes.

This information system such as electronic health records , m-health and telemedicine, can provide healthcare services in multiple settings, can help in improving data collection time and quality, communication between institutions, assist in ordering and managing inventories and helps in detecting and monitorpatients who might abandon the treatment and provides timely and accurate information.

Though, with the usage of this technology we can provide advanced healthcare but there are certain barriers related with it. Barriers like lack of infrastructure, cost, time, and lack of skilled workforce and motivation of health related personnel are mind boggling. Enough

professional skills related to Health Information Technology are lacking, health technology projects are lacking in budget. The time period, which is required for well implementation of the specific health technology, is quite long. In this light, the Piramal E- Swasthya model is not only innovative but also provides solution to the barriers and enhances the feasibility and easy reliability countrywide thereby strengthening the healthcare system. Being self sustainable model it takes care of the lack of human resource problem affecting the current health scenario. The unique system of coding the medicines in formulary followed by this model helps in easy and error proof dispensation to the patients. Reminder alert through short message service during treatment to patients ensures high patient compliance. The ISO 9001-2008 quality management system award to the model further enhances the credibility and efficiency of the model. Scaling up the model to cover a larger territory will bridge the gap between demand of healthcare services and efficiency of system providers.

According to NSSO 60th round, rural India:

 - Average medical expenditure (Rs) for non hospitalized treatment per ailing patient (fortnight) = 257

 - By Piramal initiative, average expenditure for a week's treatment , between Rs 30- 50.

Thus E-health should be incorporated in the medical curriculum so that the doctors , in future will be formally trained in e-health.

This model is scalable and replicable to various parts of India provided there is political and administrative commitment to accept it. Governments and funding agencies should encourage outside evaluation to ensure that future **e-Health** investments are well targeted and systematic and not just waste of scant resources.

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COMPARATIVE STUDY : TRADITIONAL V/S TECHNOLOGICAL HOSPITAL MANAGEMENT INFORMATION SYSTEM

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ABSTRACT

OBJECTIVE:

1) To compare traditional and technological Hospital Management Information System (HMIS) with emphasis on determining problems and limitations of the existing system.

2) To study the change in Patient Satisfaction level with change in technology.

MTHODOLOGY:

A random sample size of 10 hospitals (5 using electronic and 5 using manual system) in Jaipur and nearby areas were taken and informal interviews were conducted. To evaluate the reason for the choice of the system in use - close ended questions were asked about the satisfaction levels among users. Likewise, a set of closed ended questions were asked to the patients with a sample size of 100 (10 from each hospital), to assess the patient satisfaction level. The data collected was analyzed.

FINDINGS:

1) High cost involvement and insufficient awareness of usage were the reasons for not adopting the modern electronic system by manual system users.

2) Although satisfaction levels among patients were found to be high (90%) in the Electronic System; the patients had issues regarding the confidentiality of the information.

3) Willingness to adopt the new system was there when promised that Electronic HIMS will be cost effective and user friendly.

RECOMMENDATIONS:

1) With the advancement of technology and quality improvements in healthcare industry newer innovations are still expected that penetrates even smaller setup and hospitals with more cost effective and user friendly solutions.

2) Reassuring the confidentiality of patient's information remains a challenge and prime concern to the industry.

KEYWORDS: Traditional, Electronic , HMIS

INTRODUCTION: The importance of health information as a corporate resource in health services can no longer be denied. Any health service organization looking to survive and grow must recognize the need to treat MIS as a resource.

Initially in businesses and other organizations, internal reporting was produced manually and only periodically, as a by-product of the accounting system and with some additional statistic(s), and gave limited and delayed information on management performance. Data was organized manually according to the requirements and necessity of the organization.

Now days, technological HMIS initiatives are based largely on inaccurate or poor quality data, it is similar to building a house on sand; the foundation will keep shifting until the house finally collapses. Academically, the term **HMIS** is commonly used to refer to the group of information management methods tied to the automation or support of human decision making, e.g. decision support systems, expert systems, and executive information systems.

Health management information system (HMIS) is designed to integrate data collection, processing, reporting, and use for the improvement of patient health services, effectiveness and efficiency through better management of patient data at all levels of implementation. The output of an HMIS may vary according to the level on which it is being implemented. A HMIS consists of two subsystems: a patient management information system and a hospital management information system .These systems incorporate all the patient data and hospital data with the use of information processing tools consisting of computer systems based on various hardware platforms and software products offered by (several) vendors.The electronic Primary Care Research Network of MIS connects medical practitioners to researchers; promoting practice based research networks and facilitating clinical research. The internet-based infrastructure provides researchers with electronic medical records and standardized clinical report forms, shifting dependence away from paper based data collection tools that are not standardized. This mode of communication improves the quality of primary care and increases the number of clinical research opportunities.

Paper basedHospital Management Information System

Traditional File System
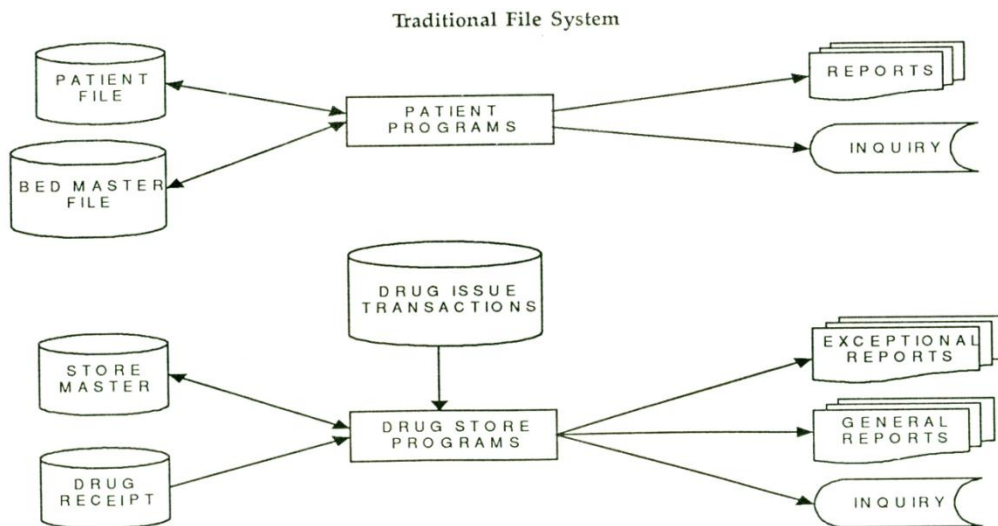
Paper based records are still by far the most common method of recording patient information for most hospitals and practices in the country. The majority of doctors still find their ease of data entry and low cost hard to part with. However, as easy as they are for the doctor to record medical data at the point of care, they require a significant amount of storage space compared to digital records. In INDIA, most states require physical records be held for a minimum of seven years. The costs of storage media, such as paper and film, per unit of information differ dramatically from that of electronic storage media. When paper records are stored in different locations, collating them to a single location for review by a health care provider is time consuming and complicated, whereas the process can be simplified with electronic records. This is particularly true in the case of person-centered records, which are impractical to maintain if not electronic (thus difficult to centralize or federate). When paper-based records are required in multiple locations, copying, faxing, and transporting costs are significant compared to duplication and transfer of digital records Because of these many "after entry" benefits, federal and state governments, insurance companies and other large medical institutions are heavily promoting the adoption of electronic medical records. Handwritten paper medical records can be associated with poor legibility, which can contribute to medical errors. Pre-printed forms, the standardization of

abbreviations, and standards for penmanship were encouraged to improve reliability of paper medical records

Computerized Hospital Management Information System

It is defined as a high speed, computer controlled, multi station, authorized access information flow network for the hospital. It has both administrative office and patient care subsystems and the function is to speed up and simplify the handling of both administrative and medical information. It provides patient medical histories, current medical records, statistical summaries and legal records. It can schedule medical services, maintain inventory control of beds and various supplies and automate the information flow in the hospital and many more. With all these functions which can be performed by it we can say that HIS cannot only automate data handling within the hospital but can provide a completely new ser of scientific techniques which will result in twin social benefits of better health care and effective utilization of scarce medical resources. The computerized system is highly useful for the hospital management to monitor process, measure performance, detect trends, evaluate alternatives and make decisions to take corrective actions well in time. A computerized hospital information system thus improves the functioning of hospitals in a cost effective way.

Computerised Hospital Information System—An Overview
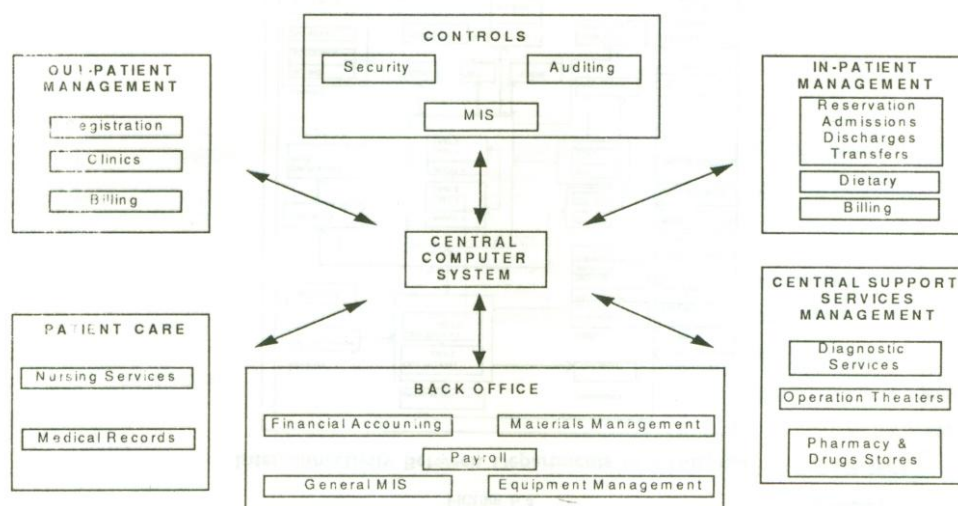
Various advantages of HMIS over the manual system are:

- Savings: substantial savings in manpower, time and cost through improved productivity

- Effectiveness: increased administrative and operational effectiveness and improved communications between the peripheral labs with central labs

- Simplification: improved and simplified work/ process flow through automation

- Quality: reduced errors and duplication of work

- Centralization: consolidation of information into a single point

- Optimization: empower better use of existing resources (people, time and money) at the organization

- Competitive Advantage: Improved customer satisfaction and market position

Hospital Management & Information System (MODULES)

Core Modules						
Patient Administration		Doctors	Nursing	Ward		
Theater Management				Laboratory	Radiology & Imaging	User Management

Supporting Modules

Blood Bank	Dieting	Physio thera py	Dialysis	BioMedical	CSSD	Move ments

Housekeeping	Complaints	Billing	Preventive	Maintenance	Pharmacy	General Stores		F:
							Enterprise-enabling Modules Fixed Assets	

- Aids in faster decision making (ECG, X-ray, Lab Investigation)

- Saves time

- Can give suggestions directly
- Can give suggestions directly
- Ideal for keeping track of patients record
- Can prepare discharge summery easily
- Provide accurate information about symptoms and health background
- Help to decide on a course of treatment
- Capture referring doctor's data

Benefits for Nurses:
- Communicate fast and effectively
- Do inpatient billing
- Can refer reports easily
- Can get patients information easily
- Can clarify patients doubt
- Can be used in training new staff
- Can report adverse drug reaction

Benefits for managers:
- Prepare online(up-to-date) patient bill when the patient is discharged
- Daily patient report for OPD and indoor patient wise-cash / check collection
- Inventory management

Benefits for patient:
- Better treatments(faster)
- Adequate information regarding treatment and tests
- Can do OPD booking
- Can access special packages
- Can contact health team
- Can foresee the cost of treatment
- Can give feedbacks

Benefits for administrators:

- Management can convey their messages to all workers regularly(hospital orders, events, circulars)

- Can get feedback from employee and patients

- Can assess the correct functioning of hospitals

Various problems associated with MIS:

- Costly in maintenance and upgrading of systems

- Difficult to train all the workers

- There can be misuse of data stored

- Hardware and software problems may have tremendous effect in hospital functioning

Comparison of Manual and Computer-Based Information:

Features	Manual	Computer
Understanding the technology	Easy: usually human processing or simple tabulation operation	Difficult: arbitrary and poorly understood technology from standpoint of users
Developing specifications	Very informal and easily changed when tried	Formal process requiring great precision and details must be specified in advance
Managing project	Simple to instituteprocedures	Very difficult to complete on time and within budget
Converting and installing	Usually an easy process involving a few new procedures	Can be major task requiring significant involving behavioral and organizational changes
Organizational impact	Often minimal	Can be significant, involving behavioral and organizational changes
Flexibility	Usually easy to change quickly	Often very difficult to modify; changes can be costly and time consuming

METHODOLOGY:

A comparative study was undertaken between 10 hospital MIS users from which 5 being the users of the manual information system and 5 being the latest technological HMIS users and informal close-ended interview was conducted by asking various questions(annexure 1)

related to the use of MIS system and the satisfaction level of the staff. The questions were related with the type of system they were using in their healthcare centers and information about the accuracy of information, quality provided by the system, ease of its use and satisfaction level associated with that .The data was collected and analyzed. Efforts were made to realize the advantages and disadvantages of the system in use and the barriers for the usage of the technologically advanced HMIS were analyzed. To estimate the satisfaction level of the patients, separate questions (annexure 2) were asked from 50 patients (5 from each hospital) with the existing system of hospital and if any related problem they face with the system and do they want some improvements in the existing system of the hospital. The data collected was analyzed.

FINDINGS:

After analyzing the results based on the analysis of the interviews, the following findings can be drawn:

1. Many hospitals are still using the manual system in there hospital because of the lack of knowledge about the new technological system, and high cost associated with it installation.

2. On comparing both the systems used in hospitals, 89 % of the computerized HMIS users said to have got the precise information in time as compared to only 32 % of the manual MIS users.

3. The quality and ease of services provided by the latest HMIS users were far better than the manual system users. Only 55 % of the manual users were found to be satisfied with the manual means as compared to the 85% of the computerized MIS users.

 4) A desire to shift to the computerized MIS was seen in the manual users as 89% of the manual users if given a chance to shift to a cost effective, user friendly computerized MIS would definitely like to shift to the latest technology.

5) The major issue with the patients of technological HMIS users was that of the fear of leakage of private information that the hospitals have.

7) The patients in the manual hospitals wanted their hospitals to have a computerized MIS as shown by the data that 78 % of the patients wanted to have the computerized MIS in their hospitals.

RECOMMENDATIONS:

1) With the advancement of technology and quality improvements in healthcare industry newer innovations are still expected that penetrates even smaller setup and hospitals with more cost effective and user friendly solutions.

2) Measures should be taken to reduce the cost of installation of the system and training for handling the system should also be made easy and cost effective

3) Proper training should be given to the staff and all the employees for the usage of the computerized health management information system.

4) The government should provide these software's at a cheaper rate and make it mandatory for all the hospitals to shift to the computerized system so that the data is collected more effectively and timely

5) Reassuring the confidentiality of patient's information remain a challenge and prime concern to the industry. The system should be made more users friendly.

CONCLUSION:

The comparison of the manual system with the computerized system showed that the latter is superior in many ways. Some of them are:

- Improved communication
- Better documentation of all the procedures
- Improved efficiency of the various departments
- Saves a lot of staff time
- The requirement of paper is decreased
- It increases patient satisfaction as it is less error prone

The imperfections of a computerized system can be corrected if the process of configuring and implementation is done properly. There will be effective time management as a lot of hard work and labor will get saved and at the same time a variety of reports can be generated by the system.

But at the same time the need of the hour is to make the computerized management system cost effective and to make it more users friendly, along with providing appropriate training to the staff and the employees which will help in making the system more effective. Another

important thing to be kept in mind from patient's point of view is to develop certain software which will help in maintaining the confidentiality of the information.

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A Study on Training & Development in Different

Sector (fmcg, banking & insurance, telecom, & it)

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ABSTRACT:-

In the field of human resource management, training and development is the field which is concerned with organizational activity aimed at bettering the performance of individuals and groups. Training generally refers to teaching of new skills in professional field of the employee. Like an employee being taught to operate another machine, or to perform a new operation in the same machine. Development not only improves job performance but also brings about the growth of the personality. Individual not only mature regarding their potential capacities but also become better individuals.**Training** is the formal and systematic modification of behavior through learning which occurs as a result of education, instruction, development and planned experience.**Development** is any learning activity, which is directed towards future, needs rather than present needs, and which is concerned more with career growth than immediate performance.

Retail/FMCG Sector is the most booming sector in the Indian economy, with this rapid expansion and coming up of major players in the sector; the need of human resource development has increased.Retail/FMCG SectorTraining Programs are Sales Training, On-the-Job Training, Seminars/Workshops, Customer Relationship Management, Online Course, Group Study Computer-Based Training, and Self-Directed Training.Today most of the Indian cities have networked banking facility as well as Internet banking facility. Some of the major players in the banking sector are State Bank of India, HDFC Bank, Citibank, ICICI Bank, Punjab National Bank, etc. In the Insurance sector also, rapid expansion has created about 5 lakh job opportunities approximately in the past five years.Telecom is one of the fastest growing sectors in India .With increase in competition between the major players like BSNL, MTNL, Hutchison Essar, BPL, Idea, Bharti Tele services, Tata, etc, the requirement for mobile analysts, software engineers, and hardware engineers for mobile handsets has increased. The Indian IT sector is growing at a very fast pace. With the growing investment by IT companies in the development of their employees many companies have now started their own learning centres.

Training and Development aids in organizational development i.e. Organization gets more effective decision making and problem solving. It helps in understanding and carrying out organisational policies. Training and Development helps in developing leadership skills, motivation, loyalty, better attitudes, and other aspects that successful workers and managers usually display.

INTRODUCATION

Training & development:

In the field of human resource management, **training and development** is the field which is concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings. It has been known by several names, including **human resource development**, and **learning and development**.

- **Training**: This activity is both focused upon, and evaluated against, the job that an individual currently holds
- **Education**: This activity focuses upon the jobs that an individual may potentially hold in the future, and is evaluated against those jobs.
- **Development**: This activity focuses upon the activities that the organization employing the individual, or that the individual is part of, may partake in the future, and is almost impossible to evaluate.

Definition of Training and Development:

"Training & development" is any attempt to improve current or future employee performance by improving his performance capabilities & potential through learning, usually by changing the employee's attitude or increasing his or her skill & development.

Training:

It is a learning process that involves the acquisition of knowledge, sharpening of skills, concepts, rules, or changing of attitudes and behaviours to enhance the **performance of employees**.

Training is activity leading to skilled behavior.
- It's not what you want in life, but it's knowing how to reach it
- It's not where you want to go, but it's knowing how to get there
- It's not how high you want to rise, but it's knowing how to take off

ROLE OF TRAINING:
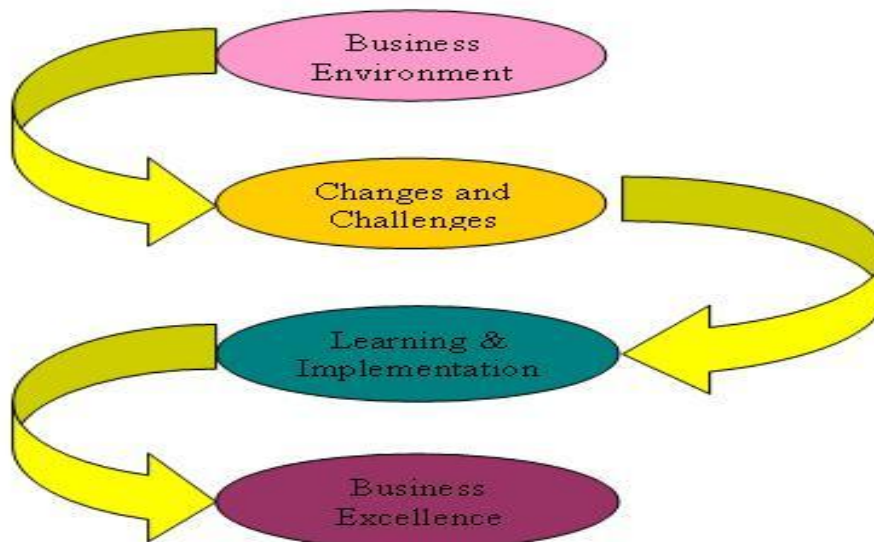
DEVELOPMENTDEFINED:

"Development is a longterm educational process utilizing a systematic and organized procedure by which managerial personnel frequently receive assistance in developing the skill –particularly get conceptual and human relation skill.development refers to enhancement of personal qualities of the employee which do not have a one to one relationship with his current job".

Importance Of Training and Development:

- **Optimum Utilization of Human Resources** –Training and Development helps in optimizing the utilization of human resource that further helps the employee to achieve the organizational goals as well as their individual goals.
- **Development of Human Resources** – Training and Development helps to provide an opportunity and broad structure for the development of human resources' technical and behavioral skills in an organization. It also helps the employees in attaining personal growth.
- **Development of skills of employees** – Training and Development helps in increasing the job knowledge and skills of employees at each level. It helps to expand the horizons of human intellect and an overall personality of the employees.
- **Productivity** – Training and Development helps in increasing the productivity of the employees that helps the **organization** further to achieve its long-term goal.

- **Team spirit** – Training and Development helps in inculcating the sense of team work, team spirit, and inter-team collaborations. It helps in inculcating the zeal to learn within the employees.
- **Organization Climate** – Training and Development helps building the positive perception and feeling about the organization. The employees get these feelings from leaders, subordinates, and peer.
- **Quality** – Training and Development helps in improving upon the quality of work and work-life.

- **Healthy work environment – Training and Development** helps in creating the healthy working environment. It helps to build good employee, relationship so that individual goals aligns with organizational goal.

- **Morale** – Training and Development helps in improving the morale of the work force.

- **Image** – Training and Development helps in creating a better corporate image.

- **Profitability** – Training and Development leads to improved profitability and more positive attitudes towards profit orientation.

Training Methods:

There are two broad types of training available to the businesses: on-the-job and off-the-job techniques.Individual circumstances and the "who," "what" and "why" of your training program determine which method to use.

On-the-job trainingis delivered to employees while they perform their regular jobs. In this way,they do not lose time while they are learning. After a plan is developed for what should be taught,employees should be informed of the details. A time-table should be established with periodic evaluations to inform employees about their progress. On-the-job techniques include orientations, job instruction training, apprenticeships, internships and assistantships, job rotation and coaching.
Off-the-job techniquesinclude lectures, special study, films, television conferences or discussions,case studies, role playing, simulation, programmed instruction and laboratory training. Most of thesetechniques can be used by small businesses although, some may be too costly.

OBJECTIVE/SCOPE :-

TRAINING AND DEVELOPMENT OBJECTIVES:

The principal objective of training and development division is to make sure the availability of a skilled and willing workforce to an organization. In addition to that, there are four other objectives: Individual, Organizational, Functional, and Societal.

Individual Objectives – help employees in achieving their personal goals, which in turn, enhances the individual contribution to an organization.

Organizational Objectives – assist the organization with its primary objective by bringing individual effectiveness.

Functional Objectives – maintain the department's contribution at a level suitable to the organization's needs.

Societal Objectives – ensure that an organization is ethically and socially responsible to the needs and challenges of the society.

Training & development in various sectores:

Training and Development in Retail-FMCG Sector:
Retail/FMCG Sector is the most booming sector in the Indian economy and is expected to reach US$ 175-200 billion by 2016. With this rapid expansion and coming up of major players in the sector, the need of human resource development has increased. Lack of skilled workers is the major factor that is holding back the retail sector for high growth. The sector is facing the severe shortage of trainers. Also, the current education system is not sufficiently prepared to address the new processes, according the industry major

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Training Programs In Retail/FMCG Sector:

Some of the training programs that are given in the retail sector are:

Sales Training
On-the-Job Training
Seminars/Workshops
Customer Relationship Management
Online Course
Group Study
Computer-Based Training
Self-Directed Training

Training in Banking and Insurance Sector:

Favorable economic climate and number of other factors such as, growing urbanization, increasing consumerism, rise in the standard of living, increase in financial services for people living in rural areas, etc has increased the demand for wide range of financial products that has led to mutually beneficial growth to the banking sector and economic growth process. This was coincided by technology development in the banking operations.

Today most of the Indian cities have networked banking facility as well as Internet banking facility. Some of the major players in the banking sector areState Bank of India, HDFC Bank, Citibank, ICICI Bank, Punjab National Bank, etc.

In the Insurance sector also, rapid expansion has created about 5 lakh job opportunities approximately in the past five years. These openings are mainly in the field of insurance advisors or marketing agents. The eligibility criteria for these jobs is graduation with some experience in marketing or become insurance agents after completing school but this needs some relevant training.

Earlier there were no training programs as such for insurance agents but on-the-job training only that was given once the new agent was appointed. But now the scenario has been changed, with the coming up of big players like **ICICI Life Insurance, ICICI Lombard, HDFC Life Insurance, Tata AIG General Insurance**, etc in this sector, people who've had some formal training are preferred while recruitment because it can be helpful in the insurance field.

However, only the insurance degree in this field does not guarantee success. To be

successful an agent must have strong interpersonal, networking, and communication skills. Number of opportunities in Banking and Insurance sector has increased than ever before. With this rapid expansion and coming up of major players like ICICI, HDFC, UTI, Bajaj Allianz, etc in the sector, the need of human resource development has increased.

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Training and Development in IT/Software Development Industry:

The Indian IT sector is growing at a very fast pace and is expected to earn a revenue of US $87 billion by 2008. In 2006, it has earned revenue of about US $ 40 billion with a growth rate of 30%. IT sector is expected to generate 2.3 million jobs by 2010, according to NASSCOM (National Association of Software and ServiceCompanies) With this rapid expansion of IT sector and coming up of major players and new technologies like SAP, the need of human resource development has increased.
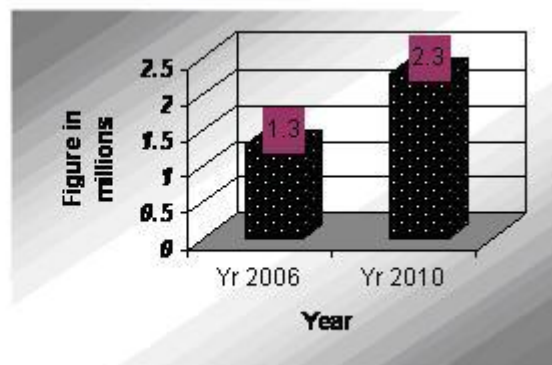
According to the recent review by Harvard Business Review, there is a direct link between training investment of the companies and the market capitalization. Those companies with higher training investment had higher market capitalization. It clearly indicates that the companies which have successfully implemented training programs

have been able to deliver customer goals with effective results. It shows that good training results in enhancement of individual performance, which in turn, helps the organization in achieving its business goals. Training is a tool that can help in gaining competitive   advantage   in   terms   of   human   resource.

With the growing investment by IT companies in the development of their employees many companies have now started their own learning centers. As an example, Sun has its own training department. Accenture has Internet based tool by the name of "My Learning" that offers access to its vast learning resources to its employees. Companies are investing in both the technical training, which has always been an essential part in IT industry, as well as in managerial skills development. Companies now kept aside 3-5% of revenue for training programs. As an example, some of the major players like Tata Elexi and Accenture are allocating 7% and 3% respectively of the company's overall revenue.

FINDING :-

Training Needs Assessment:

What, Why and How?

Are you charged with the task of having your employees trained but do not know where to start? Consider performing a training needs assessment first. You'll optimize the benefit to your employees while saving on the bottom line.

What is a training needs assessment?
A tool utilized to identify what educational courses or activities should be provided to employees to improve their work productivity.

Why conduct a training needs assessment?
Σ To pinpoint if training will make a difference in productivity and the bottom line.
Σ To decide what specific training each employee needs and what will improve their job performance. Σ To differentiate between the need for training and organizational issues

Challenges Of Outsourcing:

Where there are benefits of the training outsourcing, there are many **outsourcing challenges** as well no matter how well the program is planned, staffed or budgeted. Below are few challenges that are faced by organizations while training outsourcing:

Many stakeholders – Outsourcing by and large involve several inner and outer stakeholders. Outsourcing programs in diverse geographic regions most of the times are managed autonomously.

Dispersed Locations – Many organizations engage training consultancies in different geographical regions that adds further complications to the delivery and scheduling of training. Most of the times, training has to be localized for different languages and cultures which also requires specific resources. Different regions also put in considerable time, expenditure, and resources to manage logistics related to training.

Budget Inadequacy – According to an Expertus (Expertus provides a variety of training outsourcing services in business consulting, technology, content, and strategic business process outsourcing) 2006 survey, budget is one the major constraints to channel training. Most of the times budget inefficiencies are caused by duplicate payments, payments with incorrect vendors, and decentralized vendor agreement management.

Know how – According to Expertus survey, 70% of the respondents do not use LMS and those who use, almost half use different LMS for employee training. Those companies who do not use LMS have to make greater effort with registration and setting up, class follow up, evaluations, and even basic reporting. Randomly applied know-how, unplanned customization work, lack of standards, and scarcity of capable resources can twirl the knowledge support of channel training programs into a failure.

Loss of control – According to Expertus survey in 2006, loss of control was also rated as one of the major challenges to training outsourcing. Organizations going for outsourcing, are left with very little or no control over training partner. In addition to that, organizations often are not able to keep up with the consistency and quality of training   across   the   channel.

Coverage – Measuring the results and finding the business focused information about the training consultancy is difficult or impossible to get. These challenges prevent the organizations to obtain the true insight of training consultancies.

Employment Inefficiencies – Obtaining satisfactory organizational resources is a constant problem for the organizations engaged with training consultancies. Employee Turnover and inadequate employee training can make the problem even more difficult.
CASE STUDY–2 Training and development: School Net India Ltd.

School Net India Ltd. is an initiative of Infrastructure and Financial Services (I and FS) recognized for its infrastructure and development activities? With a turnover of Rs. 2000 crores, School Net, which was founded in March 1999, is committed to bring about positive changes in the way the lessons are delivered to school children by integrating technology, content, and training. The activities include teacher training, content development (syllabus-based lessons), web-based learning, implementation of a programme at schools, etc. The cornerstone of School Net's K-10 programme is the concept of networked learning. It creates networks of like-minded schools, students, and teachers who exchange ideas, views, and learning resources. Net worked learning is founded on three major

components, namely technology, content, and training. The impact of in-service training on school teachers' performance has been identified based on a survey pursued through primary data collection pertaining to the variables in the training aspects of school teachers. The survey was carried out through a questionnaire, clearly focusing on the current situation of training among school teachers and the present pitfalls in the existing training courses. The questionnaire also surveys the need for additional training for school teachers and other related determinants for school teacher training.

Apart form questionnaire, general counseling and interviewing also helped to deduce the determining forces for the in-service teacher training. The schools covered were within the scope of Hyderabad.

RECOMMENDATION :-

Findings:

The attitudes of many respondents towards the design of the training programme were based on the prescribed syllabus. Modern sources of knowledge up gradation were not within the reach school teachers. Many of the respondents put forth that there were hindrances from the management for making it convenient for the school teachers to attend the training programmes. Most of the school teachers showed deep interest in envisaging a system that would assist in the implementation of new teaching skills. Training programmes so far designed had been fabricated only aiming at horizontal coordination

among school teachers. A careful study of the syllabi, text, and examination papers at the school reveal that very little concentric development in the subject matter is learnt by a student. There were very few organizations that dealt with coordination among different schools for proper integration of educational pursuits and goals. Student's caliber and efficiency is assessed by promotional examination, which makes learning monotonous.

Advanced technology usage is still stagnant. There is multi utilization of advanced educational resources. Student's performance is directly linked with the length and coverage of the syllabus. An unnecessarily bulky syllabus retards skills and creativity both in the student and in the school teacher.

Classroom teaching is generally based on the concept of passive learning.

Suggestions:

The standard facts elucidated in the textbook need to be supplemented with adequate references. A more comprehensive and integrated study of teaching area should be adopted by the in-service teacher training centers. Efforts should be channelized within the training centers to make the syllabus of the subject amenable to the future inclusions apart form being precise, brief, and informative. It is also a prerequisite, which fashions the syllabus that much of practical work should be attached for each topic. The process of learning should be activity based, including experience, experiments, and teamwork.

Orientation learning with audiovisual aids can uplift the student's performance. So, the teacher may be trained to use these aids. Within a training team, coordination among teachers should be given due importance. Primarylevel teachers can coordinate with the middle-school teachers and, thereafter, senior secondary level teachers for building up a

common goal and purpose. Organizations like School Net can help in organizing interschool cooperation among teachers. Additional material can be circulated among teachers. Quality circles of teachers may be organized to help the less talented teachers.

Conclusion

The purpose of training is to tighten up the slack, toughen the body, and polish the spirit as a demand-driven approach to human resource and skills development, the Training will build and strengthen relationships with and among workplace partners and better engage employers, unions to respond to the challenges of workplace skills development Excellence is an art won by training and habituation. We do not act rightly because we have virtue or excellence, but we rather have those because we have acted rightly. We are what we repeatedly do. Excellence, then, is not an act but a habit.Training gives us an outlet for suppressed energies created by stress and thus tones the spirit just as exercise conditions the body.

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Creativity Idea In The Advertisement

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Mr. Amrish K. Purohit
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<u>Abstract :</u>

Introduction:

   Creativity refers to the phenomenon whereby a person creates something new (a product, a solution, a work of art, a novel, a joke, etc.) that has some kind of value. What counts as "new" may be in reference to the individual creator, or to the society or domain within which the novelty occurs. What counts as "valuable" is similarly defined in a variety of ways.

   Scholarly interest in creativity ranges widely: Topics to which it is relevant include the relationship between creativity and general intelligence; the mental and neurological processes associated with creative activity; the relationship between personality type and creative ability; the relationship between creativity and mental health; the potential for fostering creativity through education and training, especially as augmented by technology; and the application of an individual's existing creative resources to improve the effectiveness of learning processes and of the teaching processes tailored to them

   Creativity is defined as the tendency to generate or recognize ideas, alternatives, or possibilities that may be useful in solving problems, communicating with others, and entertaining ourselves and others.

   Three reasons why people are motivated to be creative:

   1. need for novel, varied, and complex stimulation
   2. need to communicate ideas and values
   3. need to solve problems

   In order to be creative, you need to be able to view things in new ways or from a different perspective. Among other things, you need to be able to generate new possibilities or new alternatives. Tests of creativity measure not only the number of alternatives that people can generate but the uniqueness of those alternatives. the ability to generate alternatives or to see things uniquely does not occur by change; it is linked to other, more fundamental qualities of thinking, such as flexibility, tolerance of ambiguity or unpredictability and the enjoyment of things heretofore unknown.

Identify to how the customer attract the advertisement and there buiying behavior .
In this parer is critivity advertisement is how to empact the customet maind and also to suverviv in the market to compit the other copititoer.

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Objectives:

✓ To identify the impact of creative advertisement impact on customer buying behavior.
✓ Impact on sale volume
✓ How to survive into the competition.
✓ Ideal environment.
✓ To identify buying behaviour of potential consumers of needed product.

    ✓ To identify the occasional advertisement.

Scope

    ✓ Helps to survive into the competition
    ✓ Identify the ideal creative advertisement.
    ✓ How attract the customer of ideal advertising.
    ✓ How to effect by the advertisement on the gender and age.

Aspects of creativity :

Theories of creativity (in particular investigating why some people are more creative than others) have focused on a variety of aspects. The most dominant are usually identified as the four "Ps" - process, product, person and place. A focus on *process* is shown in cognitive approaches that try to describe thought mechanisms and techniques for creative thinking. Theories invoking divergent rather than convergent thinking (such as Guilford), or those describing the staging of the creative process (such as Wallas) are primarily theories of creative process. A focus on creative *product* usually appears in attempts to measure creativity in people (psychometrics, see below), or in creative ideas framed as successful memes. A focus on the nature of the creative *person* considers more general intellectual habits, such as openness, levels of ideation, autonomy, expertise, exploratory behavior and so on. A focus on *place* considers the best circumstances in which creativity flourishes, including degrees of autonomy, access to resources and the nature of gatekeepers.

Creativity and affect:

Some theories suggest that creativity may be particularly susceptible to affective influence.

Creativity and positive affect relations

According to j.c, positive affect has three primary effects on cognitive activity:

1. Positive affect makes additional cognitive material available for processing, increasing the number of cognitive elements available for association;
2. Positive affect leads to defocused attention and a more complex cognitive context, increasing the breadth of those elements that are treated as relevant to the problem;
3. Positive affect increases cognitive flexibility, increasing the probability that diverse cognitive elements will in fact become associated. Together, these processes lead positive affect to have a positive influence on creativity.

Barbara Fredrickson in her broaden-and-build model suggests that positive emotions such as joy and love broaden a person's available repertoire of cognitions and actions, thus enhancing creativity.

According to these researchers, positive emotions increase the number of cognitive elements available for association (attention scope) and the number of elements that are relevant to the problem (cognitive scope).

Various meta-analyses, such as Baas et al. (2008) of 66 studies about creativity and affect support the link between creativity and positive affect.

Creativity and negative affect relations :

On the other hand, some theorists have suggested that negative affect leads to greater creativity. A cornerstone of this perspective is empirical evidence of a relationship between affective illness and creativity. In a study of 1,005 prominent 20th century individuals from over 45 different professions, the University of Kentucky's Arnold Ludwig found a slight but significant correlation between depression and level of creative achievement. In addition, several systematic studies of highly creative individuals and their relatives have uncovered a higher incidence of affective disorders (primarily bipolar disorder and depression) than that found in the general population.

Creativity and affect at work :

Three patterns may exist between affect and creativity at work: positive (or negative) mood, or change in mood, predictably precedes creativity; creativity predictably precedes mood; and whether affect and creativity occur simultaneously.

It was found that not only might affect precede creativity, but creative outcomes might provoke affect as well. At its simplest level, the experience of creativity is itself a work event, and like other events in the organizational context, it could evoke emotion. Qualitative research and anecdotal accounts of creative achievement in the arts and sciences suggest that creative insight is often followed by feelings of elation. For example, Albert Einstein called his 1907 general theory of relativity "the happiest thought of my life." Empirical evidence on this matter is still very tentative.

In contrast to the possible incubation effects of affective state on subsequent creativity, the affective consequences of creativity are likely to be more direct and immediate. In general, affective events provoke immediate and relatively-fleeting emotional reactions. Thus, if creative performance at work is an affective event for the individual doing the creative work, such an effect would likely be evident only in same-day data.

Another longitudinal research found several insights regarding the relations between creativity and emotion at work. Firstly, evidence shows a positive correlation between positive affect and creativity. The more positive a person's affect on a given day, the more creative thinking they evidenced that day and the next day—even controlling for that next day's mood. There was even some evidence of an effect two days later.

In addition, the researchers found no evidence that people were more creative when they experienced both positive and negative affect on the same day. The weight of evidence supports a purely linear form of the affect-creativity relationship, at least over the range of affect and creativity covered in our study: the more positive a person's affect, the higher their creativity in a work setting.

Finally, they found four patterns of affect and creativity affect can operate as an antecedent to creativity; as a direct consequence of creativity; as an indirect consequence of creativity; and affect can occur simultaneously with creative activity. Thus, it appears that people's feelings and creative cognitions are interwoven in several distinct ways within the complex fabric of their daily work lives.

Roles of Advertising:

Marketing

The process a business uses to satisfy consumer needs by providing goods and services

- Product category
- Target market
- Marketing mix
- Brand

Communication

- Can reach a mass audience
- Introduces products
- Explains important changes
- Reminds and reinforces
- Persuades

Economic

- Moves from being informational to creating demand
- Advertising is an objective means for providing price-value information, thereby creating a more rational economy

Societal

- Informs consumers about innovations and issues
- Mirrors fashion and design trends
- Teaches consumers about new products
- Helps shape consumer self-image
- Perpetuates self-expression

The Functions of Advertising

- Builds awareness of products and brands
- Creates a brand image
- Provides product and brand information
- Persuades people
- Provides incentives to take action
- Provides brand reminders
- Reinforces past purchases and brand experiences

Types of Advertising

- Brand advertising

- Retail or Local advertising

- Direct-Response advertising

- Business-to-Business advertising

- Institutional advertising

- Nonprofit advertising

- Public Service advertising

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Green Marketing – The Conceptual Framework

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Abstract :-

The global warming issues are penetrating in the business area. The management thinkers are often talking about the environmental friendly business practices. This paper will deal how to provide eco – friendly product and service to consumer. Paper will also explain conceptual framework of green marketing.

Keyword: -*Green Marketing*, Green *Product, Eco Friendly.*

Introduction:-

The term Green Marketing came into prominence in the late 1980s and early 1990s. According to the <u>American Marketing Association</u>, **green marketing** is the marketing of products that are presumed to be environmentally safe.Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Other similar terms used are **Environmental Marketing**and**Ecological Marketing**.

Green marketing is a part business which is helpful to the other to use the eco friendly goods which is not affect on environment. There are many product which is harmful in nature such polythene, mobile phone, plastic bottle etc. so we can try to find the strategy which is helps to protect the environment for ex. Less use of plastics, crush plastic bottles after use, less use of petrol etc. with the help of this we can easily create green marketing.

Environment marketing : It is also know as green marketing which focused on promotion and advertising of product which is environmental characterstics. Term like ozone friendly, refillable environmentally friendly are some of the things consumer most often associated with green marketing. It is broad range of activities which including product modification, change of the production process packaging changes and modified advertising.

Ecological marketing:- it is based on the idea that environment protection and resource conservation can be better advanced through less regulation by the public sector and more enterprise in the private sector. Many private sector company can adopted ecological marketing in recently nessan can launch eco frendly car (based on charging) which is the example of ecological marketing.

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Objectives:-

- ➢ To identify the goals of green marketing
- ➢ To identify the of benefits green marketing

Goals of Green Marketing

- ✔Eliminate the concept of waste.
- ✔Reinvent the concept of product.
- ✔Make prices reflect actual and environmental costs.
- ✔Make environmentalism profitable.
- ✔Bringing out product modifications.
- ✔Changing in production processes.
- ✔Packaging changes.

BENEFITS:-

> The concept of green marketing is always beneficial to the organization as well as citizen. Ii is help to the environment it is also helpful to avoided such a material which is harmful in nature or environment.

The following are the sum of benefit of green marking:

1. It ensures long term growth along with profitability.
2. It saves money in the long run . But initially cost is more.
3. Its helps companies markets their product and service keeping the environment aspect in the mind.

4. It helps also competition.

5. It also motivates employees at work place and responsible to be working for an environmentally responsible company.

SUGGESTIONS:-

- ✓ Less use of polythene
- ✓ Less use of mobile phone
- ✓ Crush plastic bottle after use
- ✓ Use disposable items
- ✓ Save Water
- ✓ Save Fuel
- ✓ Avoid Smoking

Green marketing continues to be an issue of **5** global interest. In fact, Google Trends reports that, on a relative   basis, more searches for "green marketing" originated from India than from any other country.

Rank Country

1. India

2. UK

3. US

4. Thailand

5. Australia

6. Canada

7. China

CONCLUSION:-

Now it is a right time to select green marketing which is helpful in nature for avoiding pollution. It is also beneficial to the customer to buy the eco-friendly product. Green marketing is not a single task but it is a group of task which taken by everyone. It is not only the responsibility of every business to produce eco-friendly product which is help to the environment but it is also a responsibility of the citizen to use eco-friendly product or proper use of material or things such as plastics, power, fuel water etc. Green Marketing provides an opportunity to the companies to increase their market-share by introducing eco friendly products.

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MICROFINANCE

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Abstract:

Microfinance has become major tools for development. It is developing as an international industry. Micro Finance is an innovation for the developing countries like India. India, with the population of more than 1 billion, had approximately 70% population living in rural areas with almost 26.1% people living below the poverty line. Micro finance is a new mantra for poverty alleviation and rural development.

Micro finance is defined as "small loans" that help poor people who wish to start or expand their small businesses but are not able to get bank loans. Micro finance is a specialized field that combines banking with social goals.

This paper attempts to focus the emergence of micro finance in India -its evolution, its economic and social impacts, and the role of different institutions involved in this activity, the different modes of delivery and envisioning the future of micro finance.

Keywords: - Introduction, Advantages, Disadvantages, Limitation, Impact And Example.

Introduction:-

The modern use of the expression "microfinancing" has roots in the 1970s when organizations, such as Grameen Bank of Bangladesh with the microfinance pioneer Muhammad Yunus, were starting and shaping the modern industry of microfinancing. Another pioneer in this sector is Akhtar Hameed Khan.

"Microfinance" is often defined as financial services for poor and low-income clients offered by different types of service providers. Microfinance typically refers to a range of financial services including credit, savings, insurance, money transfers, and other financial products provided by different service providers, targeted at poor and low-income people. The idea of

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micro finance was developed as a survival strategy for the poor. In the Indian context terms like "small and marginal farmers", " rural artisans" and "economically weaker sections" have been used to broadly define micro-finance customers. The recent Task Force on Micro Finance has defined it as "provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi urban or urban areas, for enabling them to raise their income levels and improve living standards".

 Typical microfinance clients are poor and low-income people that do not have access to other formal financial institutions. Microfinance clients are often self-employed, household-based entrepreneurs. Their diverse "microenterprises" include small retail shops, street vending, artisanal manufacture, and service provision. In rural areas, microentrepreneurs often have small income-generating activities such as food processing and trade; some but far from all are farmers.

It has become clear that poor need access to money to send their children to

school, to buy medicines; they need financial services to reduce their vulnerability. As a result, worldwide, MFIs have started developing and delivering a range of financial products. This reflects Millennium Development Goals(MDGs) that offer broadly accepted, measurable indicators of poverty reduction that are focused on poverty, education, health and empowerment.

Most MFIs started as not-for-profit organizations like NGOs (non-governmental organizations), credit unions and other financial cooperatives, and state-owned development and postal savings banks

Financial services for the poor includes besides microcredit, other services like savings, money transfers, remittances, and insurance. As in India, these service providers include savings and credit cooperatives, commercial banks, community finance institutions, NGO-MFIs, consumer credit companies, insurance companies, and other types of institutions including the private sector There are more than 1000 private MFIs operating in the country today. While the fortunes of the many of India's biggest corporations are likely to shaped by 638365 villages in India, the commercial sector has traditionally avoided the rural areas, deeming it as non-profitable and risky. This has led many of the 800 million poor to turn to

local money lenders charging 36-72% interest rates or suffer without capital. It is estimated that poor needs around

Rs.2000 billion.

What is microcredit?

Microcredit refers to very small loans for unsalaried borrowers with little or no collateral, provided by legally registered institutions. Currently, consumer credit provided to salaried workers based on automated credit scoring is usually not included in the definition of microcredit,although this may change.

Objective:-

 Most poor people need and use financial services all the time. Buying goods on credit is far more expensive than paying in cash. They need to save and borrow to take advantage of business opportunities, invest in home repairs and improvements, and meet seasonal expenses. But conventional borrowings have serious limitations in terms of cost, risk, and convenience.

- ✓ to satisfy the unmet demand on a much larger scale, and to play a role in reducing poverty.
- ✓ providing banking services to poor women
- ✓ development organization whose objective is to eliminate poverty by creating enterprises and jobs.

Example of microfinance:

In every rural area we found that there is lot of women are situated in one place and they can started small business with the help of "bachatgat".

Bachatgat is normally found in every sector such as rural and urban. Now we see that what is bachatgat?

Bachatgat means it is a particular type of fund which can be created with the help of 5 tp 10 people. Normally woman can started such kind fo fund. With the help of this they can started a small business and earn more profit. It is very beneficial to the poor sector people who's earning is less.

It is the greate and the biggest example of microfinance which is usually find in every sector.

There are many successful women forums and organizations that are trying to bring the rural women together for developmental works. The examples are as follows:

- ✓ Working Women's Forum (WWF),
- ✓ SEWA, Shri Mahila Griha Udyog
- ✓ Lijjat Papad, or Lijjat,
- ✓ Mann Deshi Mahila Sah Bank Ltd., Mhaswad,

Advantages of microfinance

- ✓ With the help of microfinance poor people can start their own business.
- ✓ It provide the finance to the poor sector.
- ✓ With the help of this poor sector can easily put their ideas in a real sense.
- ✓ It is also help to improve the knowledge of the poor sector.
- ✓ It also help to grow rural sector in the real business.
- ✓ It help to motivate the people.
- ✓ It help to improve the standard of living.

Disadvantage:

- ✓ Without proper knowledge of finance it can't work.
- ✓ Misuse of this sector causes bad impact on other people.
- ✓ Misuse of this it is directly impact on small scale and large scale industries.
- ✓

Limitation :

Limitation of the study Most poor people need and use financial services all the time. Buying goods on credit is far more expensive than paying in cash. They need to save and borrow to take advantage of business opportunities, invest in home repairs and improvements, and meet seasonal expenses. But conventional borrowings have serious limitations in terms of cost, risk, and convenience.

Impact

Common areas of impact considered by microfinance organizations operating in developing countries include:

- Increase of personal income
- Empowerment of women
- Improvement in nutrition
- Increased education of the borrower's children
- Increased access to medicine

These are different from the common areas of impact in domestic microfinance organizations:

- Creation of jobs
- Business growth
- Increased income to the business owner
- Improved credit rating
- Graduating from social support programs (ODSP and OW in Canada)
- Overall improvement of quality of life.

How Microfinance Helps Break The Poverty Cycle

Microfinance Institute — Loan Repaid — Money Into Business — Increase Income
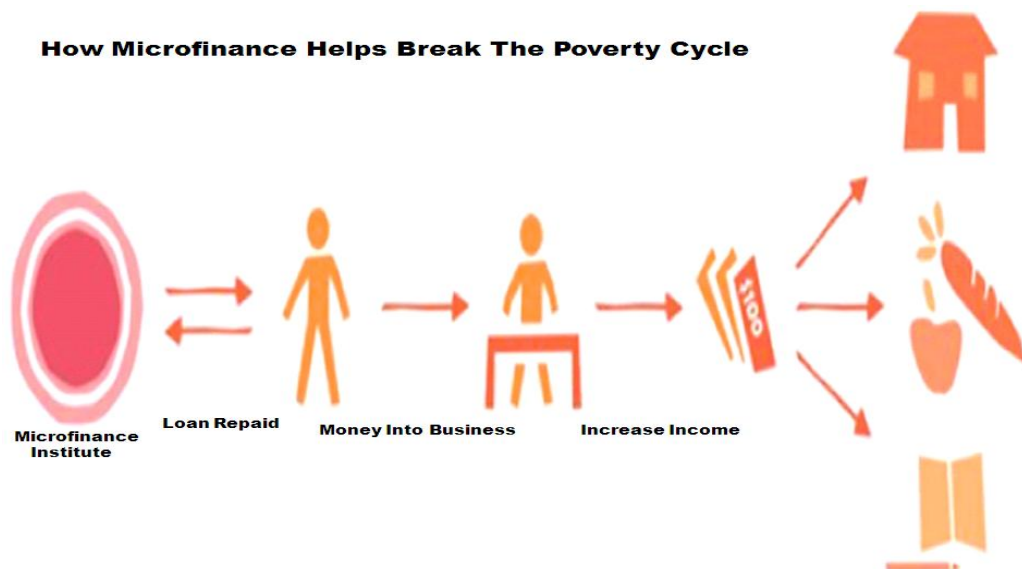
List of Top Microfinance Companies in India

- ➤ SKS Microfinance Ltd (SKSMPL)
- ➤ Spandana Sphoorty Financial Ltd (SSFL)
- ➤ Share Microfin Limited (SML)
- ➤ Asmitha Microfin Ltd (AML)
- ➤ Shri Kshetra Dharmasthala Rural Development Project (SKDRDP)
- ➤ Bhartiya Samruddhi Finance Limited (BSFL)
- ➤ Bandhan Cashpor Micro Credit (CMC)
- ➤ Grama Vidiyal Micro Finance Pvt Ltd (GVMFL)
- ➤ Grameen Financial Services Pvt Ltd (GFSPL)

Conclusion :-

       With the help of above study on microfinance we conclude that microfinance is to help the poor people to start their small business with the help of financial institute. Microfinance.Microfinance is a powerful tool for poverty alleviation and development. In order to declare microfinance a success in India, not only do tens of millions of more people need to be reached, but those services must have a transformational impact on their lives and those of their family members. Micro financial services(MFS) can not only solve their own

poverty, but can also serve as a complementary tool within a broader strategy to reduce poverty. In reality, poor people need access to many more financial services than just micro-credit, including a range of micro savings and insurance products. These services can protect poor people from the impact of unforeseen crisis and emergencies in their household or micro-business, from falling yet further into debt, and enable poor households to plan and manage their limited resources more effectively to meet their basic needs.

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Implementation of ICT in Health care: Issues and Challenges

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ABSTRACT

Improved dissemination of public health information and facilitated public discourse and dialogue around major public health threats .Enabled remote consultation, diagnosis and treatment through telemedicine. Facilitated collaboration and cooperation among health workers, including sharing of learning and training approaches.

Introduction:

This framework paper is intended as an introductory exploration of the subject of Information,Communication, Technology and health, from the perspective of implementation of ICT in health care andit also seek to comprehensively catalogue or analyse the full spectrum of issues and challenges that exist in the implementation of ICTs in health care. Before going on depth of this topic here we are suggesting the brief introduction of ICT & in current health scenario how ICT become a part of Health System.

Definition of ICT:

ICTs are defined as ***tools that facilitate communication and the processing and transmission of information and the sharing of knowledge by electronic means***. This encompasses the full range of electronic digital and analog ICTs, from radio and television to telephones (fixed and mobile), computers, electronic-based media such as digital text and audio-video recording, and the Internet, but excludes the non-electronic technologies. This does not lessen the importance of non-electronic technologies such as paper-based text for sharing information and knowledge or communicating about health, but merely draws a boundary around the field addressed by this document.

Medical/health technologies

A simple definition, produced by WHO (2004) is that health technologies are solutions to health problems. They are essential any tool, device or procedure used in health care. This can include ICTs, and when it does, these are usually categorised as:

• Diagnostic Technologies - electrocardiography, electroencephalography, myography etc.
• Therapeutic Technologies - including curative and preventive technologies such as pharmaceuticals, laparoscopic and laser surgery techniques, vaccination, radiation by

external sources or radionuclides, and the evolving applications of genetic engineering and gene therapy to human disease.

• Information Technologies - including manual and computerized data systems, medical records, clinical and administrative documentation, communication resources.

Impacts of ICT in Health Care:

- Improved dissemination of public health information and facilitated public discourse and dialogue around major public health threats .
- Enabled remote consultation, diagnosis and treatment through telemedicine .
- Facilitated collaboration and cooperation among health workers, including sharing of learning and training approaches .
- Supported more effective health research and the dissemination and access to research findings .
- Strengthened the ability to monitor the incidence of public health threats and respond in a more timely and effective manner.
- Improved the efficiency of administrative systems in health care facilities.

Major trends and developments in ICTs:

Here we will explore some of the developments within ICTs that impact the kinds ofinformation systems and management applications that are found in the healthcare industries.

Telemedicine, Health Telematics

Telemedicine is the delivery of health care services, where distance is a critical factor, by health care professionals using information and communication technologies for the exchange of vital information for diagnosis, treatment and prevention of disease and injuries, research and evaluation, and for the continuing education of health care providers, all in the interest of advancing the health of individuals and their communities (WHO, 2004). WHO also describes health telematics as a composite term for health-related activities, services and systems, carried out over a distance by means of ICTs, for the purposes of global health promotion, disease control, and health care, as well as education, management and research for health. More restrictive terms that are part of telemedicine include: teleconsultation, telediagnosis, remote second opinion, teleradiology, telesurgery, telecare, teleducation and teletraining.

E-health

E-health is the use of emerging information and communication technology, especially the Internet, to improve or enable health and healthcare (Eng, 2001). This term bridges both the

clinical and non-clinical sectors and includes equally individual and population health-oriented tools. Eysenbach (2001) elaborated on this further and Pagliari, et al (2005) explored the literature to identify 36 definitions of e-health before refining Eysenbach's to read: 'e-health is an emerging field of health informatics, referring to the organisation and delivery of health services and information using the Internet and related technologies. In a broader sense, the term characterises not only a technical development, but also a new way of working, an attitude, and a commitment for networked, global thinking, to improve health care locally, regionally, and worldwide by using information and communication technology'.

Health system

The health system includes all activities whose primary purpose is to promote, restore or maintain health. This includes, but is not limited to, the preventive, curative and palliative health services provided by the health care system (WHO, 2000).

Development of ICTs & its impact on the health sector

According to WHO, the use of ICTs in health is not merely about technology, but a means to reach a series of desired outcomes:

- Health workers making better treatment decisions .
- Hospitals providing higher quality and safer care .
- People making informed choices about their own health.
- Governments becoming more responsive to health needs.
- National and local information systems supporting the development of effective, efficient and equitable health systems .
- Policy makers and the public aware of health risks .
- People having better access to the information and knowledge they need for better .

Development of ICT's & it's Impact on Providers:

Development of ICT can enhance the efficiency as well as effectiveness of Health Care Providers. Like:

- Implementation of ICT can help Health Care Providers for Better and easy access to health topics/diseases/drug information
- Telemedicine set up can be established.
- CMEs can be organized to upgrade knowledge.
- Join online discussion groups.
- Use *Store and forward applications* for distance consultation & better patient monitoring.

- Overall impact on health care would be coverage of wide spectrum of both rural and urban population with effective & efficient Health Care Delivery.

The role of ICTs in meeting the MDGs

The OECD (2003), DFID (Marker, et al, 2002), the World Bank (2003), and SIDA (Greenberg, 2005) are among the main development actors who have explored the connection between ICTs and efforts to reduce poverty and achieve the other MDGs. The main conclusion of all these studies is that ICTs, when incorporated effectively into development programmes can be useful tools in efforts to reach the MDGs.

The World Bank (2003) argues that there is growing evidence of the ability of ICTs to:

- Provide new and more efficient methods of production
- Bring previously unattainable markets within the reach of the poor
- Improve the delivery of government services
- Facilitate management and transfer of knowledge.

SIDA adds that, increasingly, examples can be found 'where the thoughtful use of ICTs has markedly addressed various aspects of poverty. Despite the various pitfalls associated with deploying ICT projects, there is growing evidence that the use of ICTs can be a critical and required component of addressing some facets of poverty.

It is difficult, if not impossible, to establish 'proven empirical links' between the use of ICTs and the achievement of the MDGs. As the UN ICT Task Force (2003) points out: 'measuring the impact of ICT on health generally seems to be fairly difficult because there are obviously many other factors that impact health'.

Beneficiaries

In considering ICTs in health it is vital to be clear about who the potential beneficiaries may be for various strategic options.

A wide range of stakeholders within key health institutions, and within society as a whole, in the developing world are potential beneficiaries of ICTs. From the literature it is clear that these stakeholders within health institutions need to be clearly identified. It is important to examine individuals and groups within the key institutions in the health system as target beneficiaries for ICTs, and in doing so to examine the issue of their capacity and needs, and the potential for ICTs to assist in efficiency and effectiveness at each level in the system. These beneficiaries can be grouped as follows:

• International level: International agencies (WHO, UNAIDS), donor agencies, international NGOs

- Regional level: regional bodies, (EU, NEPAD, AU), regional NGOs
- National and provincial level: government ministries, national NGOs, national and provincial government, provincial hospitals and health departments

- Local level: personnel at health clinics, health workers, doctors, traditional healers, community leaders, patients and citizens.

Beneficiaries in health range from individual and collective groups of patients and health workers, through to national and international policy makers. Strategies that address beneficiary needs, that are researched and investigated thoroughly have the greatest potential to succeed. Conversely strategies that are not embedded in clear and realistic needs are vulnerable to failure due to lack of participation, acceptance, capacity and other absent enabling factors. Beneficiaries can also be viewed through the prism of location and access, with an urban/rural differential. It is significant to see the way ICTs can enable the extension of access to health care from the urban to rural areas, helping to connect people to advice and information. This includes people being able to access their own health care information, and health care workers who are in the more remote settings being able to link with colleagues who have access to better facilities and information sources to get advice and support.

Issues :

The paper concludes that opportunities do exist for the use of ICTs in the health sector of developing countries; however a number of issues must be carefully considered in each intervention and setting:

- To what degree is the health sector structure and the national regulatory framework conducive to problem-oriented, interdisciplinary, rapid-response collaborative technical work and to implementing the political, regulatory, and managerial tasks required to address multifaceted and complex technological problems?
- Have a vision, goals, action plan and potential outcomes and benefits been clearly defined?
- Are there mechanisms for coordinating action led by the public sector, but in a way that links public, private and social efforts and engages with diverse stakeholders to speed the development and use of priority ICT solutions?
- Are there incentives for telecommunication sector reform processes?
- Are data-related standards and a regulatory and legal framework in place?
- Are there mechanisms for developing the capacity of health workers, other intermediaries and community members to make the most effective use of the ICTs available and to develop content that is relevant, applicable and culturally appropriate?
- What options exist to ensure continuity and sustainability of ICT projects and programmes in terms of finance flows, public-private partnerships and building on existing information and communication channels and resources?

Challenges:

The paper also highlights several major areas where not enough is known and where further experimentation, research and analysis are needed, including:

- How to move from proof of concept to large-scale implementation in a range of different settings?
- How to evaluate systematically and coherently the impact of the use of ICTs on health?
- How to share information and experience and coordinate efforts (at national, regional and international levels) around the use of ICTs in the health sector?
- What can be done to strengthen the role of and build the capacity of intermediaries?
- How to develop local content that is relevant, appropriate and practical?
- How to strengthen organisational and national human resources, awareness skills and leadership to champion the further development of ICT use in the health sector?
- How to enable the voices of those most affected by poor health to be heard?
- How to implement the range of standards and a regulatory and legal framework that is conducive to the development of a vibrant ICT sector that responds to and supports social development processes?

Conclusion:

Seven broad conclusions can be drawn about the use of ICTs in the health sector. These seven should be applicable at all levels, and although they are expressed simply here, the complexity of putting them into practice is one of the biggest challenges we face in ensuring that the health system benefits, that health workers benefits, and that the people who make use of the health system – the patients and citizens – benefit and their health improves.

1. Keep the technology simple, relevant and local.

2. Build on what is there (and being used).

3. Involve users in the design (by demonstrating benefit).

4. Strengthen capacity to use, work with and develop effective ICTs.

5. Introduce greater monitoring and evaluation, particularly participatory approaches.

6. Include communication strategies in the design of ICT projects.

7. Continue to research and share learning about what works, and what fails.

Consumer and Business Buying Behavior

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ABSTRACT

Consumer buyer behavior refers to the buying behavior of final customers. These final customers are individuals and households who buy goods and services for personal consumption. All of these final consumers combine to make up the consumer market. Consumers around the world vary tremendously in age, income, education level and tastes. The behavior of buyers is influenced by various factors; we can broadly categorize them in twocategories of influence

1. Endogenous factors (i.e. factors that are internal to the individual). These influencers are needs and motives, learning, attitudes, personality and self concept.

2. Exogenous factors (i.e. factors that are external to the individual). These factors are Culture, reference groups, family, social status etc.

KEY WORD: Buying behaviour,cnsumer perception, enviormental factors

Consumer Markets and Consumer Buyer Behavior:

Consumer buyer behavior refers to the buying behavior of final customers. These final customers are individuals and households who buy goods and services for personal consumption. All of these final consumers combine to make up the consumer market. Consumers around the world vary tremendously in age, income, education level and tastes.

Buyer behavior can be defined as the activities and decision processes that involves in choosing between alternatives, procuring and using products or services.

The behavior of buyers is influenced by various factors, we can broadly categorize them in two categories of influence (Philip Kotler and Gary Armstrong, 2005)

1. Endogenous factors (i.e. factors that are internal to the individual). These influencers are needs and motives, learning, attitudes, personality and self concept.

2. Exogenous factors (i.e. factors that are external to the individual). These factors are Culture, reference groups, family, social status etc.

So how these factors influence the buying behavior of individuals and organizations.

Model of Consumer Behavior:

Large companies conduct researches to answer these questions:

- What consumers buy.

- Where they buy.

- How much they buy.

- When they buy.

- Why they buy.

Learning about the whys is not so easy! The central question for marketers is: How do consumers respond to various marketing efforts the company might use? The starting point is the stimulus-response mode of buyer behavior. Marketing stimuli consists of the four Ps:

- Product

- Price

- Place

- Promotion

Other stimuli are: economic, technological, political and cultural. A set of observable buyers responses include: product choice, brand choice, dealer choice, purchase timing and purchase amount. Consider the consumer as a black box; the marketer wants to know how the stimuli changes into responses inside this black box. It has two parts:

The buyer's characteristics that influence how he or she perceives and reacts to the stimuli.

The buyer's decision process

Characteristics Affecting Consumer Behavior:
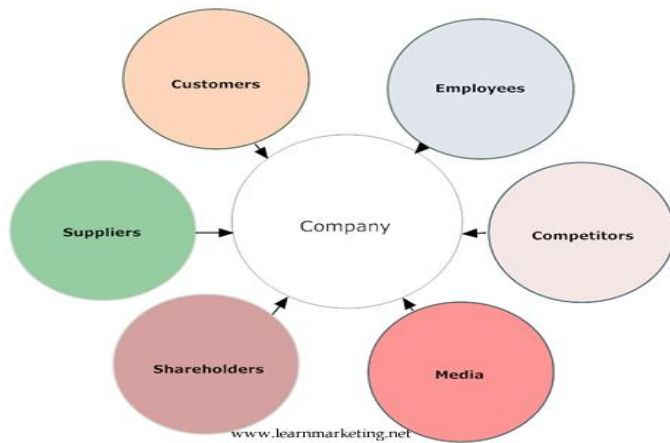
1. *Cultural Factors:*

Culture is the most basic cause of a person's wants and behavior. Every group or society has a culture. Marketers are always trying to spot cultural shifts in order to discover new products that might be wanted. For example the cultural shift towards great concern about health and fitness. Subculture is a group of people with shared value systems based on common life experiences and situations. They include nationalities, religions, racial and geographic regions.

2. *Social Class:*

Social classes are relatively permanent and ordered divisions in a society whose members share similar values, interests and behaviors. They are not determined by a single factor rather they have many variables. In some social systems, members of different classes are reared for certain roles and cannot change their social positions. Social Classes show distinct product and brand preferences in areas such as clothing, home furnishings, leisure and automobiles

3. *Social Factors:*

A consumer's behavior is also influenced by social factors such as the consumer's small groups, and social roles and status.

4. *Groups:*

Two or more people who interact to accomplish individual or mutual goals comprise a group. Groups are following types:

Membership Groups: Direct influence. To which a person belongs.

Reference Group: They serve as points of reference or comparison in forming a person's attitude and behavior. Influence of reference group in which a person doesn't belong.

Aspirational Group: The group where an individual wishes to belong.

NotesOpinion Leader: A person within a reference group who, because of special skills, knowledge, personality and/or other characteristics, exerts influence on others.

5. *Family*

6. *Roles and Status:*

A role consists of the activities people are expected to perform according to those around them. Each role carries a status reflecting the general esteem given to it by society. People usually choose products appropriate to their roles and status.

7. *Personal Factors:*

Buyer's decisions are also influenced by personal characteristics such as age, occupation, economic situation, lifestyle and personality & self-concept.

8. *Age and Life-Cycle Stage:*

People change the goods and services they buy over their life time. Buying is also shaped by the stage of the family life cycle – the stages through which families might pass as they mature over time. Marketers often define their targets customers in terms of life-cycle stage and develop appropriate products and marketing plans for each stage. Traditional family life-cycle stages include young singles and married couples with children. There are also non-traditional stages such as unmarried couples and singles marrying later in life.

9. *Occupation:*

A person's occupation affects the goods and services he/she buys. Marketers try to identify the occupational groups that have an above-average interest in their products and services

10. *Economic Situation:*

A person's economic situation will affect his product choice. Marketers watch trends in incomes, savings and interest rate. If economic indicators point to a recession, marketers can take steps to redesign, reposition and reprice their products and services.

11. *Lifestyle:*

Lifestyle is a person's pattern of living as expressed in his or her psychographics. It involves measuring consumer's major AIO dimensions – Activities, Interests and Opinions. Several research firms have developed lifestyle classifications. They include SRI Consulting's Values and Lifestyles typology. It classifies people according to how they spend their time and money.

12. *Personality and Self-Concept:*

Personality refers to the unique psychological characteristics that lead to relatively consistent and lasting responses to one's own environment. Personality can be useful in analyzing consumer behavior for certain product or brand choices. A brand personality is the specific mix of human traits that may be attributed to a particular brand. For example, Mountain Dew is attributed with thrill and ruggedness. Then there is a person's self-concept or self-image. Its basic premise is that people's possessions contribute to and reflect their identities, that is, " We are what we have".

13. *Psychological Factors:*

A person's buying behavior is also affected by psychological factors such as:

a) **Motivation:** A motive is a need that is sufficiently pressing to direct the person to seek satisfaction. Two important theories of motivation were put forward by:

Sigmund Freud: He assumed that people are largely unconscious about the real psychological forces shaping their behavior. Freud's theory suggests that a person's buying decisions are affected by subconscious motives that even the buyer may not fully understand.

Abraham Maslow: He sought to explain why people are driven by particular needs at particular times. Maslow says that human needs are arranged in a hierarchy which include psychological Notes by Othman Safdar Page 15 needs, safety needs, social needs, esteem needs and self-actualization needs. These needs are arranged in order. The first one is the most important.

Perception: Perception is the process by which people select, organize and interpret information to form a meaningful picture of the world. People can form different perceptions of the same stimulus because of three perceptual processes:

1. **Selective Attention** (tendency of people to screen out most of the information to which they are exposed)

2. **Selective Distortion** (tendency of people to interpret the information in a way that will suit what they already believe

3. **Selective Retention** (tendency to retain information that supports their attitudes and beliefs)

Learning: Learning describes changes in an individual's behavior arising from experience. Learning occurs through the interplay of drives, stimuli, cues, responses and reinforcement. A drive is a strong internal stimuli that calls for action. A drive become motive if it is directed towards a stimulus object. Cues are minor stimuli that determines when, where and how a person responds.

Beliefs and Attitudes: A belief is a descriptive thought that a person has about something. Attitudes define a person's relatively consistent evaluations, feelings and tendencies towards an object.

Organizational buying behavior

Organizational buying behavior is the buying behavior of organizations that buy goods and services for use in the production of other products and services, for using the products in operational non core operation like photocopier for office management or for the purpose of reselling or renting them to others at a profit.

Case Study – A Garment Manufacturing Unit for a Retail Chain

The company is a small 100 worker company manufacturing garments and clothing for retailers in the area. They are high value added clothing makers as the basic clothing is sourced from the factories in Far East (Cross-cultural industrial organizational buying behavior in china). The company has six departments –

1. Operations department – the operations department looks after the manufacturing of the garments. It maintains the production schedule, finishing and packaging of the goods. Under the operations department comes the design studio, which is responsible for the creation of innovative designs.

2. Marketing department – the marketing department looks after the marketing of the garments, it focuses on meeting new retail stores and creating new avenues where the products could be sold.

3. Finance department – the finance department looks after all the financial aspects of the business starting from paying salaries to purchase of fabrics.

4. Human resource – Human resource department took care of need of work force in the organization, it develops appraisal programs and executive development schemes.

5. Technology department – As the technology keep changing in the clothing business, the technology department took care that the company employs the most cost efficient machines in operation. The technology department is also responsible for successful implementation of information technology for tracking order, customer relationship management and brings transparency in the organization.

6. Purchase department – The purchase department is responsible for sourcing fabric, accessories and all the equipment requires for processing order in the factory. It is the role of purchase department to procure all the business requirements of operations department. I personally talked to all the head of the department and talked about the general direction of the decision making process in the organization. The general feedback is that in organization purchase consensus is crucial to reach any decision. Any point that stands out is that organizational need is more important then technological excellence. Based on these choices Imade a broad list of factors the most influence a decision making process in organizational buying.

Buying process in a Garment Manufacturing Unit for a Retail Chain Demand Analysis
Most demand in the organization buying is derived demand so the company's most purchase depends upon orders procured by the organization. To fulfill the orders the company purchase raw materials, semi-finished goods, components, and services as input to the production of other goods and services (fashion.net). Demand from the operation department As the marketing department brings new order and does the demand forecasting it process the information to the operations department. The operations department makes the design

and process the buying requirement to the purchase department. The purchase department categorizes the purchases into three categories –

1. Order Specific Purchases – As the order is received the purchase department looks for the particular design related fabric. In accordance with the design apart from the fabric the operations department requires accessories and other add ons. 2. Re-orders – In the operations department the designers make rough design for making patterns and samples on pattern making papers. So apart from the order related purchases the department requires stationary items used in the designing and design development process.

3. Operational machinery purchase – As the operations keep going there is machine depreciation and mechanical faults. So the operation department has to refer those to the technological department. The technology department will analyze the problem with the machinery and purchases goods like oil and spare parts to maintain smooth functioning of the processes. These are the three basic purchase needs in the companyEnvironmental Factors - these factors are influenced by industry standards, company futureoutlook, financial policy and competitive developments.Organizational influences – the factors are based on objectives of the organization,organizational structure and decision making systems.Interpersonal factors which influences the buying process in an organization is authority, status,empathy and persuasiveness.

Buying process in a Garment Manufacturing Unit for a Retail Chain Demand Analysis
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operation. But the business involves lots of other aspects like unhindered and fluent information flow between departments. To enable such flow the company has to invest in office stationary and communication system. Office stationary is used by all departments so the purchase department purchase stationary for the whole organization from one supplier and keep on reordering it as per the need arises.

Stages of business buying process in the organization

The business buying process is very similar to the consumer buying process, with a few exceptions. Business buying is not gene rally need-driven but it is instead problem-driven (*Business markets and business Buying Behavior*).

Stage One : Need Recognition - the need is recognized for the product , as we saw in our example above the demand for the fabric is a derived demand, the company wouldn't have that need if it has not received any orders to manufacture the new design

Stage Two : General Need Description – As the operation department analyzed the fabric and accessories requirement according to the specification of the design, it orders the procurement bill to the purchase department which is responsible for the purchases in the organization. In its procurement letter it will specify what it will require and how much it will require.

Stage Three: Product specifications – the operations department is specialist in the fabric area it will specify each and every detail to purchase department. What sort of fabric to be purchased how much to be purchases. What are the accessories requirements of the design and in what quantity they will be required.

Stage Four: Supplier Search – once the order is approved, the purchase department will search for the suitable supplier in the market. The purchase department will keep in considerations the key points highlighted in the product specifications so that when it buys the fabric it can get the best bargains on the order. The question here arises is if the operations department knows so much why not it go ahead and buy itself. The answer to it that as the organization has to deal and negotiate with different buyers and suppliers at various times, it is better that the company presents a uniform face as it will help in building long term relationship with the suppliers. Few people dealing again and again will also leads to familiar negotiation. Apart from that the question of specialization comes in picture – specialization in building supplier development

opportunities. It will help the organization in securing long term suppliers with mutual trust and confidence.

Stage Five: Proposal Solicitation - As a few number of competent suppliers are selected, a bid request is sent to them so that they can apply for the order.

Stage Six: Supplier selection – once the proposal solicitation is over the supplier or set of suppliers are chosen to fulfill the requirement of the company. The company can g fabric supplier for different fabrics required in making of the new garment. Similarly it can decide upon the accessories suppliers.

Stage Seven: Order Routine specifications – this stage is involved in machinery maintenance other continuous purchases like stationary etc. Often Blanket contracts are the way to go ahead for maintenance, repair and other operating items.

Stage Eight: Performance review – this is more important in business buying decision making then consumer buying decision as the organization has to keep on needing the same products time and time again. In fact positive performance reviews leads to successful re-ordering and building strong business relations.

Role play by various departments in the buying process

Order Specific Purchases

As the operations department requires the fabric they are the user of the product. Operations department also specializes in fabric details so with in the organization they act as influencer in the whole decision making process (Business buying behavior).

Secondly the purchase department received order from the operations department and analyzesthe order and sends it for approval to the finance department (*integrated marketing communication*). Here even though the purchase department will take the final decision regarding from where to purchase the product it still need to take permission from the approver. So the purchase department is the decision maker and buyer while the finance department is approver.

Re-Orders The decision making process in the re-orders is comparatively simpler to the Order-Specific purchases. In fact for the first time the process remain the samesimultaneously it will require less decision making units with in the organization. For example for purchasing stationary in theorganization, the purchase department for the first time will take account of specific stationary

required by each department along with the general stationary. But from the next time onwards as long as there is no new need and only the re-fill is required the purchase department will be both a decision maker as well as a buyer.

Operational Machinery Purchase

These decisions are related to long term future needs of the company so they are comparatively more critical to Order specific purchases and Re-orders. These decisions define the operational and technological infrastructure of the organization. Once taken these decisions will pave way for doing business in the future (*Purchasing in the Industrial, Institutional, Governmental, andRetail Sectors: A Comparative Study*). The situation I discussed with the company is suppose if we have to replace the sewing machines with the latest automatic machines from Japan. To purchase the latest machinery from Japan, the company will do a comprehensive production comparative research. The research will analyze how much it will affect the productivity in the company and how much time it will

take to make the present work force compatible with the new technology. In this case the need recognition comes not from the user but the top management which understands the need of looking ahead. The Operations department will study how much productivity enhancement will be attained by the workers in the factory over the present system. The Human Resource department will analyze how much time and cost will be required to train the present workforce to work with new machines. The marketing department will analyze how much more market share it can achieve with this increase in quality standards.

The finance department will analyze how much the depreciation account will be so that the new machinery is not a burden on company's top line and bottom line. Above all the technology department will look after the future of this technology and how the repairs and maintenance will cost . After considering all these aspects a purchase decision will be taken, As it is a strategic purchase the Human Resource, Technology, Operations and Finance departments will be the influencer in decision making process. The operations department will be the user of the purchase. All the departments as mentioned earlier will play key role in decision making. Once the decision is made the Purchase department will look a suitable supplier and it will act as buyer in the whole process. The finance department will be the approver of the deal.

FINDINGS

As we found out while researching out business buying with garment manufacturer that it is more often than not taken by a committee in an organization rather than an individual. The whole decision making process starting from recognition of need to general need description to product specification to supplier search to proposal solicitation to supplier selection to order routine specification and finally to purchase.

Conclusion

Business buying department is a lot different then consumer buying decision as it is a demand driven market with less price inelasticity. The market structure and duration of decision is also different. Business purchases involves more buyers in the decision making process and the purchasing efforts are undertaken by professional buyers which makes the

whole process complex. While as mostly consumer buying behavior is one time deal business buying is a continuous endeavor to build long term relationships.

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ENTREPRENEURSHIP FOR RURAL SECTOR

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Abstract:

   Milk is very necessary product in day to day life. It is directly utilized as health care product. But now a day's milk is not just a service it is a business and way to earn lot much profit which may be affect human life. Very biggest fraud in the milk is suddenly arises in the country which is really shocking news for the common man.

   This all activities is mostly carried out in the rural area of the country. There are various news listening day by day that the milk production is very less than that of its requirement. But the original fact is totally different. In many rural areas there is not a proper service or center to sold out the milk for the villagers. That's why we are facing the problem and many companies related to milking business get misuse of this. Chemical uses for increasing life of milk, chemical used for improving the quality of milk.

    All such problem can be affected in today's market. So it is one of the small step from me to do some initiative activities to show original picture of the rural area of the country.

Key Words: rural development,

Objectives:-

➢ Organizational objectives is to educated the farmer about various problem occurs during milk production.

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➢ Providing 100% security on milk purchase (if not having good quality in milk purchase it for milk product in low cost.)
➢ No chemicalisation for improvement in milk quality.

➤

➤ Fair compensation for the good product service.
➤ Collect good quality of milk from the houses of the milk producer or farmer
➤ Reducing transportation cost for farmer or milk producer.

➤ Saving their useful time.
➤ By the saving of time they must utilize that time for improving farming which is always beneficial for themselves and country also.
➤ Build up loyalty and harmony among the producer and organization.

Scope:-

➤ Creating permanent source of income in business.
➤ Beneficial for both side society as well as producer.
➤ Humanistic approach (building loyalty among the people from this organization).
➤ Building relationship.

> ➢ Its helps in competition(which indirectly increases the quality of milk).

Advnatages:

- ✓ It is helps to improve the standard of living in rural area.
- ✓ It also helps to motivate the people for getting more production in business.\
- ✓ Increases farmers thinking power to do more.

Milk collection project for rural sector in future coming soon
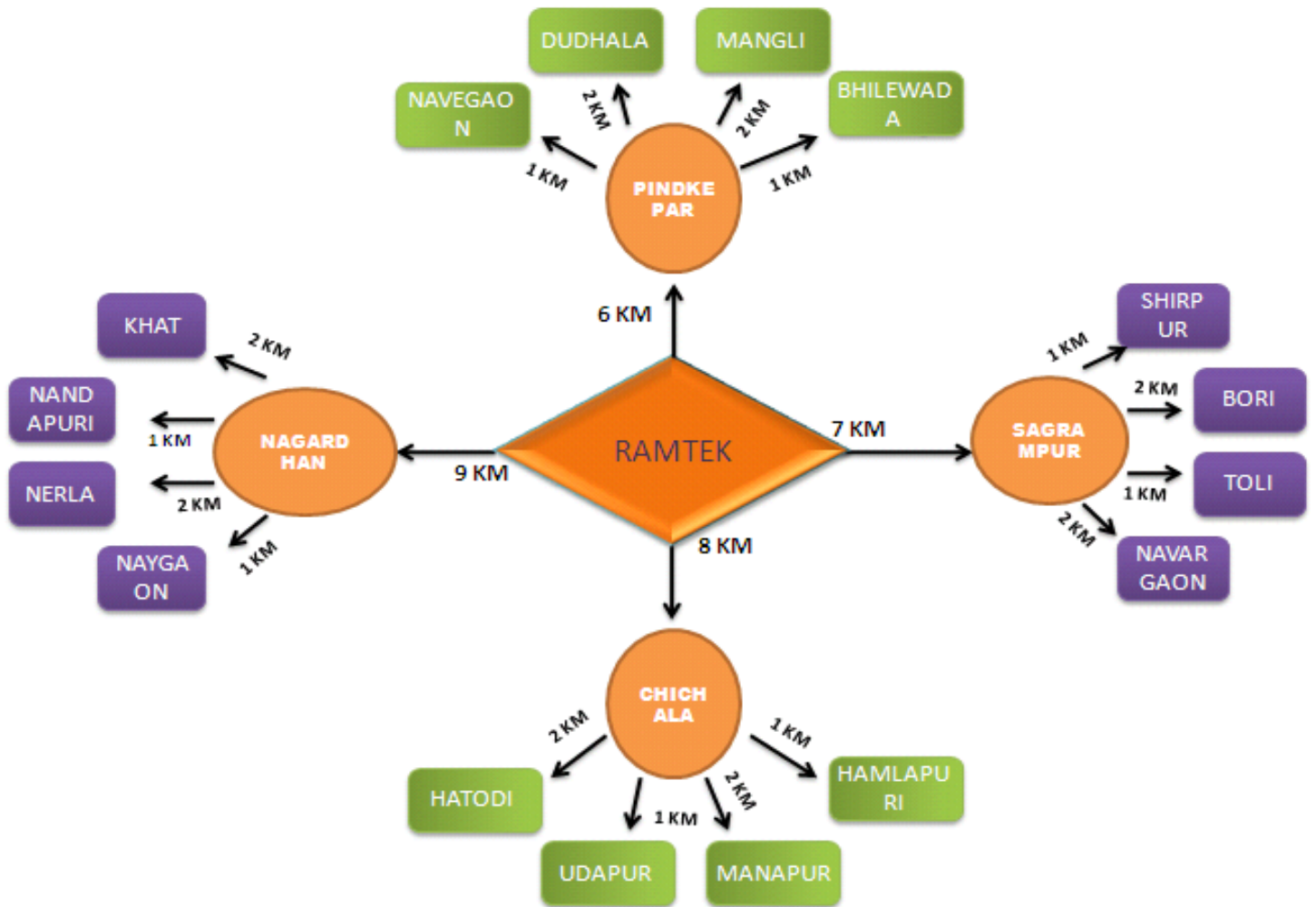
Conclusion:

With the reference of above this it is clearly seen that the transportation problem of milk producer is minimizes and saves their important time for farming sectors and their other business. From such organization the milk producer improves their knowledge about the improving quality of milk. Uses new technology with the help of such organization. Farmer receives the compensation for what they paid, which are missing from other institute due to their non awareness about the knowledge of their business.

Reference:-

www.google.com

Implementation and Effectiveness of ICT in SMEs and Agribusiness.

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ABSTRACT:

Information and Communication Technology (ICT) provides enormous potential for enhancing productivity of different resources in organization. The study investigates the relationship between ICT, organizational productivity and growth in the small and medium sized enterprises (SME) and Agriculture Sector. This paper examines the adoption and use of ICT in SMEs and Agriculture based Businesses in India. It also provides an overview of the policy considerations that come into play in this regard. It discusses, in a nutshell, critical components for a comprehensive policy and legislative strategy that would address, in a holistic manner, the various policy, legal, markets, technological and social considerations that are necessary in order to create conditions conducive for encouraging ICT-enabled SMEs and Agriculture Sector Business.

In this era of globalization, ICT has become a very key component in the emergence of new economies of high reckoning. This study explores the role of Government in the provision of services and proving support in the implementation of ICT in these sectors. Certainly, the Indian Government has had a strong interest in helping and supporting these sectors. The paper deal with above mentioned issues and will try to provide optimum solution for SME and Agribusinesses in the adoption of ICT.

Keywords: SMEs, Agriculture Sector, ICT, technology adoption, eCommerce

INTRODUCTION:

ICT and e-business applications provide many benefits across a wide range of intra- and inter-firm business processes and transactions. ICT applications improve information and knowledge management inside the firm and can reduce transaction costs and increase the speed and reliability of transactions for both business-to-business (B2B) and business-to-consumer (B2C) transactions. In addition, they are effective tools for improving external communications and quality of services for established and new customers.

The rapid growth of technological innovations and the fusion of information technology have drastically changed the way companies compete. Many business enterprises are implementing the information technology for the purpose of gaining competitive advantage in their industry. SMEs and Agriculture Sector occupy an important and strategic place in economic growth and equitable development of India. These Sectors are the driving force behind a large number of innovations and contribute to the growth of the national economy through employment creation, investments and exports. Their contribution to poverty reduction and wider distribution of wealth in developing economies cannot be underrated.

ICTs enhance efficiency, reduce costs, and broaden market reach, both locally and globally. Since the SME & Agribusiness sector plays a major role in Indian national economy, these benefits collectively translate into positive results in the form of job creation, revenue generation and overall country competitiveness. Government, therefore, have an interest in the promotion of access to, and use of, ICTs by SMEs and Agribusinesses.

While we look into new approaches to strengthen them effectively, one has to understand the limitations of both sectors, which include low capital base, concentration of management functions in one/two persons, inadequate exposure to Global Business Environment, inadequate R&D and lack of professionalism. Besides these, the most formidable problem faced by these Sectors has been in accessing technology and maintaining competitiveness.

STUDY OBJECTIVES:

The objective of this paper is to study:

- To explore the current status of ICT in Sectors of SME & Agribusiness.

- To study the use of ICT to improve organizational growth & productivity in these Sectors.

- To explore the ICT infrastructures those are readily available and accessible within India regarding these Sectors.

- To study the role of Govt. in better implementation of ICT infrastructure.

- To study, what are the most critical work activities requiring the use of ICT in these Sectors?

RESEARCH METHODOLOGY:

Research in common parlance refers to a search for knowledge and Methods are tools. A research methodology defines what the activity of research is, how to proceed, how to measure progress, and what constitutes success. in Simple words, This is a way to solve the problem using a systematic approach. In it we study the various steps that are generally adopted by researcher in studying his research problem along with the logic behind them.

Data collection: The study was based on Secondary data. This secondary data was collected through relevant books, journals, annual reports of the SME & Agriculture Sector, different government and NGOs website. This report is based on all these collected data and references for the same is provided at the end of this paper.

SECTOR INTRODUCTION:

I   SMEs in India- A vibrant and dynamic SME sector of Indian economy, with over 11 million units providing employment to over 27 million people, contributes to nearly 40 per cent of the total industrial production and over 34 per cent of the national exports. Exports from the SME sector have experienced excellent growth rates since the turn of new millennium. This has been mostly fuelled by the performance of units in sectors

such as garments & knitwear, leather, auto components, drugs & pharmaceuticals, processed foods and gems & jewellary.

Today, SMEs in India are grappling with fast changes at the market place that is transiting from a controlled economy to a free market set-up. They being the important members within the supply chain are also exposed to the competitive pressures either directly from the market place or indirectly passed on from their higher ups in the chain. Considering the strategic role played by SMEs, it is essential to examine how they can improve their performance in Global Markets and how they can enhance their export competitiveness. While several studies demonstrate the importance of technological advantage in international trade, last decade of twentieth century has witnessed technological transformations mainly led by ICT. Worldwide ICT is helping SME to overcome the digital divide and grab superior business opportunities.

II Agriculture Sector Business in India

India is marching ahead towards second green revolution, the main component of which is market led-extension. Today, India ranks second worldwide in farm output. Agriculture and allied sectors like forestry and fisheries accounted for 16.6% of the GDP in 2009, about 50% of the total workforce. The economic contribution of agriculture to India's GDP is steadily declining with country's broad-based economic growth. Still, agriculture is demographically broadest economic sector and plays a significant role in the overall socio-economic fabric of India.

As per 2010 FAO world agriculture statistics, India is the world's largest producer of many fresh fruits and vegetables, milk, major spices, select fresh meats, select fibrous crops such as jute, several staples such as millets and castor oil seed. India is the second largest producer of wheat and rice, the world's major food staples. India is also the world's second or third largest producer of several dry fruits, agriculture-based textile raw materials, roots and tuber crops, pulses, farmed fish, eggs, coconut, sugarcane and numerous vegetables. India ranked within the world's five largest producers of over 80% of agricultural produce items, including many cash crops such as coffee and cotton, in

2010. India is also one the world's five largest producers of livestock and poultry meat, with one of the fastest growth rates, as of 2011.

NECESSITY OF ICT

In SMEs: SMEs are the main driver for a country's economic growth. However, as the number of SMEs increases, competition increases, which then results in a decrease in prices, customer base, or both. This in turn will erode existing profits, creating less incentive for people to start SMEs. This dynamic is captured by balancing feedback loops where the greater the number of SMEs, the greater the competition, resulting in a slower rate of growth for SMEs. To counter the increasing competition, firms can lower prices, increase promotion of their product, improve their product, add new distribution channels, and/or improve their internal processes. The challenge is to counter competition when the firm still has the financial resources to do so. Otherwise, once the pressure of competition sufficiently erodes the SME's profits, it will no longer have resources to counter the competition and will have to exit the market.

Foreign firms in both the import and export markets further add to competitive pressures, especially if they react faster to improve their product, process, promotion, or distribution channels. This is the problem of the Digital Divide. When firms in developed countries adopt ICT, firms in developing countries will lose out on the competition. This in turn can slow the growth rate of SMEs and hurt the economy as a whole.

ICT can thus play a very important role because it can help SMEs both create business opportunities and combat pressures from competition. Appropriate ICT can help SMEs cut costs by improving their internal processes, improving their product through faster communication with their customers, and better promoting and distributing their products through online presence. In fact, ICT has the potential to improve the core business of SMEs in every step of the business process.

In Agriculture Business: India is blessed with enormous bio-resources that include a wide variety of crops and a favorable environment to utilize this abundance and genetic diversity. India is divided into 16 agro-climatic zones, 10 vegetative zones and 15 biotic provinces.

ICT is now accepted as a dominant tool to achieve national and individual goals for agricultural production and sustained rural economic viability. ICT has the potential to communicate farm information to a large number of farmers simultaneously and quickly. This will make a major contribution to the Indian agricultural sector.

In addition to having an enabling environment, the Indian farmers need to be empowered with knowledge and sensitized to keep adapting to the changing situation. The National Agricultural Policy (NAP) envisions leveraging ICT in a big way for enhancing the competence level of farming community. Farmers need to be equipped with knowledge about pre- and post-harvest aspects of agriculture as per the requirements of emerging market driven economy.

E-Governance in agriculture has been included as a mission mode project under the National e-Governance Plan (NeGP). Despite the proven catalytic potential of the ICT, the continued large proportion of resource-poor small and marginal farmers in our country, their low literacy levels, lack of required skills of the government functionaries operating at grassroots etc. are some of the indicators of the complexities involved in achieving the ambitious goal. E-Governance strategy for the agriculture sector has to keep into view the interplay of continuity and change forces for intended benefits to reach the masses. The forces contributing to continuity are considered as agrarian base, resource poor farmers, federal constitution, culture, institutional framework, centralized planning and investment in technology. The change forces are: growing emphasis on decentralized planning, liberalization, globalization, agricultural reforms, and ICT induced opportunities.

EXISTING ICT ADOPTION IN INDIAN SMES & AGRICULTURE SECTOR

Indian SMEs: Today a wide spectrum of infrastructure in terms of laboratories, R&D institutions, inhouse R&D establishments' *etc*. covering several disciplines. The chain of laboratories/ institutions under CSIR, DST, DBT, ICAR *etc*. besides academic institutions like IIT, NIT *etc*. too play a crucial role in responding to the technological demands from the SME sector. The Ministry of SSI & ARI keeping in view the concentration of such enterprises has also specially established several Tool Rooms and common facilities.

Besides, different Ministries have set-up their own R&D institutions to address the technological and training/ skilling requirements of SMEs. To cite a few examples Ahmedabad Textile Industries Research Association- ATIRA, North India Textile Industries Research Association- NITRA, South India Textile Industries Research Association- SITRA, Indian Jute Industries Research Association- IJIRA *etc*. (by the Ministry of Textiles), Indian Institutes of Packaging (Ministry of Commerce), Central Coir Research Institute – CCRI (Ministry of ARI), CIPET (Ministry of Chemicals & Petrochemicals), Indian Plywood Industries Research Institute (Department of Industrial Development) *etc*.

The third form of support to SMEs for their technology upgradation, training, reskillng, entrepreneurship *etc*. comes in the form of schemes/programmes by Ministries of SSI & ARI, Science & Technology, Textiles, Food & Agriculture, Labour & Employment *etc*. Notwithstanding these efforts by various Ministries and Agencies, SMEs still struggle to engage themselves in competitive R&D & technological development efforts due to high financial risks.

Agriculture Business: ICT innovations can be of great help in offering a communication platform for linking farmers to markets. Various IT initiatives in Indian agriculture have been started at national level by Government of India. Some of the popular service models among them are Kissan Call Centers, (*www.kisancallcenter.net*) and web portal initiative (www.agmarket.nic.in) providing market price information across various agricultural markets in India. Under the Government of India's National e-Governance Plan, the AGRISNET, proposed Common Service Centers and Village Knowledge Centers which will help India harness the emerging potential of ICTs comprehensively for the benefit of farmers and all partners of agribusiness offering both synergy and value addition.

The commodity exchanges such as MCX and NCDEX are also using ICT extensively for facilitating commodity trade. Besides national initiatives, states have also come up with various initiatives, eg, in Assam (ASHA) and Kerala (Kissan Kerala and e-krishi). By overcoming infrastructural, technological, social and organizational constraints, India can lead its way to successful implementation of ICTs in agribusiness

After the emergence of food retailing in the country and rising opportunities for global markets, the private sector is also leveraging the power of IT to explore rural potential, as a result of which it has also started initiatives viz., knowledge centers of MSSRF, e-Choupal of ITC, Ikisan of Nagarjuna Fertilizers & Chemicals Ltd. Besides, corporate viz., TAFE, Mahindra and

Mahindra and several others are adopting new business models backed by ICT. The efforts of Cooperative sector can't be ignored either with examples of Dairy Information Services Kiosk (DISK) of NDDB and wired village WARANA.

ROAD AHEAD: GOVT. POLICY FOR BETTER IMPLEMENTATION OF ICT

ICTs will increasingly empower SMEs to participate in the knowledge economy by facilitating connectivity; helping to create and deliver products and services on a global scale, and providing access to new markets and new sources of competitive advantage to boost income growth. It should be noted that in India, the SME & Agriculture sector plays a key role in national economic development strategies by facilitating flows of information, capital, ideas, people and products. Their contributions to employment and the countries' gross domestic product (GDP) are by no means trivial. These contributions can further be enhanced and strengthened through the use of ICTs that are increasingly transforming modern businesses by enabling the rapid, reliable and efficient exchange of large amounts of information. Access to and the use of ICTs by SMEs, particularly as a collective sector, will lead to greater job creation, increased public revenue and a general rise in the standard of living.

Moreover, while ICTs are not a universal remedy for all development problems, they do offer enormous opportunities to reduce social and economic inequalities, particularly those related to income generation, poverty reduction, education, health, environment and gender equity, and thus help achieve broader development goals.
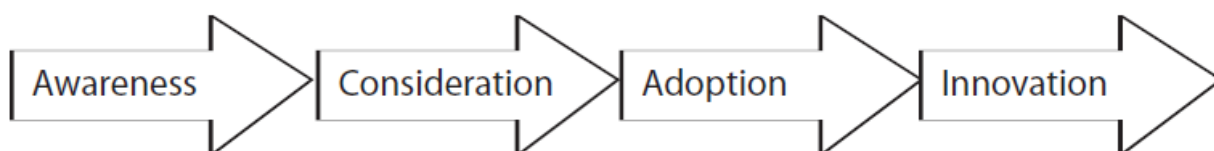
Stages of ICT Implementation

There are a number of specific steps that governments can take to promote the access to, and use of, ICTs by SMEs.

First, governments themselves can and should engage in e-commerce. Governments make sure to buy a share of their goods and services from domestic producers. The governments begin using e-procurement techniques to do so, they can provide an important incentive for producers to begin using e-commerce as well.

Second, through a deliberate effort at e-governance, governments can use ICT to provide better and more transparent service. In some cases, the lack of transparency in the process (corruption) can and often does thwart SME efforts to compete nationally and or globally.

Finally, and most importantly, governments can provide the legal, policy and regulatory framework and public services that can encourage the growth of e-commerce amongst SMEs. Public policy is the tool by which governments can help to create an environment, and remove barriers for businesses to adopt ICTs.

Policy Consideration: This requires careful thinking of legislation and policies that are, or ought to be in place for a wide array of interests and covering issues on e-commerce, cybercrime and security, privacy and data protection, competition, intellectual property rights, consumer protection, the digital divide and e-governance, among others.

Key policy directions in this respect should cover:

1. **Business Environment.** As a basic requirement, a healthy business environment is fundamental for firms to thrive and benefit from ICTs. This includes:

   - A transparent, open and competitive business framework;

   - Clear independent rule of law for all firms;

   - Easy set up and dissolution of businesses;

   - Transparent, simple and accessible corporate regulations, and

   - Equal and stable legal treatment for national and cross-border transactions.

In other words, governments must develop and implement policies and regulations that will make it easy for people to set up businesses, and remove barriers to help these businesses become more profitable and competitive.

2. **Network Infrastructure and Broadband Deployment.** Broadband connectivity is a key component in ICT development, adoption and use. It accelerates the contribution of ICTs to economic growth, facilitates innovation, and promotes efficiency, network effects and positive externalities.

3. **Regulatory Trust.** SMEs need to be able to ensure that the regulatory system will address security, privacy and consumer protection interests. Issues that need to be considered include:

   - Cyber-crimes and cyber-security.

   - Spam.

   - Cross-border cooperation

   - Presence of low-cost online dispute resolution mechanisms among firms, and between firms and consumers.

4. **Content Development.** Governments and the private sector have key roles in facilitating content availability across all platforms and encouraging local development of new content, including content from public sources. In this area, governments must consider and strike a balance between the need to protect intellectual property rights, and their interests in fostering access to information and new ideas in order to promote innovation.

5. **Human Capital Development and Skills Enhancement.** Lack of ICT skills and business skills are widespread impediments to effective uptake once adoption decisions are made. Governments have major roles in providing basic ICT skills in primary and secondary schooling, and an important role in conjunction with education institutions, business, and individuals in providing the framework to encourage ICT skill formation at higher levels, in vocational training and in ongoing lifelong learning.

6. **Information.** Small firms may lack objective information regarding the benefits and costs of adoption of ICTs. The private sector and governments have a role, and can provide information about services, and when necessary improve coordination of government information on the benefits of adoption and use of ICTs, for example case studies and good practice demonstrations to tackle market failures in information supply.

7. **e-Governance.** Online provision of government information and services can increase the efficiency and coverage of public service delivery to SMEs. Moreover, as model- and standard-setting users of broadband, governments can convincingly demonstrate the potential of broadband-based services and content as well as the benefits of ICT adoption by small firms, thus helping to spread new services more widely. Education, general government information and services, and provision of government services to businesses and citizens can all potentially benefit from the use of new high-speed infrastructure and services, and should be given priority in government strategies.

8. **Public-Private Partnerships.** Authentic partnership with the private sector is key to developing effective e-business policies for SMEs and Agriculture sector Business. In public-private partnerships, there is a recognition that governments' primary role in ICT development is to provide an enabling policy, legal and regulatory environment that levels the playing field and allows the private sector to compete freely and fairly.

Thus, while public authorities play a crucial role in promoting the adoption of the Internet for business purposes, it is important to note that ultimately, the private sector is better positioned and qualified to undertake implementation.

Initiatives and projects to develop the ICT sector will have a higher chance of success and sustainability if these are market-led, rather than government-led. The private sector should provide leadership through investments, capitals and other resources.

Market forces alone, however, cannot guarantee the full development of an inclusive knowledge-based economy. Programmes to promote access to ICTs, particularly in rural

and remote areas, may fail if the private sector does not feel ready or inclined to invest in places where there is little profit to be made.

Governments, therefore, must remain vigilant in their role of verifying that, at any time, implementation is proceeding consistently with their policy objectives.

CHALLENGES IN IMPLEMENTATION OF ICT MODELS

Though many models exist in the field of agribusiness and SMEs, some are running quite successfully, whereas others have a long way to go. The success of these models depends on how effectively and efficiently the stakeholders are able to make use of these technology initiatives so as to really extract benefit out of these.

The very first challenge these models have to meet is that of sustainability. Initially, these projects must be funded by Government and other development agencies, but to succeed in the long run, they need to generate means for revenue generation. Second, the implementation of these innovations at field level suffers due to many technological, socio-economic barriers such as:

- Poor financial situations
- Low levels of R&D
- Poor adaptability to changing trade trends
- Desire to avoid risk
- Non-availability of technically trained human resources
- Emphasis on production and not on production costs
- Lack of management skills
- Lack of access to technological information and consultancy services
- Infrastructural gaps such as electricity connection, Internet connectivity, etc.

CONCLUSION

It may be conclude that, in order to deliver the right benefits to the SMEs and Agriculture sector, financial viability is a must. It must ensure speedy and timely service to attract more

stakeholders. A right strategy regarding sustainability, a participative style of management, selection and capacity building of staff involved are very critical to the success of ICT models.

To increase ICT adoption, it is useful to review following points:

- Target entire industries that are most likely to benefit immediately from ICT.

- Efforts to increase awareness should focus on concrete benefits, be industry specific, and target the right audience.

- Decrease the barriers to ICT adoption.

- Create locally relevant resources online.

- Partner with other organizations.

Something that remains unclear is that the full success of ICT in these sector is depend on whether this failure by SMEs to avail themselves of advice and guidance made available by the Government reflects the quality of solutions offered or a more basic lack of awareness by SMEs. The main impediments to ICT adoption cited were the lack of 'tailored' ICT applications.

For the successful implementation of ICT, the operational and control systems also play an important role. Hence, an implementation strategy involving communities at the grassroot level and collaboration with local authorities/companies would help rural masses and promoters reap benefits of these ventures.

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- Various eGovernance websites like *www.kisancallcenter.net*

Role of Technology in Development of Banking Sector

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Abstract: This paper is undertaken to dilate the current developments and implications of technology and internet banking. Thanks to technology, and Internet access in particular, we seldom have to leave the house if we don't want to but now we can order flowers, pay bills, book a flight, make investments etc. In fact the list is endless; we can do just about anything without setting foot outside our homes. In a nutshell we can shop, communicate and even do our banking online. It seems the future is online and fascinating that with the click of a mouse, online banking is almost replacing banking as we used to know it. Most standard transactions are possible through the net. In addition, developments of modern computer technology have also enabled banks to lessen the cost of bank transactions by having the client interact with an e-banking facility rather than with a human being. E-banking applications, which include automated teller machine (ATM), telephone banking, mobile banking, digital television, debit and credit cards, internet banking, etc. has become one of the main battlefields of the banking industry. Internet can be seen as a truly global phenomenon that has made time and distance irrelevant to many transactions. Today many local, private banks and foreign banks have started using technology to serve their customers with greater flexibility. In this paper Standard Chartered Bank, ICICI Bank, HDFC Bank, Citi Bank are considered.

Keywords: Technology, Growth, Information Technology, Service

INTRODUCTION

Banking historically has been a sector based on individual or institutional client service. In the past, customers rarely noticed the computer systems that made the information systems operate.The arrival of foreign and private banks with their superior state-of-the-art technology based services has pushed several banks to adopt the latest technological advances so as to meet the threat of competition and customer expectations.The new millennium has brought with it challenges and opportunities in various fields of economic activities including banking. Bank design has evolved radically in the past 10 years and technology has been the number one driver. Today, websites, electronic mail, and electronic bill presentment and payment systems are an important way for banks to reach their customers. In fact, we have now reached a stage where it may be difficult to even imagine how a business or an industry or banks would even survive without IT. The banking sector is no exception to this changing scenario which is sweeping across the world. Computers, telecommunications and internet technologies are now central to daily banking operations. By the use of these technologies banks have now an opportunity to make the communication link look more flexible and professional. With gradual adoption of information technology (IT), the bank puts up a website that provides general information on the banks, its location, services available, for instance, loan and deposits products, application forms for downloading and e-mail option for enquiries and feedback.

Banks have traditionally been in the forefront of harnessing technology to improve their products, services and efficiency. In recent years, banks have been moving towards automation and computerization of operations, adding ATMs across the country and encouraging their customers to use internet banking. Internet banking, both as a medium of delivery of banking services and as a strategic tool for business development, has gained wide acceptance internationally with more and more banks entering the fray. Internet banking is expected to get a boost from such developments. In this background, banks are moving in for technological upgradation on a large scale.By introducing the possibility of online payments and other financial transactions, IT in banking has scaled up immensely the level of activity across sectors by making services and products easily available and

accessible to an ever increasing net of people. Today, with the widespread growth of the internet, customers may use this technology anywhere in the world to access a bank's network. Moreover, with cyber cafes and kiosks springing up in different cities, access to the net is becoming easy. The internet, as an enabling technology, has made banking productsand services available tomore customers by eliminating geographic and proprietary systems barriers. With an expanded market, banks also may have opportunities to expand or change their product and service offerings. Internet banking is the latest in this series of technological wonders in the recent past involving use of internet for delivery of banking products and services. Internet banking is changing the banking industry and is having major effects on banking relationships.

Banking is now no longer confined to the branches were one has to approach the branch in person, to withdraw cash or deposit a cheque or request a statement of accounts. In true internet banking, any inquiry or transaction is processed online without any reference to the branch at any time. Providing internet banking is increasingly becoming a 'need to have' than a 'nice to have' services. Net banking, thus, now is more of a norm rather than an exception in many developed countries due to the fact that it is the cheapest way of providing banking services. Technologically, implementing web-based banking is transparent to the end-user (customer) is challenging. Hence, banks that do not offer Internet banking should quickly move towards integrating web-based services into their existing business models and channels.

LITERATURE REVIEW:

Many firms in the service industry face the problem of disparate results in terms of efficiency. This problem is a cause of concern for many big organizations such as banks, hotels, courier companies, and so on. In particular, the last decade has witnessed continuous changes in regulation, technology and competition in the global financial services industry, and Indian banks are no exception. To assess the stability of the banking system, it is therefore crucial to benchmark the performance of banks operating in India. An efficient banking system contributes in an extensive way to higher economic growth in any country. Thus, studies of banking efficiency are very important for policy makers, industry leaders

and many others who are reliant on the banking sector. The present study investigates the technical efficiency of banks, segmented in terms of ownership. For this purpose, the data envelopment analysis (DEA) model was used with five input variables (viz. borrowings, deposits, fixed assets, net worth, and operating expenses) and four output variables (advances & loans, investments, net interest income, and non-interest income), and the efficiency scores were calculated for a sample of forty-nine major banks operating in India. (**Mihir Dash, Christabel Charles, 2009**)

This research paper aims to identify the generic service quality dimensions of technology based banking and to examine the effect of these dimensions on customer satisfaction and customer loyalty. The paper identifies four generic service quality dimensions in the technology-based banking services – customer service, technology security and information quality, technology convenience, and technology usage easiness and reliability. It was found that customer service and technology usage easiness and reliability have positive and significant impact on customer satisfaction and customer loyalty. It was also found that technology convenience and customer satisfaction have significant and positive impact on customer loyalty. Examining the service quality dimensions' impact on customer satisfaction and customer loyalty for technology-based banking can offer banks valuable insights regarding which aspects of the service to focus on in order to improve customer satisfaction and loyalty towards the firms. (**Shrishendu Ganguli, Sanjit Kumar Roy, 2009**)

The research paper aims to empirically examine the factors that affect the adoption of online banking in today's world. Perceived usefulness, perceived ease of use, trust and government support were examined to determine if these factors are affecting online banking adoption. The results allow banks' decision makers to develop strategies that can increase the adoption of online banking. Banks should improve the security and privacy of the web sites, which will increase the trust of users. Banks should also create features which are useful to users and make sure users are aware of these features. Lastly, government should also play a role to support banks in their efforts to increase online banking adoption. Unlike existing studies based on Technology Acceptance Model (TAM), this study includes both security and

government support on top of the existing variables used in TAM. Most studies on adoption of online banking are focused on developed countries. This model can also be applied to other countries which are relatively new to e-commerce and online banking.

Philip Drover, 2007

The banking and thrift industries are experiencing a technological metamorphosis. New technologies such as advanced computer operating systems, wide and local area networks (WAN, LAN), and the Internet, are becoming significant strategic areas for financial institutions. The impact, composition, and trends of information technology on the banking and thrift institutions within a seven-state region of the southeastern United States are examined. Bank characteristics such as asset size, number of employees, number of full service locations, areas of lending, and return on assets are evaluated in relation to the status, scope, and experience with computer network systems. Research indicates that a number of bank composition and operations variables behaved statistically independent between size variables (assets, number of employees, and number of branches) and WAN access. The survey data also indicate that return on assets and network system variables are independent. Therefore, networks systems have not had a direct impact on the bottom line. (**Zhiwei Zhu, Larry Scheuermann, Billy J. Babineaux Jr, 2008**)

RESEARCH METHODOLOGY

Secondary data pertaining to this study was obtained from Books, Magazines, Technical and Trade Journal; Reports prepared by researchers, economists; Websites.

TYPE OF RESEARCH

Comparative:

Comparative research is the act of comparing two or more things with a view to discovering something about one. This method provides an explanation about the extent of relationship between two or more variables. It examines the relationships including similarities or differences among several variables. This technique often utilizes multiple disciplines in one study. Quantitative analysis is much more frequently pursued than qualitative, in the comparative research.Secondary analysis of quantitative data is relatively widespread in

comparative research.This study is generally aggregate data analysis. Comparing large quantities of data (especially government sourced) is prevalent.

RESEARCH OBJECTIVES:

1. To know the importance of technology in banking sector;

2. To know the present condition of technology used by referred banks (Standard Chartered Bank; ICICI Bank and Citi Bank)

3. To analyze the technological innovations and up-gradations.

4. To provide better services to their customers by facilitate them with greater flexibility, convenience and access to banking.

DATA ANALYSIS:

Importance of Technology in Banking Sector: -
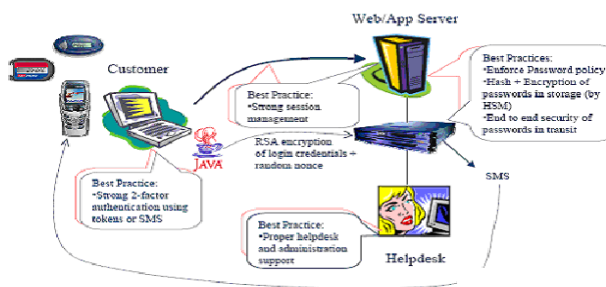
In earlier years, the customer had to move from one counter to the other counter for different sort of works in bank. But now, banking is no longer confined to the branches were one has to approach the branch in person, to withdraw cash or deposit a cheque or request a statement of accounts. With the help of computerization and the use of modern software, which can be called **"the gift of technology"**, the banks have been able to provide single window system to their customers. In a single window system, all the needs of the customers are taken care at a single counter. It is like a multipurpose counter where one can deposit cheque, receive payments and deposit cash etc. This has been made possible only due to the use of technology. To adjust withthe pace of the new technology and changes banks are molding and adapting itself to new needs and the dynamism of the environment.

Most of the banks are focused on traditional IT banking applications and systems whereas some have ventured into newer types of applications, such as e-banking and e-commerce etc.

According to the survey done, the banks started their transition to new systems at the beginning of the century. Only handfuls have dared to venture into new technologies in the late 1990s. Interviews with the banks' e-banking point persons reveal that some banks are waiting for market responses. Even big commercial banks won't join the e-banking fray, for instance, simply because it's the trend.

Internet banking (also referred as e-banking) is the latest in this series of technological wonders in the recent past involving use of Internet for delivery of banking products & services. **"Only about 1 percent of Internet users did banking online in 1998. This is increased to 36.7 percent in March 2010 (India Research, May 29, 2010, Kotak Securities)".**In India, ICICI bank was the pioneer to introduce InternetBanking and later Citibank followed by other banks

.**Importance of Technology: -**

1. With the use of technology, banks are trying to minimize there per customer service cost. According to industry estimates, it is estimated that teller cost Re.1 per transaction, ATM transactions cost Re.0.45, phone banking at Re.0.35, debit cards at Re.0.20 and Internet banking at Re.0.10 per transaction.

2. Technology is helping the Banks to cater customer needs in a much more efficient manner continuously with error free services.

3. Technology provides round the clock interface to the outside world and thus it helps in hedging the risk of the banks at real time.

4. With the help of new technology, banks are now able to offer products and services, which were difficult or impossible with traditional banking.

5. Convenient banking i.e. "**Anytime, Anywhere banking**". A customer can check balance by logging into banks website through a user name and password. In this way he can enquire balance, status of cheques, perform funds transfers, order drafts, request issue of cheque etc.

Benefits of Technology: -

1. With the use of technology banks are in a position to obtain the customer database with a press of key and this helps the bank to maintain high profile customers because it is an

accepted marketing principle that 80% of the revenue are generated by 20% customers (20:80 principle). Thus, the modern technology helps in tracking the key customers and provides them better services or customized services.

2. With gradual adoption of Information Technology, the bank puts up a web site that provides general information on deposits products, application forms for downloading and e-mail option for enquiries and feedback.

3. Modern technology helps in tracking the key customers and provides them better services or customized services.

4. Several banks have been positioning themselves as a one-stop shop financial service provider with a fairly exhaustive range of products, including deposit products, loans, credit cards, debit cards, depository (custody services), investment advice, bill payments and various transactional services.

5. Technology has opened up new markets, new products, new services and efficient delivery channels for the banking industry. Online electronics banking, mobile banking and internet banking are just a few examples.

TECHNOLOGY PRODUCTS IN A BANKING SECTOR:

- Net Banking
- Credit Card Online
- . Instant Alerts
- Mobile Banking
- e-Monies Electronic Fund Transfer
- Online Payment of Excise & Service Tax
- Phone Banking
- Bill Payment
- Shopping
- Ticket Booking
- Railway Ticket Booking through SMS
- Prepaid Mobile Recharge

♦ Smart Money Order.

♦ Card to Card Funds Transfer

♦ Funds Transfer (eCheques)

♦ Anywhere Banking

♦ Internet Banking

♦ Mobile Banking

♦ Bank @ Home "Express Delivery"

Graph of comparison of internet services: -

♦
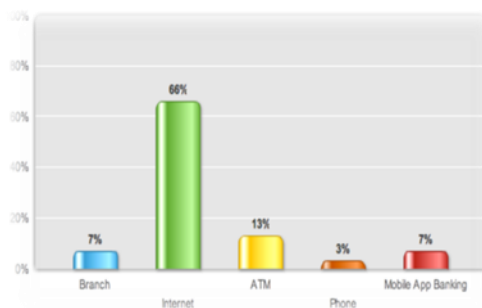
♦ Source: India Bank Association

The above graph shows that technology in banking has played a vital role. Today many banks are providing services through internet for customer satisfaction and for their comfortability. According to the research study in most of the developed economies Internet Penetration is at 65-75% that Internet Banking is hovering around 40-50% of the population.There were a series of technological innovations and up-gradations, e.g., ATMs, Internet Banking, credit cards and online banking, etc. As we can see in the above graph near about 66% of people prefer the internet banking in the whole world. Whereas ATM is 13% which is taking toll now-a-days.Now ATM banking hasbecome an integral part of traditional cheque or withdrawal basedbanking.**"Mobile banking customers are no longer only professionals, the technologically savvy or those who are better educated…these customers now come from all walks of life".** Mobile Banking and Branch banking share the same place i.e.7%. Mobile Banking as well as Branch Banking is coming with a greater pace to match up with the customers' expectations. A recent survey by mBlox showed that already mobile internet banking has surpassed both branch banking and traditional telephone

banking in terms of usage. Phone banking which has not been familiar with customers are now coming up with new technology and banks are too taking steps to come up with easy facility provided through phone.

Comparison of Services Provided Through Internet
Range of Online Services: -

The emergence of online banking in the recent years has brought about both positive and negative perception in the banking industry as a whole.   Advancements in computer technology saw the banks networking their branches and operations thereby making the one-branch philosophy a reality. Online banking providesa range of services which is mentioned

Standard Chartered Bank	ICICI Bank	Citi Bank
• Account Information; • Funds and Payments; • Inter Bank Fund Transfer; • Investment Services; • Credit Card Services; • Online Applications; • Market watch; • Personal update; • Personal mailbox	• Bill Payment; • Fund Transfer; • Ticket Booking; • Online Tax Payment; • imobile; • Online pension calculator; • Prepaid mobile recharge; • Share Trading; • Donate online; • Online Loans; • Credit Cards; • Money Manager	• Bill Payment; • Mobile banking; • Text Banking; • Bank Statements; • Transfer Services; • Pop Money; • Account alerts;

below:

NRI Services:

NRI Services of Bank is specially designed for global Indians. Following are the available comprehensive NRI services:

NRE Account: NRE stands for nonresident external account. NRIs, PIOs, and OCBs are all able to get an NRE Account. The different ways to open this account would be either like a savings or fixed deposit. This account accepts all legal foreign exchange and transactions concerning other NRIs. You may transfer finances from one bank account to another if the

name is the same on both of the accounts. This is the most common account used to cater NRI banking need.

NRO Account: NRO stands for non resident ordinary account. The different ways to open this account would be either like a savings or fixed deposit. You can get this account by sharing it with a resident of India. An NRO account is also given that name once an Indian citizen leaves the country on business or something of the sort. All of the interest income coming from an NRO account is taxable.

FCNR Account: FCNR stands for foreign currency non resident accounts. NRIs, PIOs, and OCBs are all able to get an FCNR Account. Such account is available in Dollars, Pounds, Marks, Yen, and Euro. This type of account can be open for no longer than two years. All of the interest income coming from an FCNR account is eventually taxable. You can also use an FCNR account for paying off exports from India and for investing in India

NRE, NRO & FCNR account: -

Particulars	NRE a/c	NRO a/c	FCNR a/c
Best Suited for	To park overseas savings remitted to India by converting to INR	To park Indian earnings like rent, Indian salary, dividend, etc	To park overseas savings in the foreign currency of choice
		1) Can open as a Savings Account, Current	1) Can open as a Fixed Deposit; 2) Can be

| **Feat ures** | | Account or Fixed Deposit;

2) Can be held jointly with other Residents or NRIs;

3) Subject to tax deducted at source at 30.6%;

4) Cheque Book for Savings Account available ;
5) ATM card. | held jointly with other NRIs;

3) Exempt from tax deducted at source. |
|---|---|---|---|

Various Electronic Delivery Channel
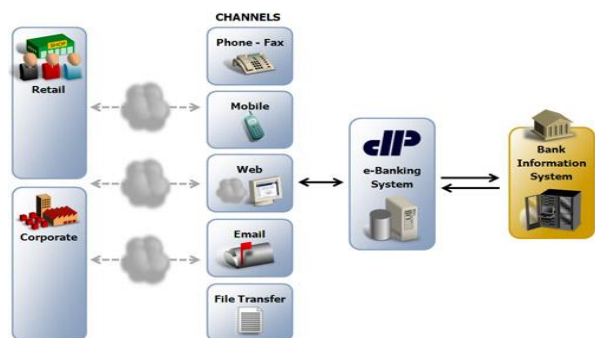
Online Banking includes various electronic delivery channels which are mentioned below: -

Automated Teller Machine (ATM): ATM device used by bank customers to process account transactions. Typically, a user inserts into the ATM a special plastic card that is encoded with information on a magnetic strip. The strip contains an identification code that is transmitted to the bank's central computer by modem. To prevent unauthorized transactions, a personal identification number (PIN) must also be entered by the user using a keypad. The computer then permits the ATM to complete the transaction; most machines can dispense cash, accept deposits, transfer funds, and provide information on account balances. Banks have formed cooperative, nationwide networks so that a customer of one bank can use an ATM of another for cash access. The first ATM was installed in 1969 by Chemical Bank at its branch in Rockville Centre, N.Y.

Sr. No.	Name of Bank	Bank Type	ATM
1.	ICICI Bank	Private	3881
2.	CitiBank	Foreign	465
3.	Standard Chartered Bank	Foreign	223

Source: RBI (http://www.rbi.org.in/scripts/PublicationsView.aspx?id=9868) and individual bank's website

Unique features of ATM:

Standard Chartered Bank	ICICI Bank	Citi Bank
• No transaction charges on the use of card; • 24*7 service; • Balance enquiry; • Pin change	• Cash withdrawal of upto Rs. 25,000/- per day; • Balance enquiry and Mini statement generation; • Deposit of cash and cheue; • Fund Transfer; • Pin change; • Payments; • Cheque book requests	• Cash withdrawals; • Mini statements; • Balance inquiry; • Cheque and cash deposits; • Credit cards bill payments through cheque and cash
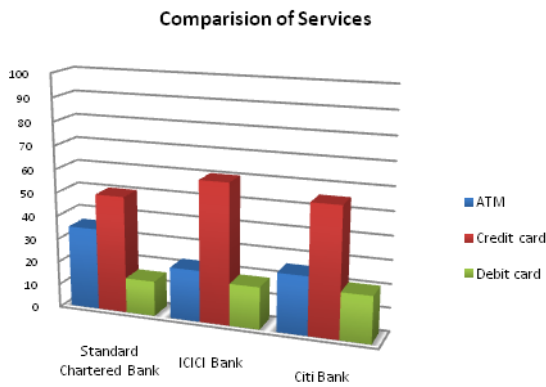
Source: India Bank Association

Telephone Banking:- "Telebanking (telephone banking) can be considered as a form of remote or virtual banking, which is essentially the delivery of branch financial services via telecommunication devices where the bank customers can perform retail banking transactions by dialing a touch-tone telephone or mobile communication unit, which is connected to an automated system of the bank by utilizing Automated Voice Response (AVR) technology"

Features of Telephone Banking: -

Standard Chartered Bank	ICICI Bank	CitiBank
• Balance check; • Transaction details; • Transaction status enquiry; • Order demand drafts; • Funds transfer to inter-linked accounts; • Change in deposit tenure; • Complaints and grievance redressal;	• Conduct financial and non financial transactions; • Making payments; • Checking account information; • Cheque book request; • Cheque status enquiry;	• Direct access to your Citibank account; • Provide a T-PIN to ensure security and privacy; • Account balance; • Fund Transfer requests; • Execute payments; • Application for various banking products; • Opening of a new account • No charges are levied

Personal Computer Banking: -

"PC-Banking is a service which allows the bank's customers to access information about their accounts via a proprietary network, usually with the help of proprietary software installed on their personal computer". Once access is gained, the customer can perform his transactions or check his details regarding his transactions. Personal Computer banking establishes a branch in the customers' home or office, and offers 24-hour service, seven days a week.

Branch Networking: - Networking of branches is the computerization and inter-connecting of geographically scattered stand-alone bank branches, into one unified system in the form of a Wide Area Network (WAN) or Enterprise Network (EN); for the creating and sharing of consolidated customer information/records. It offers quicker rate of inter-branch transactions as the consequence of distance and time are eliminated.

Sr. No.	Name of the bank	Bank Type	Branches
1.	ICICI Bank	Foreign	2035
2.	CitiBank	Foreign	1400
3.	Standard Chartered Bank	Foreign	1700

Source: RBI (http://www.rbi.org.in/scripts/PublicationsView.aspx?id=9868) and individual bank's website

Electronic Fund Transfer at Point of Sale: - An Electronic Funds Transfer at the Point of Sale is an on-line system that allows customers to transfer funds instantaneously from their bank accounts to merchant accounts when making purchases (at purchase points).

S. No.	Name of Bank	EFTPoS Service
1.	Standard Chartered Bank	Applicable
2.	ICICI Bank	Not Applicable

3.	CitiBank	Not Applicable

Transfer2Home:- Transfer2Home is private label <u>remittance service</u> introduced by Standard Chartered Bank in association with "Times Of Money". This service enables NRIs to **send money home** from US, UK, Singapore, Hong Kong, UAE, and Bahrain.

Particulars	Standard Chartered Bank	ICICI Bank	CitiBank
Service introduced	Transfer2Home	Money2Send	Transfer Fund
Countries covered	USA, UK, Singapore, Hong Kong, UAE, India and Bahrain	India, US, UK, Singapore, Hong Kong, UAE, Russia, Canada, Sri Lanka, Qatar, Dubai, South Africa, China, Bangladesh, Thailand, Malaysia, Indonesia, Belgium, Germany etc.	Egypt, Australia, Bahrain, China, Hong Kong, Japan, Malaysia, Korea, Singapore, Thailand, UAE etc.
Features	• Zero remittance charges; • Competitive exchange rates; • No paper work involved	• Charges charged as per the money transfer method; • Time Taken is 48 hours; • Tracking the status; • Make donations and pay bills	• Transaction limit $5,00,000; • No charges; • Instantly funds can be transferred

Customized Banking Services of Bank: Some of the products of customized banking are Personal Banking, SME Banking, Commercial Banking and many more.

Personal Banking Service of Standard Chartered Bank: -

A wide range of accounts is provided for different purposes. Customers can get good amount of interests from their savings in these accounts. On the other hand, the credit and debit card

products of the bank are designed to provide financial flexibility to the customers. Foreign Bank offers a number of personal banking products to the customers. Some of the products offered by the bank are as follows:

Standard Chartered Bank	ICICI Bank	CitiBank
• Regular Banking Services, • Credit Cards, • Debit & Prepaid cards, • Loans & Mortgages, • NRI Banking Services, • Executive Banking, • Insurance & Investment products.	• Deposits; • Loans; • Personal use Cards; • Investments; • Online Share Trading; • Wealth Management & Property Services; • Forex & Remittance Services	• Credit & Debit Cards; • Loans; • Investment; • Insurance; • Forex Services;

SME Banking Services of Banks: -

These services are designed to provide financial assistance to the small and medium businesses and to stimulate their development process. Both secured and unsecured loans are provided by the bank. At the same time, there are several services that are meant to help import and export activities and transactions in foreign accounts. Standard Chartered Bank, ICICI Bank and Citi Bank offer the following products to the small and medium enterprises:

Standard Chartered Bank	ICICI Bank	CitiBank
• Term Loan • Express Trade • International Trade Account • Working Capital • FOREX • Business Installment Loan	• Debit & Credit Card; • 3-in-1 accounts; • Insurance; • Loan; • Business Loan; • FOREX	• Check/Bill Discounting; • Trade Finance; • Business Loan; • Property Power

Commercial Banking Services in Banks: -

The bank has a number of commercial banking products and services for the corporate sector of the country. As Cash Product Specialist, bank offers a wide range of transactional banking products and many more. Some of the commercial banking products are as follows:

Standard Chartered Bank	ICICI Bank	CitiBank
• Payments Services • Liquidity Management • Collection Services • Clearing Services	• National Banking • Electronic Channel Access • Account Representative Services • CitiCard Banking Centre	• Services for international and domestic trade • Collections and Payment Management Solutions • Foreign Exchange • Escrow services

Real Time Gross Settlement (RTGS):

The Real Time Gross Settlement (RTGS) system is a modern, efficient and robust interbank payment system, where settlement risk has been reduced to absolute minimum. Both processing and final settlement of funds transfer can take place continuously (i.e., in real time) in RTGS. As it is a gross settlement system, transfers are settled individually, that is, without netting debits against credits. Each payment obligation that a participant has would be made as a separate payment without taking into account eventual incoming payments. The minimum amount under the system is Rs 1 lakh and there is no upper limit. RTGS is mainly aimed at transfer of money between two banks of high value. The charges levied by the banks for remitting funds under RTGS is Rs,25 per transaction for amounts involving Rs.1 lakh to Rs. 5 lakh and Rs 50 per transaction for Rs 5 lakh and above The charges are payable by the remitter and as for the beneficiary, the transaction is free. RTGS the transactions are continuously processed during RTGS business hours i.e. from 9 am to 3 pm on week days and 9 to 12 on Saturdays.

RTGS Architecture
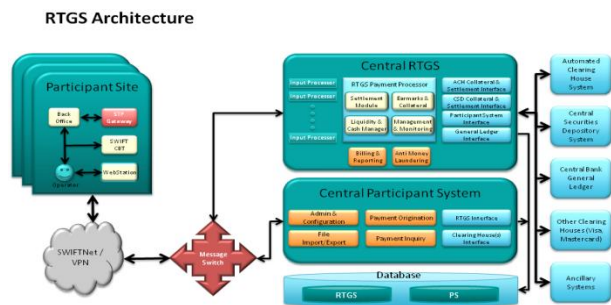
Electronic Clearing System: -

Electronic Clearing Service (ECS) is the easiest mode of electronic service where funds could be easily transferred for transactions. This monetary transaction could only be availed on those places where ECS service is active and the location is registered under ECS location. In other words, ECS is an electronic clearing system that facilitates paperless transactions through an offline system. The funds get debited from a centralised account and credit is accorded to the respective to the respective beneficiaries as per settlement cycle.

Purpose of ECS

ECS is used for two different purposes. Either it is used by **Institutions for distribution** of dividend, interest, salary, pension, etc. or; It is **used for making payments** of telephone bills, electric bills, renewal premiums, loan payments, water bills etc. This service has made is easy for customers and also for institutions to make the payments faster and on time.

ECS Mandate: An ECS mandate needs to be filled by the applicant. The mandate asks for bank branch details. The amount needed to be debited or credited needs to be also mentioned. The mandate needs to be authorized by the banker also. Cancelled / original cheques are also required to cross check with the bank details. Here an essential point needs to be noted. MICR code is a crucial requirement needed to be filled up in an ECS mandate.

MICR Code: MICR is an acronym for Magnetic Ink Character Recognition. It is a 9 digit numeric code which helps in identifying the bank-branch participation in ECS service printed on the cheque leaves. The first 3 characters represent the city, the next 3 the bank and

the last 3 the branch. One can check the respective account from where the ECS needs to be debited / credited after due dates. Many banks give mobile alert to the registered customers also. One just needs to maintain sufficient balance in his / her account for a successful transaction. ECS can be stopped with a prior notice by the customer to the ECS authority.
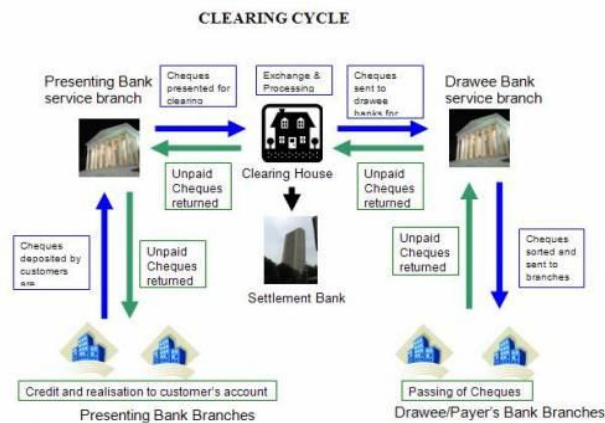
National Electronic Funds Transfer (NEFT): -   National Electronic Funds Transfer (NEFT) was launched in October 2005, NEFT is an electronic payment system that uses a secure mode of transferring funds from one bank branch to another bank branch. NEFT uses the Public Key Infrastructure (PKI) technology to ensure end-to-end security and rides on the Indian Financial Network (INFINET) to connect the bank branches for electronic transfer of funds. The participating banks, branch coverage and transaction volumes have been continuously increasing, which is reflective of the acceptance and popularity of the NEFT system. is a nation-wide system that facilitates individuals, firms and corporate to electronically transfer funds from any bank branch to any individual, firm or corporate having an account with any other bank branch in the country. To establish an efficient fund transfer system to facilitate an efficient, secure, economical, reliable and expeditions system of funds transfer and clearing in the banking sector throughout India. The customer willing to avail the NEFT facility offered by the bank need to submit an NEFT Application Form authorizing the sending bank to debit the senders account and transfer fund to the beneficiary specified in the NEFT Application Form. The beneficiary account will be credited on the same day by crediting the specified account of the beneficiary or otherwise placing funds at the disposal of the beneficiary. NEFT transaction takes place at designated times only In other words if any transaction is initiated after the designated time say 11 am

then next settlement takes place at 12 noon. The NEFT system can be used to pay credit card dues to the card issuing banks. A separate Transaction Code (No. 52) has been allotted in the NEFT system to facilitate the payment of credit card dues to card issuing banks. It is necessary to quote the IFSC of the beneficiary card issuing bank to initiate the bill payment transactions using NEFT.

Benefits

Faster – It's faster and more convenient than sending Demand Drafts / Cheques / Telegraphic Transfers.

Easier – Forget long queues and time-consuming DDs, cheques and pay orders! No need to visit the bank branch and search for a courier.

Reach – No Geographical limitations within India as long as it is a participating bank in the RBI's RTGS/NEFT system

CONCLUSION:

Technology with sophisticated facility is making banking industry new every morning. Technology driven products include automated teller machines (ATM), credit cards, debit cards, point of sales (POS), phone banking, internet banking and SWIFT (an international network for the banking community for faster international business). Even though technology might be costly or it might obsolete the value of face to face interaction, the next century will be technology driven because of its wide coverage, diversification and cost reduction facilities.

With years of banking experience, Standard Chartered is undoubtedly in a strong position to help growing business sail through the complexities they may face. Standard Chartered Bank offers one of the widest range of banking products and services in the market today. The bank provides the right kind of services and accounts at the right time and according to the need of market. On the basis of the above study Standard Chartered Bank is providing better services with fewer service charges in many respects. The interest charges

of Standard Chartered Bank with respect to credit cards are neither low nor high as compared to ICICI Bank and CitiBank. The interest rate of Standard Chartered Bank for credit card is 3.10% whereas for ICICI Bank the interest rate is 3.00% and for CitiBank it is 3.15%.

Standard Chartered Banks well developed remote channels for their customers banking convenience through 24-hour phone banking and internet banking. Standard Chartered Bank is increasingly dependent on these alternative business models and a major portion of bank payments and transactions take place via these models. Standard Chartered Bank will integrate its Internet initiatives with various other delivery channels including wireless application protocol (WAP) mobile banking, phone banking, Personal Digital Assistants (PDAs) banking, Mobile Personal Financial Consultants and its branch and network banking comprising 250 offices in Asia. They have come up with many new online services to the customers such as and companies such as EFTPoS etc.

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Customer Relationship Management

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BDCE, sevagram,wardha

INTRODUCTION:-

Customer relationship management (CRM) is a widely implemented strategy for managing a company's interactions with <u>customers</u>, clients and sales prospects. It involves using technology to organize, automate, and synchronize business processes—principally <u>sales</u> activities, but also those for <u>marketing</u>, <u>customer service</u>, and support. The overall goals are to find, attract, and win new clients, nurture and retain those the company already has, entice former clients back into the fold, and reduce the costs of marketing and client service. Customer relationship management describes a company-wide business strategy including customer-interface departments as well as other departments.

What is customer relationship management?

Customer relationship management (CRM) is a strategy that can help them to build long-lasting relationships with their customers and increase their profits through the right management system and the application of customer-focused strategies. CRM (customer relationship management) is an information industry term for methodologies, software, and usually Internet capabilities that help an <u>enterprise</u> manage customer relationships in an organized way. For example, an enterprise might build a <u>database</u> about its customers that described relationships in sufficient detail so that management, salespeople, people providing service, and perhaps the customer directly could access information, match customer needs with product plans and offerings, remind customers of service requirements, know what other products a customer had purchased, and so forth.

IMPORTANCE OF CUSTOMER:-

There exists a wide-spread mistaken notion that CRM is some kind of a manifestation of technology only. Another interesting thing is that even those who have implemented highly technological installations for their CRM initiatives, quite often can be seen to have forgotten the basis of this modern concept, i.e., making profitable relationships with their customers. This significant part is left to the technology alone (Schneider and Bowen,1999). Such a situation arises mainly because of the inability or reluctance of the management to accept the importance of customers and serving them to keep them satisfied and happy, which otherwise may result in low sales and hence low profits.

Features of CRM:-

Customer Relationship Management has 3 key features, namely,

- Operational CRM
- Collaborative CRM
- Analytical CRM.

- Collaborative CRM – Having a direct communication with the clients without any interference from service or sales representatives.

- Analytical CRM - Investigating Customer Data with a huge volume of functions and reasons, as a perspective.

- Operational CRM - Offering full front end support for marketing, sales and other related service.

Advantages of CRM :-

Using CRM, a business can:-
- Provide better customer service
- Increase customer revenues
- Discover new customers
- Cross sell/Up Sell products more effectively
- Help sales staff close deals faster
- Make call centers more efficient

CHALLENGES
Complexity:- Tools and workflows can be complex, especially for large businesses. Previously these tools were generally limited to simple CRM solutions which focused on monitoring and recording interactions and communications. Software solutions then expanded to embrace deal tracking, territories, opportunities, and the sales pipeline itself. Next came the advent of tools for other client-interface business functions.

Poor usability:- One of the largest challenges that customer relationship management systems face is poor usability. With a difficult interface for a user to navigate, implementation can be fragmented or not entirely complete.

Fragmentation:- Often, poor usability can lead to implementations that are fragmented — isolated initiatives by individual departments to address their own needs. Systems that start disunited usually stay that way: [siloed thinking] and decision processes frequently lead to separate and incompatible systems, and dysfunctional processes.

Business reputation:- Building and maintaining a strong business reputation has become increasingly challenging. The outcome of internal fragmentation that is observed and commented upon by customers is now visible to the rest of the world in the era of the social customer; in the past, only employees or partners were aware of it. Addressing the fragmentation requires a shift in philosophy and mindset in an organization so that everyone considers the impact to the customer of policy, decisions and actions. Human response at all levels of the organization can affect the customer experience for good or ill. Even one unhappy customer can deliver a body blow to a business.

Security concerns :- A large challenge faced by developers and users is found in striking a balance between ease of use in the CRM interface and suitable and acceptable security measures and features. Corporations investing in CRM software do so expecting a relative ease of use while also requiring that customer and other sensitive data remain secure. This balance can be difficult, as many believe that improvements in security come at the expense of system usability.

Different Related Trends In CRM:--

E-CRM:-
E-CRM This concept is derived from E-commerce. It also uses net environment i.e., intranet, extranet and internet. Electronic CRM concerns all forms of managing relationships with customers making use of Information Technology (IT). eCRM is enterprises using IT to integrate internal organization resources and external marketing strategies to understand and fulfill their customers needs. Comparing with traditional CRM, the integrated information for eCRM intraorganizational collaboration can be more efficient to communicate with customers.

Differences between CRM and E-CRM

Major differences between CRM and E-CRM:

Customer contacts

- CRM – Contact with customer made through the retail store, phone, and fax.

- E-CRM – All of the traditional methods are used in addition to Internet, email, wireless, and PDA technologies.

System interface

- CRM – Implements the use of ERP systems, emphasis is on the back-end.
- E-CRM – Geared more toward front end, which interacts with the back-end through use of ERP systems, data warehouses, and data marts.

System overhead (client computers)

- CRM – The client must download various applications to view the web- enabled applications. They would have to be rewritten for different platform.
- E-CRM – Does not have these requirements because the client uses the browser.

Customization and personalization of information

- CRM – Views differ based on the audience, and personalized views are not available. Individual personalization requires program changes.
- E-CRM – Personalized individual views based on purchase history and preferences. Individual has ability to customize view.

System focus

- CRM – System (created for internal use) designed based on job function and products. Web applications designed for a single department or business unit.
- E-CRM – System (created for external use) designed based on customer needs. Web application designed for enterprise-wide use.

System maintenance and modification

- CRM – More time involved in implementation and maintenance is more expensive because the system exists at different locations and on various servers.

- E-CRM – Reduction in time and cost. Implementation and maintenance can take place at one location and on one server

Different levels of eCRM:-

In defining the scope of eCRM, three different levels can be distinguished:

- **Foundational services:** This includes the minimum necessary services such as web site effectiveness and responsiveness as well as order fulfillment.

- **Customer-centered services:** These services include order tracking, product configuration and customization as well as security/trust.

- **Value-added services:** These are extra services such as online auctions and online training and education.

Social CRM

The era of the "social customer" refers to the use of social media (Twitter, Facebook, LinkedIn, Yelp, customer reviews in Amazon, etc.) by customers in ways that allow other potential customers to glimpse real world experience of current customers with the seller's products and services. This shift increases the power of customers to make purchase decisions that are informed by other parties sometimes outside of the control of the seller or seller's network. In response, CRM philosophy and strategy has shifted to encompass social networks and user communities, podcasting, and personalization in addition to internally generated marketing, advertising and webpage design. With the spread of self-initiated customer reviews, the user experience of a product or service requires increased attention to design and simplicity, as customer expectations have risen. CRM as a philosophy and strategy is growing to encompass these broader components of the customer relationship, so that businesses may anticipate and innovate to better serve customers, referred to as "Social CRM".

VRM(vendor relationship management)

Another related development is vendor relationship management, or VRM, which is the customer-side counterpart of CRM: tools and services that equip customers to be both independent of vendors and better able to engage with them. VRM development has grown out of efforts by ProjectVRM at Harvard's Berkman Center for Internet & Society and Identity Commons' Internet Identity Workshops, as well as by a growing number of startups and established companies.

XRM(Extended Relationship Management)

Analyst Doug Laney first proposed, defined and coined the term *Extended Relationship Management* (XRM). He defined XRM as the principle and practice of applying CRM disciplines and technologies to other core enterprise constituents, primarily partners, employees and suppliers... as well as other secondary allies including government, press, and industry consortia.

CRM in Reliance Fresh:-

Reliance Freshis the convenience store format which forms part of the retail business ofReliance Industries of India. it is headed by Mukesh Ambani .The company already has in excess of 560reliance fresh outlets across the country. These stores sell fresh fruits and vegetables ,staples, groceries, fresh juice bars and dairy products .A typical Reliance Fresh store is approximately 3000-4000 square feet and caters to a catchment area of 2²3 km.
Reliance fresh strongly believes in retaining and creating new customers.
Reliance itself is a very strong brand and hasal ways proved itself in various occasions and in various industries. The same continues with Reliance Fresh It provides all its items at not only competitive prices but also gives variety of offers and discount to its customers. The warm and friendly staffs make sure you are satisfied while shopping at reliance fresh outlets and always look forward for a continues shopping experience at Reliance fresh.
In order to create loyalty among customers reliance fresh team works hard to provide their Best in products and services to their fullest.

CRM policy of reliance fresh
CRM policy of reliance fresh can be divided into four major parts, namely;
1) Customer loyalty
€
2) Customer retention
€
3) Customer communication
€
4) Customer gratification

Conclusion:-

CRM entails all aspects of interaction a company has with its customer, whether it is sales or service related. It even uses technology to streamline processes that impact customer loyalty, service delivery and quality management.

Today, businesses are facing an aggressive competition and they have to make Efforts to survive in a competitive and uncertain market place. People have realized that managing Customer relationships is a very important fact

Non-Performing Assets: Causes, Effects and Remedial Solutions

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ABSTRACT

The banking industry has undergone a sea change after the first phase of economic liberalization in 1991 and hence credit management. While the primary function of banks is to lend funds as loans to various sectors such as agriculture, industry, personal loans, housing loans etc., in recent times the banks have become very cautious in extending loans, this is due to mounting nonperforming assets (NPAs). Therefore, an NPA account not only reduces profitability of banks by provisioning in the profit and loss account, but their carrying cost is also increased which results in excess & avoidable management attention. Apart from this, a high level of NPA also puts strain on a banks net worth because banks are under pressure to maintain a desired level of Capital Adequacy and in the absence of comfortable profit level, banks eventually look towards
their internal financial strength to fulfill the norms thereby slowly eroding the net worth.
Considering all the above facts banking industry has to give more importance to NPA and to structure proper remedial solutions.

Key words: Assets restructuring company, Global competition, Rate of return, Repayment schedule, Lok Adalats.

INTRODUCTION

To start with, performance in terms of profitability is a benchmark for any business enterprise including the banking industry. Extension of credit is one of the major activities of banks and financial institution. Credit represents the bulk of the bank and financial institution's asset portfolio. However, increasing NPAs have a direct impact on banks profitability as legally banks are not allowed to book income on such accounts and at the same time banks are forced to make provision on such assets as per the central Bank guidelines. Also, with increasing deposits made by the public in the banking system, the banking industry cannot afford defaults by borrower s since NPAs affects the repayment capacity of banks. Further, central Bank successfully creates excess liquidity in the system through various rate cuts and banks fail to utilize this benefit to its advantage due to the fear of burgeoning non-performing assets.

Amongst many risk that bank faces one of the most critical is borrower risk – the risk of non payment of the disbursed loans. Failure to collect fund disbursed may sometimes

results in the bank's inability to make repayment of the money to depositors and return to the shareholders. The bankers have the responsibility of safeguarding the interest of the depositors, shareholder and society they are serving. If bank behaves unresponsively the cost born by the economy is enormous. Banking sector is volatile and sensitive sectors of national economy, which require effective monitoring and efficient supervision. Smooth and effective operation of banking activities is most for sustainable economic growth of a country. The regulatory agency should always be watchful of banking activities carried out by government and non governmental banking and financial institution.

The biggest ever challenge that the banking industry now faces is management of NPA. The magnitude of NPA has a direct impact on banks profitability, liquidity & equity. **"NPA is an important parameter in the analysis of financial performance of banks".** The management of NPAs has been one of the focus areas of the bank with the objective being to achieve the global benchmark.

⊕ MEANING OF NPA

Non Performing Asset means an asset or account of borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset, in accordance with the directions or guidelines relating to asset classification issued by RBI. An amount due under any credit facility is treated as "past due" when it has not been paid within 30 days from the due date. Due to the improvement in the payment and settlement systems, recovery climate, up gradation of technology in the banking system, etc., it was decided to dispense with 'past due' concept, with effect from March 31, 2001. Accordingly, as from that date, a Non performing asset (NPA) shell be an advance where

i. Interest and /or installment of principal remain overdue for a period of more than 180 days in respect of a Term Loan,

ii. The account remains 'out of order' for a period of more than 180 days, in respect of an overdraft/ cash Credit(OD/CC),

iii. The bill remains overdue for a period of more than 180 days in the case of bills purchased and discounted,

iv. Interest and/ or installment of principal remains overdue for two harvest seasons but for a period not exceeding two half years in the case of an advance granted for agricultural purpose, and

v. Any amount to be received remains overdue for a period of more than 180 days in respect of other accounts.

With a view to moving towards international best practices and to ensure greater transparency, it has been decided to adopt the '90 days overdue' norm for identification of

NPAs, from the year ending March 31, 2004. Accordingly, with effect from March 31, 2004, a non-performing asset (NPA) shell be a loan or an advance where;

i. Interest and /or installment of principal remain overdue for a period of more than 90 days in respect of a Term Loan,

ii. The account remains 'out of order' for a period of more than 90 days, in respect of an overdraft/ cash Credit(OD/CC),

iii. The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,

iv. Interest and/ or installment of principal remains overdue for two harvest seasons but for a period not exceeding two half years in the case of an advance granted for agricultural purpose, and

v. Any amount to be received remains overdue for a period of more than 90 days in respect of other accounts.

✚ ASSET CLASSIFICATION

Loan assets of the banks are broadly classified as Performing and Non-Performing assets and again Non-Performing assets (NPA) are classified into Substandard, Doubtful and loss assets. Assets are classified into following four categories :

- Standard Assets
- Sub-standard Assets
- Doubtful Assets
- Loss Assets
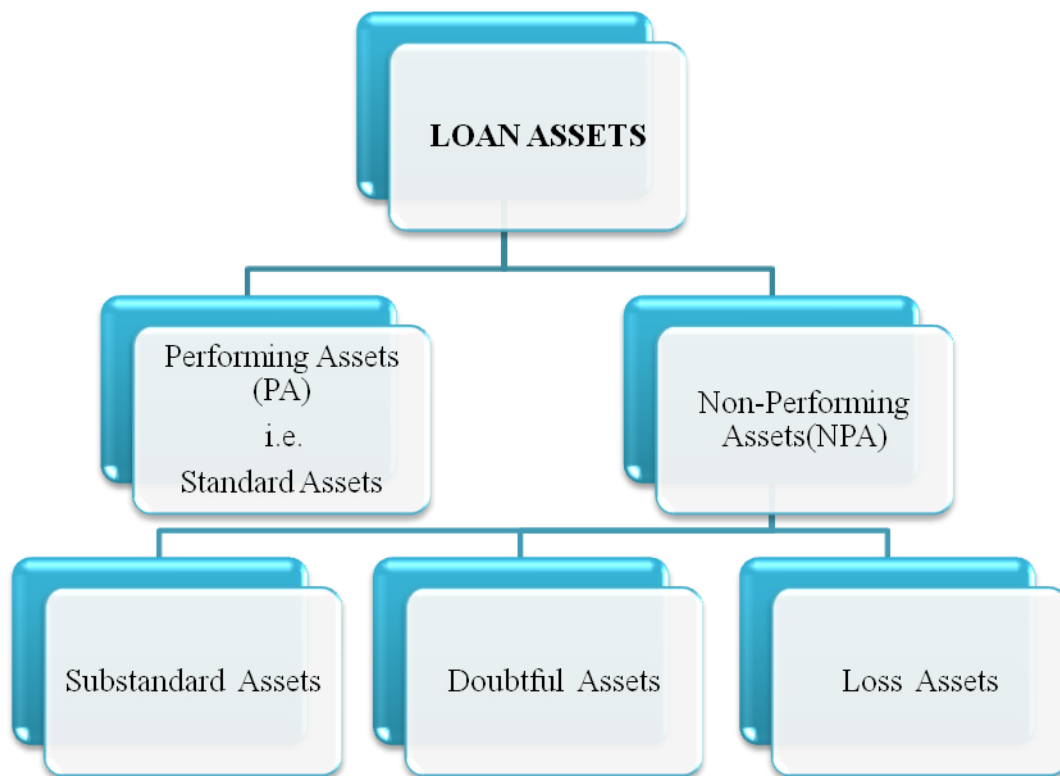
Standard Assets

Standard assets are the ones in which the bank is receiving interest as well as the principal amount of the loan regularly from the customer. Here it is also very important that in this case the arrears of interest and the principal amount of loan do not exceed 90 days at the end of financial year. If asset fails to be in category of standard asset that is amount due more than 90 days then it is NPA and NPAs are further need to classify in sub categories.

Banks are required to classify non-performing assets further into the following three categories based on the period for which the asset has remained *non-performing* and the *reasonability* of the dues:

1) Sub-standard Assets
2) Doubtful Assets
3) Loss Assets

1) Sub-standard Assets :

With effect from 31 March 2005, a substandard asset would be one, which has remained NPA for a period less than or equal to 12 month. The following features are exhibited by substandard assets: the current net worth of the borrowers / guarantor or the current market value of the security charged is not enough to ensure recovery of the dues to the banks in full; and the asset has well-defined credit weaknesses that jeopardize the liquidation of the debt and are characterized by the distinct possibility that the banks will sustain some loss, if deficiencies are not corrected.

2) Doubtful Assets :

A loan classified as doubtful has all the weaknesses inherent in assets that were classified as sub-standard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions and values – highly questionable and improbable. With effect from March 31, 2005, an asset would be classified as doubtful if it remained in the sub-standard category for 12 months.

3) Loss Assets

A loss asset is one which considered uncollectible and of such little value that its continuance as a bankable asset is not warranted- although there may be some salvage or recovery value. Also, these assets would have been identified as "loss assets" by the bank or internal or external auditors or the RBI inspection but the amount would not have been written-off wholly.

✛ TYPES OF NPA

1) Gross NPA
2) Net NPA

1) Gross NPA

Gross NPAs are the sum total of all loan assets that are classified as NPAs as per RBI guidelines as on Balance Sheet date. ***Gross NPA reflects the quality of the loans made by banks.*** It consists of all the nonstandard assets like as sub-standard, doubtful, and loss assets. It can be calculated with the help of following ratio:

$$\text{Gross NPAs Ratio} = \frac{\text{Gross NPAs}}{\text{Gross Advances}}$$

2) Net NPA

Net NPAs are those type of NPAs in which the bank has deducted the provision regarding NPAs. ***Net NPA shows the actual burden of banks.*** Since in India, bank balance sheets contain a huge amount of NPAs and the process of recovery and write off of loans is very time consuming, the provisions the banks have to make against the NPAs according to the central bank guidelines, are quite significant. That is why the difference between gross and net NPA is quite high. It can be calculated by following:

$$\text{Net NPA Ratio} = \frac{\text{Gross NPAs} - \text{Provisions}}{\text{Gross Advances} - \text{Provisions}}$$

♦ CAUSES OF NPA
1) Internal factors
2) External factors

1) Internal factors:
i. Funds borrowed for a particular purpose but not use for the said purpose.
ii. Project not completed in time.
iii. Poor recovery of receivables.
iv. Excess capacities created on non-economic costs.
v. In-ability of the corporate to raise capital through the issue of equity or other debt instrument from capital markets.
vi. Business failures.
vii. Diversion of funds for expansion\modernization\setting up new projects\ helping or promoting sister concerns.
viii. Willful defaults, siphoning of funds, fraud, disputes, management disputes, mis-appropriation etc.
ix. Deficiencies on the part of the banks viz. in credit appraisal, monitoring and follow-ups, delaying settlement of payments\ subsidiaries by government bodies etc.,

2) External factors:
i. Sluggish legal system –
   ➤ Long legal tangles
   ➤ Changes that had taken place in labour laws
   ➤ Lack of sincere effort.
ii. Scarcity of raw material, power and other resources.
iii. Industrial recession.
iv. Shortage of raw material, raw material\input price escalation, power shortage, industrial recession, excess capacity, natural calamities like floods, accidents.
v. Failures, nonpayment\ over dues in other countries, recession in other countries, externalization problems, adverse exchange rates etc.
vi. Government policies like excise duty changes, Import duty changes etc.,
♦ The RBI has summarized the finer factors contributing to higher level of NPAs in the Indian banking sector as:

- Diversion of funds, which is for expansion, diversification, modernization, undertaking new projects and for helping associate concerns. This is also coupled with recessionary trends and failures to tap funds in capital and debt markets.
- Business failures (such as product, marketing etc.), which are due to inefficient management system, strained labour relations, inappropriate technology/ technical problems, product obsolescence etc.
- Recession, which is due to input/ power shortage, price variation, accidents, natural calamities etc. The externalization problems in other countries also lead to growth of NPAs in Indian banking sector.
- Time/ cost overrun during project implementation stage.
- Governmental policies such as changes in excise duties, pollution control orders etc.
- Willful defaults, which are because of siphoning-off funds, fraud/ misappropriation, promoters/ directors disputes etc.
- Deficiency on the part of banks, viz, delays in release of limits and payments/ subsidies by the Government of India.

✦ EFFECTS OF NPA

The Indian Banking Industry is contaminated with high NPAs, which are already at a staggering level exceeding Rs.60,000 Crores and constituting about 11% of the total loan portfolio. World class banks do not have NPAs of over 2% of the total portfolio and an NPA level of over 5% is considered poor credit performance. The problem of NPA is multi-dimensional and it requires immediate scientific management to cure the malady. To drive home the importance of NPA management, it is necessary to mention here its ill effects on both present and future growth of banks.

1) **Effect on Profitability**

   NPA means booking of money in terms of bad asset, which occurred due to wrong choice of client. Because of the money getting blocked the prodigality of bank decreases not only by the amount of NPA but NPA lead to opportunity cost also as that much of profit invested in some return earning project/asset. So NPA doesn't affect current profit but also future stream of profit, which may lead to loss of some long-term beneficial opportunity. Another impact of reduction in profitability is low ROI (return on investment), which adversely affect current earning of bank.

   The profitability of the banks is severely affected by NPAs as -

- ➢ NPAs do not generate any income.
- ➢ Provisioning is required @ 10% to 100% depending upon the quality of assets.
- ➢ Banks are required to meet the cost of funding these unproductive assets.
- ➢ Banks also incur expenses for maintenance of NPAs.

2) Effect on Return on Assets (ROA)

As NPAs reduce earning capacity of assets. Return on Assets (ROA) gets affected. ROA is inversely related to NP As.

3) Effect on Liquidity

Money is getting blocked, decreased profit lead to lack of enough cash at hand which lead to borrowing money for shortest period of time which lead to additional cost to the company. Difficulty in operating the functions of bank is another cause of NPA due to lack of money. Routine payments and dues.

4) Effect on Networth

Capital and reserves constitute total networth of the banks. NPAs have direct impact on net worth of the banks.

5) Effect on Capital Adequacy Ratio

As NPAs do not earn any income and reduce the profits by way of provisioning, they adversely affect Capital Adequacy Ratio (CAR).

6) Effect on Autonomy

In the emerging competitive banking scenario the autonomy package, provided by RBI/ Government to the public sector banks on the basis of certain criteria, provides advantages to the banks. Maximum net NPA limit of 9% is one of the criteria for getting autonomy. It is one of the factors, which has eluded many banks to get autonomy.

7) Effect on Rating

As per the recommendations of Padmanabhan Committee the banks are to rated on a five point scale of A to E widely on the lines of International CAMELS rating model. NPA has directly or indirectly effect on the three factors such as C (Capital Adequacy), A (Asset Quality) and E (Earnings) of the above rating model. Regulatory and credit rating agencies abroad are also not comfortable with the high level of NPAs of Indian Banks.

8) Effect on Productivity

The productivity of the banks having high, NPAs would be low as the branch staff who could have been utilized for business mobilization would primarily be engaged in management of NPAs. It is one of the factors for low productivity of some banks having high NPAs.

9) **Effect on Business Mobilization**

The presence of high NPAs would reduce the average yield on funds deployed. In order to earn profits the bankers would be in search of low cost deposits and they have to face a lot of difficulty in mobilizing, maintaining and serving such deposits in today's competitive environment. In case, the banks are not able to mobilize low cost deposits, then to remain in profit, they have to find the avenues of investment/ advances where the earning is high and funds are safe. But here again, there is lot of competition among the banks for such avenues. The banks with high NPAs are thus in vicious circle.

10) **Effect on Recycling of Funds**

Recycling of fund is severely affected due to high NPAs in the banks. The banks are being deprived of utilizing the funds blocked in NPAs in highly productive avenues.

11) **Effect on Capital Restructuring**

In order to improve the prescribed capital adequacy ratio (CAR) and improve the working results, today or tomorrow, all most all banks would be forced to approach the capital market for proper restructuring of their capital base. Besides, earning per share (EPS), the investing public see also the quantum of NPAs the bank carries.

12) **Effect on Image of the Bank:-** The high NPAs in the balance sheet of a bank shows a poor picture of the bank as it indicates inefficiency and ineffectiveness in the credit management of the bank.

13) **Effect on Interest Rate:-** Due to high NPAs, banks are charging high rate of interest on the good borrowers to compensate the interest loss in the NPA accounts.

14) **Involvement of Management**

Time and efforts of management is another indirect cost which bank has to bear due to NPA. Time and efforts of management in handling and managing NPA would have diverted to some fruitful activities, which would have given good returns. Now days banks have special employees to deal and handle NPAs, which is additional cost to the bank.

15) **Credit losses**

Bank is facing problem of NPA then it adversely affect the value of bank in terms of market credit. It will lose its goodwill and brand image and credit which have negative impact to the people who are putting their money in the banks.

High NPAs in the banks have devastating effects not only on the banks but also on the economy as a whole. To explain its ill effects is better to quote excerpts from the Narasimham Committee Report 1998, which reads: "NPAs constitute a real economic cause to the nation in that they reflect the application of scarce capital and credit funds to unproductive uses. The money locked up in NPAs are not available for productive use and to the extent that banks seek, to make provisions for NPAs or to write them off, it is a charge on

their profit. To be able to do so, banks have to charge their productive and diligent customers a higher rate of interest. It thus becomes a tax on efficiency. It is the customer who uses credit efficiently that subsidies the inefficiency represented by NPAs. This also raises the transaction costs in the system thus denying the diligent credit customers the benefit of lower rates, which would help them to be more efficient and competitive. NPAs, in short, are not just a problem for the banks. They are bad for the economy."

REMEDIAL SOLUTIONS

1) Restructuring of finance

Bank has to increases the number of installment by minimizing the quantum of installment in order to recover the loan.

2) Industrial Reconstruction Bank of India (IRBI)

IRBI was set up on 20th March 1985, by reconstituting the Industrial reconstruction corporation of India as the principal credit and reconstruction agency for industrial revival and to coordinate similar work of the other institution engaged there in and to assist and promote industrial development and to rehabilitate industrial concern.

3) ARCs

ARCs purchase bad or non-performing loans, either of a company or an entire portfolio, hoping to restructure the loan or sell the assets to make money. Similarly Danaharata was established in Malaysia, Kamco in Korea and PT in Indonesia. Concerns have been raised about their relevance to India. (Viswanathan, 2002)

4) Lok Adalats

Lender and borrowers were brought face to face to negotiate a settlement.

5) Debt Recovery Tribunal

It was set up under the recovery of debts due to banks and Financial Intuitions Act, 1993 with exclusive jurisdiction to try and dispose of matters pertaining to recovery of debts due to bank and financial assets. It has the potential of playing a significant role in NPA realization.

6) Corporate debt restructuring

Corporate debt restructuring mechanism was introduced as a platform for handling large NPA, with a potential to give long term package of financial and management

restructuring. It rephrases the loan servicing obligation of the borrower and some concession in the interest rate.

7) SARFAEST Act

SAREAEST is the preferred route for finding solution to NPA when compared to the other methods which were discussed above. There was no legal provision for facilitating securitization of financial assets of bank and FIs or power to take possession of securities and sell them. This resulted in slow recovery of defaulting loan and mounting levels of NPA of bank and FIs and a need was felt for keeping pace with changing commercial practice and financial sector reforms. (Toshiki, Kanomori, 2001) Keeping with this an enabling legislative and regulatory frame work was put in place with the enactment of the securitization and Reconstruction of Financial assets and Enforcement of Security interest Act,2002.The primary objective of act is reduction of NPA levels of banks/FIs and unlocking value from distressed assets in the banking and financial system.

8) Well Developed Capital Markets

Numerous papers have stressed the criticality of a well developed capital market in the restructuring process. A capital market brings liquidity and a mechanism for write off of loans. Without this a bank may seek to postpone the NPA problem for fear of capital adequacy problems and resort to tactics like ever greening. Monitoring by bondholders is better as they have no motive to sustain uneconomic activity. Further, the banks can manage credit risk better as it is easier to sell or securitize loans and negotiate credit derivatives. India debt market is relatively under developed and attention should be focused on building liquidity and volumes. (Toshiki, Kanomori, 2001)

9) Contextual Decision making

Regulations must incorporate a contextual perspective (like temporary cash flow problems) and clients should be handled in a manner which reflects true value of their assets and future potential to pay. The top management should delegate authority and back the decisions of this kind taken by middle level managers.

10)   Legal Issues

There have been instances of banks extending credit to doubtful debtors (who willfully default on debt) and getting kickbacks for the same. Ineffective Legal mechanisms and inadequate internal control mechanisms have made this problem grow – quick action has to be taken on both counts so that both the defaulters and the authorizing officer are punished heavily. Without this, all the mechanisms suggested above may prove to be ineffective. (Muniappan, 2002)

11)   Regular Training Program

Executives have to undergo regular training program on credit and NPA management. It is very useful and helpful to the executives for dealing the NPAs properly.

12)   Recovery camps

The banks should conduct regular or periodical recovery camps in the bank premises or some other place, such type of recovery camps reduced the levels of NPA in the banks

13)   Spot Visit

The bank officials should visit to the borrower's business place / borrowers field regularly or periodically. .

14) Other Methods
1. Persistent phone calls.
2. Media announcement.

CONCLUSION

Banking industry has undergone a major change after the first phase of economic liberalization; hence the importance credit management has emerged. In recent time banks are very cautious in extending loan, because of mounting NPA. This article highlights the reasons for assets becoming NPA and remedial measures to be taken. Due to various steps taken by the Government of India NPA levels were reduced to considerable level. (Nearly 2.7% of the loans on the balance sheet of bank, from 8.8%) So it is an indication for the bankers with bad loan in their portfolio to take appropriate actions immediately.

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Opportunities and Challenges for Indian Women Entrepreneur.

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Abstract.

Today world is changing at a very startling pace. Entrepreneurship has gained greater significance at global level under this rapid changing economic scenario. World economy in general and Indian economy in particular is poised for accelerated growth driven by entrepreneurship. The entrepreneurs provide a magical touch to an organization in achieving speed, flexibility, inventions, innovativeness, and a strong sense of self-determination. Entrepreneurship and economic development are intimately related. They bring a new vision to the forefront of economic growth. The contribution of women in an economy to develop cannot be neglected. In fact the women entrepreneurs had undergone a radical transformation from merely a homemaker to a dynamic multifaceted personality contributing to the socio-economic growth across the globe.

Women constitute around half of the total world's population. So is in India also. Therefore, they are regarded as the better half of the society.The concept and emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown in large number across the globe (also in India) over the last decadeespecially after 1990s.They have been making a significant impact in all segments of the economy in India. The women entrepreneurs have been moving rapidly in areas like retail trade, construction, restaurants, education, service sector, cultural, cleaning, restaurants, hotel, insurance and manufacturing. In addition to this they are also exploring new avenues in the world of business.

The contribution of women entrepreneurs need to be appreciated for their increased utilization of modern and latest technology, increased investments, finding a niche in the export market, creating a sizable employment for others and setting the trend for other women entrepreneurs who wish to start their own business in the organized sector. It means women have all the potentials, required skill, knowledge and adaptability to run a business successfully. This paper focuses on women entrepreneur, the challenges faced by them and the opportunities they have.

Introduction.

Entrepreneurship is considered to be the backbone of any developing nation. An Entrepreneur is one of the most important segments of economic growth. Entrepreneur is a person who takes initiative to bring new concepts and Ideas; innovation starts a new venture and acts as a catalytic agent for a new project which creates wealth. He is a person who is able to look at the environment, look for opportunities to improve the environmental resources and implement action to maximize those opportunities mainly for economic gains. It is important to keep in mind the entrepreneurial skills that will be needed to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment.

Entrepreneurship and economic development are intimately related. Entrepreneurship amongst women has been a recent concern. Hence women's should not be spared from the world of business for economic growth and development. Today in the world of business, women entrepreneurship has become an essential movement in many countries and has been accepted in all areas and dimensions of working. Today women have become aware of their existence their rights and their work situation. The role of Indian women has undergone a dramatic and drastic changes from era to era, while within the eras themselves there have existed simultaneous contradictions.

The concept of Women Entrepreneurship has provided economic independence for those women who had the passion to start their own business venture. Today it has taken various directions in many spheres in manufacturing and service sectors. It is estimated that presently women entrepreneurs comprise around 10% of the total entrepreneurs in India. It is also clear that this percentage is increasing every year. If this trend continue for years to come, it is not unlikely that in another five years, women will comprise 25% of the entrepreneurial force in India. In terms of numbers one would estimate not less than 5 lakh.

Women entrepreneurship development is an essential part of human resource development. The hidden entrepreneurial potential of women has gradually been changing with the growing sensivity to the role and economic status in the society. In traditional societies, they

were confined to the four walls of their houses performing day to day activities. But in modern societies they have come out of the four walls to participate actively in all sorts of activities. They are now walking in parallel to men and in some cases they are ahead of men. The global evidences also proves that women have been performing extremely well in different spheres of activities like manufacturing , academics, politics, retail business, administration, social work, etc. Now they have started plunging into industry also and running their enterprises very successfully.

Definitions

➢ "Women entrepreneur refers equally to someone who has started a one women business to someone who is a principal in family business or partnership or to someone who is shareholder in a public company which she runs".

➢ "Women Entrepreneur is an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women ".

- Government of India

Women Entrepreneur.

Worldwide may women are entrepreneurs. With the spread of education and new approaches, awareness, women entrepreneurs are achieving greater heights. For them sky is the limit.

Women entrepreneur is a person who accepts challenging role to meet her personal need and become economically independent and thus contribute to the economic development. There are economical, social, political, religious, cultural and other factors existing in the society which responsible for the emergency of the women entrepreneurs. Women often have life skills and natural abilities that are useful in businesses. Women by nature tend to be great networkers, have inherent skills for negotiating, and the ability to multi-task. Single mothers are often good at delegating and budgeting; skills that they rely on to manage their families.

Status of Women Entrepreneurs in India.

Out of the total 940.98 million people in India in the 1990's, female comprises of 437.10 million representing of 46.5% of the total population. There are almost 126.48 million women work force (representing 28.9% of the female population) but as per the 1991 census

only 185900 women accounting for only 4.5% of the total self employed persons in the country were recorded. Majority of them are engaged in an organized in the unorganized sectors like agriculture, agro based industries, handicrafts, handloom and cottage based industries. As per a rough estimate the numbers of SSIs are expected to be2.5 billion having 9% women entrepreneurs in to it. As per the 2001census report, there are of women workers of the total working population including formal as well as informal sector. In this era of L.P.G (Liberalization, Privatization and Globalization) the   Indian women entrepreneurs are very fast entering the non-traditional sector which indeed is in response to their greater awareness.

Combined effect of motivational drive, preparation of information material, conducting various training programmes, creation of women industrial estates in local areas, and training of promoters and use of mass media all together is bound to accelerate the process of women entrepreneurship development.

Some psycho-social factors block the growth of women entrepreneurs are as follows:

➢ Poor image of women.

➢ Inadequate motivation and encouragement.

➢ Discriminating treatment between men and women.

➢ Faulty socialization.

➢ Role conflict.

➢ Cultural values.

➢ Lack of courage and self-confidence.

➢ Lack of social acceptance.

➢ Unjust social, economic and cultural system.

➢ Lack of freedom of expression.

➢ Afraid of failures and criticism.

➢ Susceptible to negative attitude.

➢ Low dignity of labour.

Women entrepreneurs are gaining momentum all over the country. They have achieved recognition and are making valuable contribution to the national economy. But still the development of entrepreneurship among women is not tapped properly.

Leading Business women in India.

One of the leading women entrepreneur is herbal queen Lady Shehnaz Hussain who started her herbal-based treatment from a relatively small scale. In fact, she started literally from her kitchen domain to a chain of beauty parlors spread out across the length and breadth of nation and now to the entire world. Shehnaz started her business as a hobby on a relatively small budget and made an herbal empire to be inherited by her family.

Another very good example is of Mrs Jyoti Naik who is president of Lijjat papad. She started her business with few women and now the company has grown to a giant company, competing with the world.

In the world of entertainment we cannot forget Ekta Kapoor who is the creative Director of Balaji Telefilms. Her contribution in film industry is worth appreciating.

Chanda kochhar- Managing Director - ICICI Bank. Her success story is known to all.

These are the few examples of leading Indian women entrepreneurs who had created a global image.

Opportunities.

The success story of women entrepreneurs are hidden from the world. There are much evidence which specifically shows that women contribute significantly to the running of family businesses mostly in the form of unpaid effort and skills. The value of this effort is underestimated both by the families that take it for granted and in academic studies. There are many opportunities for a women to start her own venture, they are

➤ Free entry into world trade.

➤ Improved risk taking ability.

➤ Governments of nations withdrawn some restrictions.

➤ Technology and inventions spread into the world.

➤ Encouragement to innovations and inventions.

➤ Promotion of healthy completions among nations.

- Consideration increase in government assistance for international trade.
- Establishment of other national and international institutes to support business among nations of the world.
- Benefits of specialization.
- Social and cultural development.

Challenges.

Women Entrepreneurs encounter various challenges which she has to overcome. The major Hurdles that a women face during starting or running a company are discussed follows.

- Problems of raising equity capital
- Difficulty in borrowing funds.
- Cut-Throat completions endangered existence of small companies.
- Scarcity of raw-materials.
- Problems of obsolescence of indigenous technology
- Increased pollutions Ecological imbalanced.
- Exploitation of small and poor countries, etc.

Barriers faced by Women Entrepreneurs.

Women in India are fraught with many problems to get ahead their life in business. A few problems which a women entrepreneurs face cane be detailed as;

- Gender Discrimination and Stereotyping.
- Lack of Education and Awareness.
- Lack of working capital.
- Patriarchal problems.
- Dual Career-Family Pressures.
- Market Oriented Risk.
- Motivational Factors.
- Lack of Confidence.
- Training Programs.
- Women's Family obligations.
- Lack of Equal Opportunities in Certain Industries.
- Low level risk taking attitude.

➢ Lack of freedom and Autonomy.

Schemes for Women Entrepreneurs

➢ Mahila Artik Vikas Mahamandal.

➢ Rashtriya Mahila Kosh (RMK).

➢ Mahila Samriddhi Yojna (MSY).

➢ Indira Mahila Yojna (IMY).

➢ Prime Minister's Employment Guarantee Scheme.

➢ Seed Capital Scheme.

➢ Bank Schemes for Women Entrepreneur.

➢ Nehru Rozgar Yojna.

➢ National Equity Fund.

➢ Single Window Scheme.

➢ Employment and Income Generating Training-cum-Production Units for Women.

Suggestions.

Right efforts from all dimensions are required in the development of women entrepreneurs and their greater participation in the entrepreneurial activities. The new Industrial Policy of the Government of India has specially highlighted the need for special entrepreneurship programmes for women entrepreneurs in the nature of product-process oriented courses to enable them to start their own small-scale industries. A majority of women entrepreneurs are from the middle class families who have low technical education, less family responsibilities but desire to become entrepreneurs. This potential needs to be identified and tapped. Following efforts can be taken into account for effective development of women entrepreneurs.

➢ Government should provide separate financial fund of women's entrepreneur.

➢ Better educational facilities and schemes should be extended to women folk from government part.

➢ Should provide her special infrastructure facilities whatever she deeds.

➢ Women's should be encouraged in decision-making process.

- ➢ Government should arrange adequate training programmes of women entrepreneurship from time to time to develop their management skills.
- ➢ Training on professional competence, leadership and managerial skill to be extended to women entrepreneurs.
- ➢ Training and counselling on a large scale of existing women entrepreneurs to remove psychological causes like lack of self-confidence and fear of success.
- ➢ Vocational training to be extended to women community that enables them to understand the production process and production management.
- ➢ Government should felicitate top ranker women's entrepreneur so that it would be a motivational factor not only for her but for others as well.
- ➢ Continuous monitoring and improvement of training programmers
- ➢ Women entrepreneur should be made more competitive and efficient in the local & international market.
- ➢ Should invite successful women entrepreneurs from foreign countries to share their experiences.
- ➢ Activities in which women are trained should focus on their marketability and profitability.

Conclusion.

Entrepreneurship is the state of mind which every woman has in her but has not been capitalized in India in way in which it should be. Entrepreneurship among women, no doubt improves the wealth of the nation in general and of the family in particular. Women entrepreneurship must be molded properly with entrepreneurial characteristics and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the business. Women today are more willing to take up challenging activities that were once considered the preserve of men, and have proved that they are second to no one with respect to contribution to the growth and development of the economy.

Women entrepreneurs face many challenges, obstacles specifically in market their product (including family responsibilities) that have to be overcome in order to give them access to the same opportunities as men have. Government should draw up a plan, the Indian Women Entrepreneurs to work more on empowering women entrepreneurs through training and capacity building programs. If our universities and institutions join this resolve with increasing focus on women's business education, the future will see more women entrepreneurs.

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Agriculture Business (Pulses Processing Plant) Objects For Establishment.

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Abstract:-
Pulses are basically grain legumes. They occupy an important place in human nutrition due to their high protein content than cereal grains. In Indian dietary regime it occupies an important place. Since majority of Indians are vegetarians, they depend largely on grain legumes (pulses) for their dietary protein. Legumes contribute a major portion of lysine in the vegetarian diet. They are also a fairly good source of vitamins like thiamine, niacine, riboflavin and much needed iron. Therefore its quality availability to the common man is a major challenge. Since recovery was poor in traditional technologies, adoption of modern technology will go a long way in meeting the need of the common man.

Introduction:
Pulses are basically grain legumes. They occupy an important place in human nutrition due to their high protein content than cereal grains. In Indian dietary regime it occupies an important place. Since majority of Indians are vegetarians, they depend largely on grain legumes (pulses) for their dietary protein. Legumes contribute a major portion of lysine in the vegetarian diet. They are also a fairly good source of vitamins like thiamine, niacine, riboflavin and much needed iron. Therefore its quality availability to the common man is a major challenge. Since recovery was poor in traditional technologies, adoption of modern technology will go a long way in meeting the need of the common man.

Consumption pattern of pulses:
Most of the legumes in raw form contain a wide variety of anti-nutritional factors. In addition, many of the grain legumes cause flatulence. Thus there exists a need for processing

the grain legumes into consumable form. The various grain legumes in our country are consumed in the following ways:

Main Uses of Pulses in India are as follows: Peas/Pulses	Main forms of consumption
Green Gram (Moong Beans)	- used as a vegetable and for making snacks
Chick Peas (Desi type)	- used for making besan (fine flour) which is used for making sweets, snacks, and mixed with wheat flour to make chapattis (flat bread)
Pigeon Peas (Arhar)	- used as a vegetable with meals
Black Gram (Urad)	- used as vegetable with meals and for making pappadam
Chick Pea (Kabuli type)	- used as vegetable with meals
Red Lentils (Masoor)	- used as vegetable with meals (consumed mainly in East Indian states)
White Peas (Matar)	- used as vegetable with meals. Also used for making snack food
Cow Peas (Lobhia)	- used as vegetable with meals
Kidney Beans (Rajmah)	- used as vegetable with meals
Green Peas (Matar)	- used as vegetable with meals and for making snacks.

WATER AND ELECTRICITY:

Around 1000 Liter water is required per day in the process at five points which is available from the existing well and as such there is no scarcity of water.

The Unit is previously connected with 40 HP load. Now for new machinery additional 60 HP load is sanctioned, thus total 100 HP load is available which is sufficient for the existing machines and even further addition of some balancing equipments that may be required if any at later stage. Considering the power cut of 6 hours the power is available for 18 hours and as such the production can be obtained without any difficulty in 2 shifts.

RAW MATERIALS:

The sole raw material for Dall Mill is Tuar an agricultural produce, is normally procured through A.P.M.C. However the same can also be procured directly from farmers also but in these process they don`t get in ample quantities therefore purchasing through A.P.M.C. is the most desired option since the farmers brings their produce to A.P.M.C. The average availability of tuar in A.P.M.C. is around 500 to 1000 quintals per day normally.

As per the production in a year is around 20000 quintal Tuar processing is planned which is just 10% of the available quantity therefore availability of Tuar is assured. Since unit should be in close proximity to these A.P.M.C. therefore our transportation cost is comparatively less and hence we can offer little better price to the farmers which gives us an edge over purchasers.

STORAGE CAPACITY:

The storage facility is required to store the raw material which is normally stored in large quantities due to seasonal availability therefore major space is required for storage of Tuar hence require at least 3 go- downs admeasuring 4000sq. ft in which around 3000 quintals Tuar/Dall/Wastage can be stored. In addition Pulses processing plant should also have 16 storage bins having 125 quintal storage capacity each which cumulatively provides a storage facility for around 2000 quintals around 500 quintal Tuar normally remains into process of drying, processing polishing etc and as such the total storage facility is available for around 5500 quintals which is compatible looking to the total installed capacity of 32000 quintals.

MARKETING:

"Dall" is an item of daily consumption of human being may it be rich or poor and hence there is continuous demand for the product having regard to transportation of cost of raw materials and finished product of the unit is located in such a area where there is no long transportation therefore in cost of final product is comparatively low which results into smooth sailing having regard to day to day demand.

The marketing for Tuar Dall is normally available in the Vidarbha area but still there is a good demand from rest of Maharashtra and adjoining states like C.G. M.P. and A.P. it is always advisable to sell the realization of payment and settlement of disputes if any. Consideration the product obtained through set of machinery was also accepted in the market but the price realization was not at premium therefore with the new set of machinery we shall produce the high quality of Tuwar Dall for which there is a strong demand and even the entire production can be sold in Vidarbha itself we are having planning of different size of packing also in near future viz 1 kg 5kg 10 kg looking to the existing trend in the market and with this facility our product can be sold directly to the department stores and shops through the desires that may be appointed at later stage.

EMPLOYMENT GENERATION:

The unit shall provide direct employment to 16 persons besides indirect employment to around 20 people like transporter, Broker etc. and such the unit shall be helpful in providing effective employment. Details of staff employed as follows.

Supervisor   - 01
Accountant   - 02
Technical labors   - 02

(welder & machine operator)

Workers	- 10
Guard	- 01
Indirect labors	- 10
Brokers & comission agents	- 10

Plant and Machinery:

Finishing & cleaning of dal is not as per market requirement in mini plants, hence fetch less price in market as compared to other reputed brands.

In order to overcome the said bottleneck the existing machines being replaced with new Agra pattern Dall Mill machines which is having capacity to process/produce 100 quintal in single shift looking to the nature of activity normally the Dall Mill are Operated on double shift basis and as such considering the normal working of 200 days the installed capacity works out to 32000 quintal per annum. As compared to mini plant the Dal percentage & quality of dal is much better thus fetch more price & allow to stand competitive in the market.

Conclusion

It is been observed that establishment of mega project (Pulse processing plant) requires huge fixed capital & working capital. The cost incurred in the business is much higher as compared to profit margin. The market-based nature of this project ensures its long-term viability and sustainability. It will not require constant injections of grant funding but will instead fund itself through profits. This represents a landmark opportunity to prove that decentralized, small-scale agro processing is a viable avenue for rural livelihood creation and upliftment of the poor.

On one level, this project entails significantly strengthening livelihoods in one of our most backward regions. On another level, it involves mobilizing 1,000+ farmers to unite around a small-scale venture that provides promise. Ultimately it is a better recourse for farmer as a supportive business to agrifarming.

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Entrepreneurship And Economic Development

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Abstract

Entrepreneurship is closely associated with knowledge and flexibility, two factors that have gained new significance as a source of competitiveness in an increasingly globalized world economy. The shift in industry structure towards less concentration and more decentralization that OECD countries experienced between the mid-1970s and the early 1990s is only one indicator of this development. With technological change and the intensified global competition brought about by globalization and economic liberalization, the assumption that fostering entrepreneurship means fostering a country's competitiveness today appears more valid than ever. It is striking that the current debate discusses the importance of entrepreneurship mainly with regard to developed countries and that the question of how to foster entrepreneurship seems to be primarily a concern of policy makers in OECD countries. As a key element in securing the competitiveness of developed countries, entrepreneurship is even more central to developing countries trying to attain competitiveness in international markets.

How to Foster Entrepreneurship

Both conceptual models introduced above refer to the importance of the individual level – that is, the attitudes, skills and actions of individual entrepreneurs. This indicates that policies for boosting entrepreneurial capacity should not focus solely on macroeconomic conditions or access to finance, the most frequently used policy tools to promote entrepreneurship. Although such policies are doubtless important for broadening the base of individuals with incentives to start up a business and with access to the necessary means, these policies alone will not suffice. Rather, the founding and development of firms depend to a large extent on the entrepreneurial qualities of the individual entrepreneur; an issue stressed by the leading British economist Alfred Marshall (Barreto 1989: 54)

Improving entrepreneurial framework conditions

However, whether entrepreneurship will be allocated predominantly to activities that add to the social product or to activities that are unproductive or even destructive depends greatly on the reward structure of the economy (Baumol 1990). Hence, policy makers face the

question of how to create framework conditions conducive to entrepreneurial activities and how to ensure that entrepreneurial skills are allocated to activities adding to the social product. It is self-evident that almost any economic, institutional or cultural framework condition has some impact on entrepreneurship.

A recent OECD study distinguishes between economic fundamentals (macroeconomic stability, labour markets, local infrastructure, tax levels, etc.), which influence any economic activity, and policy issues that directly affect entrepreneurship. The study identifies three policy domains as significantly important for entrepreneurial activities. These domains are access to finance, facilitation of entry and exit of firms, and government support schemes (OECD 2002: 8). Figure 3 presents a slightly adapted framework developed in this study to benchmark the policies of OECD countries in the field of fostering firm creation and entrepreneurship. Although the framework was primarily developed with regard to OECD economies, it refers to policy areas that are also significant for the promotion of entrepreneurship in developing countries. Moreover, it can be a useful starting point for devising a similar framework for developing and transition economies.

Conclusion

On the basis of two new conceptual frameworks linking the actions of individuals to the realm of macroeconomics, this paper has argued that a comprehensive approach to the promotion of entrepreneurship rests on two primary pillars: strengthening of entrepreneurial skills and improvement of entrepreneurial framework conditions.These two pillars should be considered as an interlinked set of policies for the following reason: on the one hand, entrepreneurs do not act in a vacuum, but whether and how they use their skills and motivations to transform business ideas into profit opportunities is shaped by existing framework conditions. On the other hand, entrepreneurial behaviour can always be traced back to individuals and their entrepreneurial attitudes, skills and motivations. Experience shows that when these attitudes and skills exist, adverse framework conditions cannot totally suppress them, and individuals will seek to find ways that allow them to capitalize on their ideas.

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"E - Finance an innovative practice in e-commerce"

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Abstract:

"E - Finance an innovative practice in e-commerce"

Introduction:

E-commerce is emerging in today's global world. E-Finance is the advancement in the internet technology which drastically changing the structure & nature of financial services. Internet finance service is becoming important in business activities. In global economy its emergence has a weighty effect on the finance condition. The purpose for taking this topic for a research is to find out the impact of e-finance in the e-commerce, its innovations and challenges faced by the financial services. E-commerce has changed the whole scenario of financial services in international trade.

Objective:

1. The role of E- Commerce & E- Finance in International trade & Investment.
2. To understand the innovations & future challenges related to E-Finance.
3. The future path of E- Finance in a rapidly changing environment.
4. To sight out the importance & need of E-Finance.

Keywords:

E- Finance, Indigenous practices, International Trade, Emerging technology, Globalization impact, rural mindset

Design/Approach:

The above objective will be study by collecting and analyzing the Secondary data and reviewing   related literature.

Conclusion:

1. Application of E-Finance is possible only in technologically advanced areas
2. It has become conducive to move funds globally because of E-Finance

Introduction:

Internet is the need in today's world, with the advancement in technology the lesser is a paper work & much more dependency is on internet. Today all the sectors are being benefitted by the technology. So the financial services are one of them. In this sector E-Commerce plays a vital role, which given birth to E-Finance & the world is now moving towards E-Finance, E-finance is defined as "The provision of financial services and markets using electronic Communication and computation."

Electronic finance or e-finance is changing the working pattern in financial services in global area. E-finance refers to financial services which are offered through electronically i.e. Internet.

E-Finance helps in fast services leads to time management & easy modes of payment. The banking industry has been a leader in the e-business world in recent years

Today the world deals in Internet Banking & e-trade therefore the need for e-finance emerges. It increases the competence of financial operations and also provides ease and faster services to the customers

It includes funds transfer, bill payment, viewing checking and payment of insurance & brokerage, Loan requests, credit insurance, letter of credit confirmations, paying mortgages, purchasing financial instruments and certificates of deposits and other documents can be transferred electronically.

E-Finance came into force in 1990-s & has completely changed the payment applications in the banks.

Financial services are now available in electronic format, they are becoming popular in international trade i.e. among developing countries. Today financial services and insurance products are being designed as per customer needs & it's also adapted by the customers' because they get full information through internet.

E-finance is forcing standardization, adding speed, and reducing costs. Overall these advantages help countries to stay competitive in the international trade sector.

E-finance innovations have made it possible to stratify customers through electronic customer relationship management. These developments can create risks for consumers also.

E-finance includes:

- Internet banking and payments
- e-brokerage

- e-insurance
- other e-finance services
  - Loans/Credit

Internet Banking:

Earlier Bank process use to be total paper based & lengthy also, but with Internet banking it has revolutionized world- wide.

With the implementation of E-finance in Banks, It helps to achieve higher efficiency, control of operations, productivity and profitability. For customers, it helps to access their accounts anywhere & anytime.

ICICI Bank and HDFC Bank have first introduced e-banking in India.

Due to increasing customer expectation and the tough competition in the market, banks have opted e-financeto cope up with advance technology.

E-Brokerage:

An e-brokerage is a system that allows to buy and sell stocks through electronics system i.e. internet. The investment & payment is done through internet.

This system is very popular now days because people preferred to work in internet in spite of visiting in the broking firm. They believe in less paperwork & less time consuming process.

Trade-related financial and insurance products are being adapted to customers' needs. Loan requests, credit insurance, letter of credit confirmations, and other documents can be transferred electronically. E-finance is forcing standardization, adding speed, and reducing costs.

E-Insurance:

Buying and selling of insurance products online is called e- insurance. It can be Life, Health, Vehicles (General), Marine etc. Insurance business is done through personal selling, which is based on the principle of utmost good faith. Therefore people still like to buy the insurance through the agent, as he provides full information about the products, underwriting, sales & after sales service etc. But internet is also providing this facility & there is no need to pay through cash, cheque etc. The procees can be done directly by ECS System, from choosing the product to payment.

E-loans:

E- Loan stands for electronic loan, now a day's loan can be applied electronically, i.e. internet.
 Loans can be borrowed on credit card also; there is some limit for this, as each credit card has some limit which is depend upon the capacity of repayment of an individual.

Need for E-Finance:

Need of E-finance emerges due to advancement in technology in every sector. And it leads to development in financial service sector.

- Customers can transact from one corner of the country to another corner without even contacting the bankers.
- Transaction can be done 24 hours a day, seven days a week.
- E-finance enhances the information and technology content of financial services.
- It helps to remove Boundaries between finance   & technology information & financial institutions and technology providers.
- It helps to work in less paperwork
- It saves transaction costs

Importance of E-Finance:

Internet banking is tremendously changing and shaping the future of the banking industry.
 Today the private as well as public sector banks are moving towards Internet banking. Earlier these banks remained cautious in the past, due to technological threats. But the scenario is changing rapidly.
With Internet Banking, anyone can access their account from anywhere in the world, it not only helps to the customer of the bank but a business man, common man, can have a lot of information on many companies by a mere use of search engines. So they are well aware about the different products in the market, therefore they have high level of expectation in the technology adopted by financial institutions.

E-Finance came with innovative approaches which results in market access and revenues generation. It has changed the way that the players in the financial world provide their service to the consumer.

As India's financial services industry is dominated by the banking sector, which contributes more revenue to the economy, proper development measures should be taken by the

government to increase its efficiency. The backbone of any economy can be best evaluated by the strength of its banking structure. Since the banks are adopting the innovated technology, automatically the gap between financial services and information technology is removing.

Why E-Finance needed?

E-Banking & E-Finance are the part of Internet banking, which involves self service technology.

Today the numbers of Internet users have increased dramatically, but most of them use it for the entertainment or education purpose. Some of them use it for dealing in financial services & they are reluctant to provide sensitive personal Information to websites, the reason is e-commerce security.

There are various factors which affect the customer for the acceptance of e-banking services. It is the situation among all the customers inspite of their age & gender differences.

Following are the factors which show the need of E-Finance in global arena.

1. Networks have lowered the costs of trading & brokerage, which offer better price determination.
2. About 28 percent of brokerage companies are providing online services in industrial Countries.
3. There are lots of benefits; government is adopting to encourage the policies & mobile telecommunications in rural areas.
4. Earlier trade finance systems rely on complicated documentations, traditionally paper-based, which make it slow & costly.
5. In International trade most of the traders have migrated from paper-based to electronic documents.
6. E-Finance has made consumer and investor protection very important.
7. Special emphasis has been taken for security, privacy, and transparency for the consumer and investor protection.
8. It raises the standards of financial service provider, which can best develop the standard and can enforce them.
9. E-finance will lead to much lower costs and greater competition in financial services.
10. New technology service providers are emerging within and across countries that allow consumers to compare financial services such as mortgage loans and insurance policies.

Governments and corporate are increasingly working towards the better utilization of the internet.

E-Finance users:

E-finance users are mostly belongs from urban area, because they are educated & well versed with internet. Therefore demography plays an important role in the using pattern of e-finance.

A study revealed that age and occupation have significant impact on consuming different categories of online services. In India the majority of population lives in rural area, who doesn't know about the internet & internet related services. The mindset of the rural area people is also very orthodox; they don't accept new technology easily.

Therefore for the development of Indian market, the government has to take effective measures to literate & educate people about the Internet. There are enormous opportunities present for online marketers to tap the potential of rapidly increasingly online market space in India.

E-Finance in rural areas:

The situation of E-finance in rural area is not satisfactory, because still rural people are not aware about computers, internet, e-commerce, internet banking & available electronic financial services. In some rural areas electricity is not available, then how it is possible to aware them about internet & internet related services. Therefore rural people cannot use or get the services of E-finance.

Steps should be taken by the government to literate rural people:

- **Awareness campaign**:
  Government should make arrangement for the awareness program for in the rural area to educate the people regarding the use of internet & financial services.

- **Familiarity:**
  Rural people should be familiar with the current trends in technology. So that they can easily accept the online banking services.

- **Simple methodology:**
  There should be simple methodology used for teaching them so that it should be user friendly.

- **Security and Privacy:**

As rural people are less educate & orthodox, they do not trust on anyone, therefore for them security measures should be told clearly. They doesn't believe on the privacy part of the online banking, which they feel that is not secure for conducting financial operations.

- **Convenience:**

It should be make them convenient to use technology like E-banking & E-finance.

- **Time saver:**

They should know that the technology is always beneficial for the common people; it is time saver & reliable method.

In spite of all the benefits there is low adoption rate of the E-finance. The Government & companies failed to understand the internet buyer behavior.People feel privacy as very important factor & they are not interested to provide the private information shared between the bank and the customer to the electronic financial services, it affects the customers' perceptions. Security is related to trust, violations of security norms can lose customers and negative word-of mouth can be spread.

Innovativeness & new concept has influenced the acceptance of online banking. Today's generation in urban area is innovative in nature. But the rural area peoples are orthodox and they are not ready to easily accept the online banking. Some elder customers are hindered by lack of computer skills, so they need to be educated for the use of online banking financial services.

Growth potential for e-finance:

The rapid growth of e-finance reflects the expansion patterns of financial products and services
The current status of Internet banking shows that the E-finance has enormous potential in a supportive environment. Government can change the provisions of banking services, housing finance, Insurance, nonbank financial services, storage finance, trade finance, small and medium-size enterprise lending, and even micro lending.
The result in all these sectors is savings and cost cutting. In the future also e-finance has many opportunities. Lower transaction costs will definitely increase competition for the facility providers and cut costs for consumers.
Rapid technological change and the Internet are making the functional approach relevant for

Emerging markets as well providers and consumers of e-finance view security as a constraint and a concern. In the future, regulations relating to disclosure and timing of information conflicts will become more important.

E-finance awareness will definitely need more government intervention. The increased availability of financial services, financial sector development, reduces the need for government to provide financial services. New technology has lowered the cost and increased the availability of information.

This development has increased Opportunities in the financial service sector & paperless infrastructure. Online services increase the discount on brokerages for each transaction. Due to the high competition in the industry, the facility for direct access trading is increased. Through direct access trading an investor can make an order online.

Risk factor involved in E-finance:

Financial institutions are today increasingly relying on technology to process, store, and retrieve data. But this is also a fact that with increase in technology in computer hardware, software, and communications technology increase the financial industry's to internal and external attacks. E-finance can cause fraud, theft, embezzlement, pilfering, and extortion. Without strong seecurity controls, banks & financial service sector have a risk of financial loss, legal liability, and reputation harm.

The most frequent problems in the arena of e-finance security are:

1. Insider abuse
2. Identity theft
3. Fraud
4. Breaking and entering, often conducted by hackers.

Following are the available online crimes:

- Unauthorized account access
- Identity theft
- Manipulation of stocks and bonds
- Extortion
- Unauthorized system access (e.g., system damage, or denial of service)
- Manipulation of e-payment systems
- Credit Card Theft

Security of e-finance transactions is of prime importance today. It should be legal; arrangements should be done to ensure electronic security of payment systems. There should be proper supervision and prevention so it can creates better incentives to implement

appropriate risk-management systems, including electronic security for financial services providers.

Research Methodology:

The primary objective of the study is to identify the role of E-finance in financial service & awareness of internet banking in urban as well as rural area. The study is total based on reviewing of available literature. This research was based upon secondary data collection.

Research purpose:

Since the purpose of the study is to understand the e-finance awareness & its need in the current management system. The research can be considered as exploratory and descriptive because we may get more information if we can use primary data also.

Data collection:

Secondary data collection was done for the collection of information & data in the present study.

Findings:

 The finding of this paper includes the application of technology to e-finance, growth of the e-finance in the financial services industry. It has been also found that the user of E-finance are mostly from the urban area, the government should concentrate more on rural area to develop this trend & aware people about the e-services in financial sectors.

Conclusions:

1) The study reveals that it is important to know the need of e-finance in the current management system

2) The study reveals the urban & rural people mindset in adopting e-financial services.

3) The banking industry play a significant role in supporting economic development through efficient financial services

4) Due to less government intervention the e-finance services are not getting success, so it leads to limited usage of internet banking in rural area.

5) It is observed that due to security & safety measures people are not turning towards e-services.

Suggestions:

Government should consider the importance of e-finance for the economic development & should take positive measures for its development.

As the world is moving towards electronic advancement the growth of e-finance is good in the future, therefore our country should also take charge for e-services.

The financial service provider should focus on building a positive attitude for the customers towards electronic services, e-finance & internet banking which may results in increased e-finance usage.

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FDI in Food and Grocery

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ABSTRACT

India is known for its vegetation .All sorts of agricultural products are made here and also vastly improved . As India is known for its food processing industry and about 20% of all food produced in India are wasted(rs 5oo B) .So there must be some technology and to not waste the food product and also the India is facing the problem of insufficient food chain . So there must be supply of food chain in Indian market ,so that a number of people can get advantage of food and surplus of serials ,food ,vegetable ,fish ,milk ,meat ,poultry and they should be process properly and with adding of food product both domestically and internationally .The development of food processing plant in various sector must be there ,so that we achieve the competitiveness among as national and internationally .Global retail scenario is that retailing is playing major role in economy in develop market ,retailing is most prominent industry .In 2008,US sector contributed 31% GDP at current market price .In develop economy organized retail as 75-80% total retail as compared to with developed economy where unorganized retail dominant share .India has a high malnutrition rate and high food inflation because of wastage of food. India loses around 30% to 40% of its food produce, because of lack of refrigerated transportation and cold storage. The wastage of food creates an artificial scarcity, which in turn increases the prices of food articles.Over the last two decades Walmart has ballooned into the most dominant force in the U.S. food market, more powerful even than the old titans like Monsanto   and   Kraft. During this time, Walmart has scaffolded its growth with finely tuned public messaging, positing itself as a supplier of "healthy" food, a force behind a growing movement to "eat

INTRODUCTION

The commercial food market topped seven trillion dollars at the end of 2009, overtaking even the mammoth energy sector, according to a new report ,there is new technology developed in India. The top 10 retail food firms raked in combined annual sales worth 753 billion dollars, 25 percent of which went to the world's largest corporation: Walmart. In 2009, 51 percent of Walmart's total revenue came directly from its food sales, making it the U.S.'s largest grocer. However, with consumer markets in the U.S. and Western Europe shriveling fast, Walmart has been forced to look elsewhere for customers. The only thing now standing between Walmart's grocery tsunami and millions of small farmers in India is a consumer base that is loyal to small traders and highly sceptical of a firm that critics say has wreaked havoc on the U.S. economy and food system. Small farmers in the U.S. Over the last two decades Walmart has ballooned into the most dominant force in the U.S. food market, more powerful even than the old titans like Monsanto and Kraft.

During this time, Walmart has scaffolded its growth with finely tuned public messaging, positing itself as a supplier of "healthy" food, a force behind a growing movement to "eat local" and a panacea for poverty and "food deserts". But numerou studies have found that, far from resolving the crises identified by its marketing image, Walmart has been very much a part of the problem. "Walmart is part of a larger system, controlled by a handful of companies, that have helped drive prices paid to farmers down, while encouraging farmers to grow primarily commodity crops," Ben Lilliston, vice president for programmes at the Institute for Agriculture and Trade Policy, told IPS. "Walmart is not the only factor here. U.S. policy, which encourages the over-production of commodity crops, has (also) been a major cause. When you combine government policy with the market power of a few corporations that include Walmart, it is very hard for smaller family farmers to survive," he added.

Walmart is not only the biggest seller but also the biggest buyer of food, making it, at times, a virtual monopsony - a market in which only one buyer faces many sellers. "This gives Walmart an enormous amount of power as they can force food processors, even large ones, to drop their prices and pay for expenses that used to be borne by the retailer," Patty Lovera, assistant director of Food & Water Watch (FWW), told IPS. "When the processors get paid less, they force farmers who supply them to take less. The company also deals in incredible volume so they only want to deal with the biggest suppliers – they do not want to deal with small, local or regional suppliers of food, they want national scale contracts. This means that many food processors cannot get into the Walmart system," she added. Wenonah Hauter, executive director of FWW, perhaps put it most succinctly when she noted that corporate influence in the food system has "created a food chain that's shaped like an hourglass", with a small number of food retailers standing between 300 million consumers and a little over two million farmers. This has not only created a problem in access but also contributed to the epidemic of malnutrition seeping from the fields of industrialised farms down to the tables of thousands of low-income households.

"We can safely say that corporate control of the food system in the U.S. has not been good for public health – whether it is over- nutrition and rising obesity, or undernutrition and the rising rates of food stamp use," Lilliston stressed. "There is a whole host of work being done on food deserts that maps out communities around the country that Walmart and other big grocers have left behind because it simply isn't profitable to put a supermarket there. These are usually poor communities, and communities of colour," he added. Stacy Mitchell, a senior researcher at the Institute for Local Self- Reliance, notes, "For neighbourhoods that are truly underserved, it seems hard to argue with the notion that having a Walmart nearby is better than relying on 7-11 and McDonald's for meals.

"But poor diet, limited access to fresh food, and diet-related health issues are a cluster of symptoms that all stem from a deeper problem that Walmart is likely to make worse . new study by global management consulting firm AT Kearney says that in India, apparel, along with food and grocery, will lead organised retailing in India. India has one of the largest numbers of retail outlets in the world. A report by Images Retail estimates the number of operational malls to grow more than twofold, to cross 412, with 205 million square feet by

2010, and a further 715 malls to be added by 2015, with major retail developments even in tier-II and tier-III cities in India. Also, according to new market research report by RNCOStitled, "Booming Retail Sector in India", specifies that the number of shopping malls is expected to increase at a CAGR of more than 18.9 per cent from 2007 to 2015. It further specifies that rural market is projected to dominate the retail industry landscape in India by 2012 with total market share of above 50 per cent. Thus, according to industry experts, the next phase of growth is expected to come from rural markets, with rural India accounting for almost half of the domestic retail market, valued over US$ 300 billion.In order to be truly successful, retailers must advance from the generic or store brand mindset of the past to a new private label paradigm. Many retailers have begun to describe their private label brands as "own" brands because there is recognition that these proprietary, exclusive offerings are tools that represent momentous power and potential for the retail store.

Meaning of Private Label Brands

A private-label product is a manufactured good that a retailer purchases from a supplier, with the intention of renaming, repackaging and selling it under the distributor's own brand name. Depending on the agreement between a manufacturer and a retailer, the manufacturer sometimes handles the packaging and labeling for the retailer for an additional charge. Otherwise, the retailer is responsible for the process of dressing up the product as its own. Thus, it can be said that Brands owned not by a manufacturer or producer but by a retailer or supplier who gets its goods made by a contract manufacturer under its own label are called private label brands. Manufacturers use either their own name, that of a middleman, or a combination of both when they are marketing their products. Private labeling occurs when middlemen, usually large retailers or wholesalers, develop their own brand. Building a following from scratch through private-label products, especially in rough economic times, is challenging because smaller retailers do not have the marketing budget compared to their largersized competition.

Evolution of private label brands

The definition of private label branding has evolved significantly over time. Some would argue the term "private label" is a misnomer of great proportions. There is no question that the words "private. label" acknowledges the birth, history and existence of generic and store brands. Yet, the term does not adequately capture the extent to which private label has progressed. Today's retail marketers are managing their proprietary brands with the same combination of care and innovation as manufacturers of national brands. In recent years, retailers have been liberating themselves from the traditional definition of private label marketing as being the poor relative of national brand consumer goods, and, in doing so, opening up huge opportunities for private label branding. These opportunities require the adoption of a different set of marketing and branding practices to support and propel the retailer's business and marketing ideals for its PLBs.

The key to successful marketing management for today's retailers is to understand the contribution and role of their proprietary or "own" brands in the long-term business strategy and marketing mix of the retail store and consider both the supply side and the demand side

of the equation. Strategic brand management goes hand in hand with these endeavors to establish susainable points of difference in each aisle and segment within
the store. It also

Benefits of Private Label Brands

Since manufacturers' (producers') brands have large advertising
expenditures built into their cost, a private labeler is able to buy the same goods at a lower cost and thus sell them at a lower price and/or at a better profit margin. In addition, private labelers have more control over pricing and are able to advantageously display their own brands for maximum impact. For example, a grocery store can quickly reduce the price of its own PLB in order to meet or beat a competitor's price. Or the grocery store can create a special point-of-purchase advertising display and/or give its brand predominant shelf space in order to boost sales. PLBs are usually priced lower than comparable manufacturers' brands and therefore appeal to bargain-conscious consumers.

As already mentioned, retailers like PLBs because of their potential to increase store loyalty, chain profitability, control over shelf space, bargaining power over manufacturers, and so forth (Richardson,

Jain, and Dick, 1996). Among consumers, one obvious reason for their popularity and growth is their price advantage (averaging 21%) over national brands (Batra and Sinha, 2000).Opponents of the entry of foreign direct investment (FDI) in retail trade generally point to its adverse impact on employment. This is indeed an important issue, as around 40 million people are engaged in retail trade in India, and even a small percentage loss of employment in this sector amounts to lakhs of unemployed.[1] At the same time, we need to take note of certain other issues as well, in particular the **nature of the relations** which international retailing giants establish with their suppliers, and their implications for workers and cultivators in countries like India.Though FDI in retail trade is as yet restricted, the Government of India has a more liberal policy towards wholesale trade, franchising, and commission agents' services, thus preparing the ground for FDI in retail as well. Foreign retailers have already started operations in India through various routes: (i) joint ventures where the Indian firm is an export house; (ii) franchising[2](eg. Kentucky Fried Chicken, Nike); (iii) sourcing of supplies from small-scale sector; (iv) 'cash and carry' operations (Giant in Hyderabad, Metro in Bangalore)[3]; (v) non-store formats – direct marketing (Amway). Large international retailers of home furnishing and apparels such as Pottery Barn, The Gap and Ralph Lauren have made India one of their major sourcing hubs. Up to 100 per cent FDI is allowed in 'cash and carry' operations. The Great Wholesaling Club Ltd is one such example.[4] In February 2002, the world's largest retailer, Wal-Mart, opened a global sourcing office in Bangalore. In November 2006, it announced its entry under a joint venture with the Indian corporation Bharti. For the time being, Bharti is to own the chain of front-end retail stores, while the two firms will have an equal share in a firm that will engage in wholesale, logistics, supply chain and sourcing activities.[5] This is seen as a preliminary step by Wal-Mart pending the removal of all restrictions on FDI in retail trade.

CONCLUSION

Foreign retailers have long wanted to participate in India dollar 450-billion retail market .But small and medium size retailers ,comprising 90% of sector ,are opposing it .This has made implementation difficult .

"The policy reversal is credit negative ",a note by ATSI SHETH , vice president –senior analyst , Sovereign risk group,Moody's Investers Service INC.It deflates the ephemeral boost to business confidence that took hold after the measure's initial announcement , curtails planned foreign investment in the retail sector, and reinforces the popular view that India politics hamper the government's ability to implement policies decisively." "The badget could give a fresh impetus to agriculture".

The role of ATM (E-Banking) in E- COMMERCE

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Abstract

The term electronic commerce or e-commerce consist of all business activities carried on with the use of electronic media, that is computer network. It involves conducting business with the help of that electronic media, making use of the information technology such as electronic data interchange (E.D.I). In simple words, electronic commerce involves buying and selling of goods & services over the World Wide Web. Customer can purchase anything right from a car or a cake sitting comfortably in his room & gift it to someone sitting miles apart just by click of a mouse.

E-Banking has a vital role in e-commerce.E-banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-banking includes the systems that enable financial institution customers, individuals or businesses access to accounts,transact business, or obtain information on financial products and services through a public or private network, including the internet. Customers access e-banking services using an intelligent electronic device, such as a personal computer (Pc), personal digitalassistant (PDA), automated teller machine (ATM),risks and controls are similar for the various e-banking access channels.

Introduction of ATM

Automatic teller machines, also known as cash machines, have been one of the most influential technological innovations of the twentieth century. ATMs were the first large-scale retail transaction processing systems. They have been around since 1968; the world installed base is now about 500,000 machines. The technology developed for them is now also used in terminals for electronic funds transfer at the point of sale in shops. Modern block ciphers were first used on a large scale in ATM networks, to generate and verify PINs in secure hardwere devices located witin the ATMs and at bank computer centers. This technology, including block ciphers, tamper-resistant hardware, and the supporting protocols, ended up being used in many other applications, from postal franking machines to lottery ticket terminals. ATMs are known by various other names including automated banking machine, money machine, bank machine, cash machine, hole-in-the-wall, cashpoint, Bancomat, multibanco, and anytime money.

History of ATM

The first machanical cash dispenser was developed the built by Luther George Simjian and installed in 1939 in New York city by the City Bank of New York, but removed

after 6 months due to the lack of customer acceptance. Thereafter, the history of ATMs paused for over 25 years, until De La Rue developed the first electronic ATM, which was installed first in Enfield Town in North London, United kingdom on 27 June 1967 by Barclays Bank. This instance of the invention is credited to John Shepherd Barron, although various other engineers were awarded patents for related technologies at the time.

The first person to use the machine was the British Variety artist and actor Reg Varney. The first ATMs accepted only a single-use token. Which was retained by the machine.   These worked on various principles including radiation and low-coercivity magnetism that was wiped by the card reader to make fraud more difficult. The machine dispensed prepackaged envelopes containing ten pounds sterling. The idea of a PIN stored on the card was developed by the British engineer JamesGoodfellow in 1965. In 1968 the networked ATM was pioneered in Dallas, Taxas, by Donald Wetzel who was a department head at an automated baggage-handing company calldocutel. In 1995 the smithsonjan'sNational Museum of American History recogniseddocutel and Wetzel as the inventors of the networked ATM. ATMs first came into wide UK use in 1973; the IBM 2984 was designed at the request of Lloyds Bank. The 2984 cash Issuing Terminal was the first true cashpoint, similar in function to today's machines cashpoint is still a registered trademark of Lloyds TSB in the U.K. All were online and issued a varible amount which was immediately deducted from the account.

ATMs are placed not only near but also in locations such as shopping centers,malls, grocery stores, petrol/gas stations, restaurants, or any place large Numbers of people may gather. These represent two types of ATM installations: on and off premise. On premise ATMs are typically more advanced,multi function machines that complement an actual bank branch's capabilities and thus more expensive. Off premise machines are deployed by financial institutions and also ISOs where there is usually just a straight need for cash, so they typically are the cheaper mono-function devices.

ATM's Hardware

An ATM is typically made up of the following devices:

- CPU- (To control the user interface and transaction devices)
- Chip Card reader-(to identify the customer)
- PIN Pad-(similar in layout to a Touch tone or calculator keypad), often manufactured as part of a secure enclosure.
- Secure cryptoprocessor, generally within a secure enclosure.
- Display (used by the customer for performing the transaction)
- Function key buttons (usually close to the display) or a Touchscreen (used to select the various aspects of the transaction)
- Record printer (to provide the customer with a record of their transaction)
- Vault (to store the parts of the machinery requiring restricted access)

- Housing (for aesthetics and to attach signage to)

Recently, due to heavier computing demands and the falling price of computer like architectures, ATMs have moved away from custom hardware architectures usingmicrocontrollers and/or application-specific integrated circuits to adopting a hardware architecture that is very similar to a personal computer. Many ATMs are now able to use operating systems such as Mircrosoft Windows and Linux. Although it is undoubtedly cheaper to use commercial off- the shelf hardware, it does make ATMs vulnerable to the same sort of problems exhibited by conventional computers.

Business owners often lease ATM terminals from ATM service providers such as Unitedcash solutions. The vault of an ATM is within the footprint of the device itself and is where items of value are kept. Scrip cash dispensers do not incorporate a vault. Mechanisms found inside the vault may include:

- Dispensing mechanism (to provide cash or other items of value)
- Deposit mechanism, including a cheque processing module and Batch Note Acceptor (to allow the customer to make deposits)
- Security sensors (Magnetic, Thermal, seismic)
- Locks: (to ensure controlled access to the contents of the vault)
- Journaling systems some are electronic (a sealed flash memory device based on proprietary standards) or a solid state device (an actual printer) which accrues all records of activity, including access timestamps, number of bills dispensed etc.

ATM vaults are supplied by manufacturers in several grades. Factors influencing vault grade selection include cost, weight, regulatory, requirements, ATM type, operator risk avoidance practices, and internal valume requirements.

ATM manufacturers recommend that vaults be attached to the floor to prevent theft.

Software:

With the migration to commodity PC hardware, standard commercial "off the shelf" operating systems and programming environments can be used inside of ATMs. Typical platforms used in ATM development include RMX,0S/2, and microsoft operating systems. Java, Linux and Unix may also be used in these environments. Linux is also finding some reception in the ATM marketplace. The latgest bank in the south of Brazil, which has replaced the Ms-Dosoperating systems in its ATMs with Linux.

Common application layer transaction protocols such as Diebold 911 or 912, IBMPBM, and NCR NDC or NDCt provide emulation of older generations of hardware on newer platforms with incremental extensions made over time to address new capabilities, although companies like NCR continuously improve these protocols issuing newer versions. Most major ATM manufacturers provide software packages that implement these protocols.

ATM Fraud

As with any device containing objects of value, ATMs and the systems they depend on to function are the targets of fraud.Fraud against ATMs and people's attempts to use them takes several forms. The first known instance of a fake ATM was installed at a shopping mall in Manchester, connecticut in 1993. By modifying the inner workings of a fujitsa model 7020 ATM, a criminal gang known as the Bucklands Boys were able to steal information from cards inserted into the machine by customers.

In february 2009, a group of criminals used counterfeit ATM cards to steal$9 million from 130 ATMs in49 cities around the world all within a time period of 30 minutes.Card cloning and skimming can be detected by the implementation of magnetic card reader heads and firmware that can read a signature embedded in all magnetic stripes during the card production process. This signature known as a "Bluprint" can be used in conjunction with common two factor authentication schemes utilised in ATM, debit retail point –of – sale and prepaid card applications.

ATM Security

ATMs also provide a practical demonstration of a number of security systems and concepts operating together and how various security concerns are dealt with.

Early ATM security focused on making the ATMs invulnerable to physical attack; they were effectively safes with dispensermechanisms.

A number of attacks on ATMs resulted, with thieves attempting to steal entire ATMs by ram-raiding. Since late 1990s, criminal groupsaperating in Japan improved ram-raiding by stealing and using a truck loaded with a heavy construction machinery to effectively demolish or uproot an entire ATM and any housing to steal its cash.

Another attack method, plofkraak, is to seal all openings of the ATM with silicone and fill the vault with a combustible gas or to place an explosive inside, attached, or near the ATM. This gas is ignited and the vault is opened by the force of the resulting explosion and the criminals can break in modern ATM physical security, per other modern money – handling security, concentrates on denying the use of the money inside the machine to a thief, by means of techniques such as dye markers and smoke canisters.

Customer Security

In some countries, multiple security cameras and security guards are the common feature. July 30, 1986, critics of the industry have called for the adoption of an emergency PIN system for ATMs, where the user is able to send a silent alarm in response to a threat.

Alternative Uses

ATMs were originally developed as just cash dispensers, they have evolved to include many other bank- related functions. ATMs include many functions which are not directly related to the management of one's own bank account, such as :-

Deposit currency recognition, acceptance , and recycling , paying routine bills, fees and taxes,printing bank statements , updating passbooks , Loading monetary value into stored value cards,purchasing postage stamps , Lottery tickets , Train tickets etc.Games and promotional features , Donating to charities , cheque processing Module , Adding Pre – paid cell phone credit.ATM can also act as an advertising channel for companies to advertise their own products or third – party products and services.

Conclusion

Thus we find that ATM is very useful in banking Industry. ATM in E – commerce helps the people for their monetary transactsionworld wide. ATM has vaital role in the Globalization.The proseess of Globalization, Liberalization &Privatisation has resulted into tremendous growth in all the business sectors. Word wide transformation in business sector has raised its expectations from service sector.

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FINANCIAL INCLUSION IN INDIA

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ABSTRACT:-

The process of economic growth, especially when it is on highgrowth trajectory, must strive to encompass participation fromall sections of society. Lack of access to finance for small/ Marginal farmers and weaker sections of the society have beenrecognized as a serious threat to economic progress especially indeveloping countries. Moreover, prolonged and persistent deprivation of banking services to a large segment of thepopulation leads to a decline in investment and has the potentialto fuel social tensions causing social exclusion.

Theoretical knowledge and empirical observation acknowledgethat access to financial services allows the poor to save moneyoutside the house safely, prevents concentration of economicpower with a few individuals and helps in mitigating the risksthat poor face as a result of economic shocks. Hence, providingaccess to financial services is increasingly becoming an area ofconcern for the policymakers for the obvious reason that it hasfar reaching economic and social implications. There is a needto perceive 'financial inclusion' as a 'quasi-public good'.The Committee on Financial Inclusion set up by Government ofIndia headed by Dr. C. Rangarajan has provided a workingdefinition for "Financial Inclusion" emphasizing on accessibilityof credit at an affordable cost to the disadvantaged sections ofsociety.

With respect to the economics of financial inclusion, cost benefitanalysis estimates that in monetary terms the total net benefitthat accrues following a financial inclusion policy stance isaround Rs. 54715 crore per annum. The progress made in thepath of financial inclusion can be captured by devising an IndexNumber based on select parameters. In our case a similar attemptreveals that the estimated values of Financial Inclusion Index(FII) showed that there has been a relative improvement in thestatus of financial inclusion between the period 2002 and 2006. In 2002, 378 districts (72 per cent) were in the lowest grade,however, in the year 2006, 330 districts figured in the lowestgrade. Most of these districts have moved to the next grade wherethe FII ranges between 0.20 and 0.40. The financial structure in a country is influenced and shaped bynon-financial developments. Changes in the field of telecommunications,computers, non-financial sector policies, andeconomic growth itself influence the structure of the financialsystem. Technological improvements lower transaction costs andaffect financial arrangements. Financial Inclusionis one such intervention that seeks to overcome the friction thathinders the functioning of the market mechanism and operateit in favour of the poor and underprivileged. Thus, financialinclusion is an explicit strategy for accelerated economic growthand is critical for achieving inclusive growth in the country.

KEYWORD:-

Financial inclusion. Financial growth, FII, Financial system, Financial structure, institutional finance Financial inclusion policy.

INTRODUCTION

INCLUSION

The definition of Inclusion is to include everyone. if they are black white. Man women Child and senior. That's what the INDIE group does , we are trying to get our school Lourdes secondary and other participating schools to get together and think how we can make the world better and more together. Inclusion is to learn to learn about the cultures of different people. I Lourdes we tried different food from different countries and culture this gave us a small idea of the different cultures out there.

FINANCIAL INCLUSION

Financial inclusion is the process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low income groups at an affordable cost. Access to financial products is constrained by several factors which include: lack of awareness about the financial products, unaffordable products, high transaction costs, and products which are not convenient, inflexible, not customized and of low quality.
The process of financial inclusion in India can broadly be classified into three phases. During the First Phase (1960-1990), the focus was on channelling of credit to the neglected sectors of the economy. Special emphasis was also laid on weaker sections of the society. Second Phase (1990-2005) focused mainly on strengthening the financial institutions as part of financial sector reforms. Financial inclusion in this phase was encouraged mainly by the introduction of Self- Help Group (SHG)-bank linkage programme in the early 1990s and Kisan Credit Cards (KCCs) for providing credit to farmers. During the Third Phase (2005 onwards), the 'financial inclusion' was explicitly made as a policy objective and thrust was on providing safe facility of savings deposits through 'no frills' accounts.

Financial Inclusion = Financial Opportunity

Financial inclusion and financial opportunity are two sides of a coin when thinking about the economic integration of migrants in today's cities. This month's interview takes us to London where **Omar Khan**at the Runnymede Trust talks about how financial inclusion underpins a range of social and economic issues and translates meaningfully into fairness and participation for newcomer and marginalized populations alike.

New Good Ideas in Integration include a look at Fair Finance, a London NGO that is offering a range of loan products to the 'unbanked' in London's East End and coming up in

the black. At Barcelona Activa, a dynamic business incubator weaves social inclusion into the financial opportunities that immigrant entrepreneurs create for city growth and prosperity.

You can learn more about these Good Ideas during this month's webinar, The Cost Of Admission: Strategies For Financial Inclusion. Join us on April 13, 2010, for fresh thinking, good questions and insider tips.
Browse the Cities of Migration e-zine for more on this topic, or see more Good Ideas on Financial Inclusion from Bologna, Chicago, Boston and Helsinki.

Financial Inclusion should Include access to Financial Products and Services Like-

♣ No frill Bank accounts – check in account
♣ Micro Credit
♣ Savings products
♣ Remittances & Payment services
♣ Insurance - Healthcare
♣ Mortgage
♣ Financial advisory services
♣ Entrepreneurial credit
♣ Pension for old age
♣ Business correspondence &self-help group
♣ Branchless banking
♣ Micro finance & micro credit facility

SCOPE

The scope of financial inclusion can be expanded in two ways.
through state-driven intervention by way of statutory enactments (for instance the US example, the Community Reinvestment Act and making it a statutory right to have bank account in France).Through voluntary effort by the banking community itself for evolving various strategies to bring within the ambit of the banking sector the large strata of society.
When bankers do not give the desired attention to certain areas, the regulators have to step in to remedy the situation. This is the reason why the Reserve Bank of India is placing a lot of emphasis on financial inclusion. In India the focus of the financial inclusion at present is confined to ensuring a bare minimum access to a savings bank account without frills, to all. Internationally, the financial exclusion has been viewed in a much wider perspective. Having a current account / savings account on its own, is not regarded as an accurate indicator of financial inclusion. There could be multiple levels of financial inclusion and exclusion. At one extreme, it is possible to identify the 'super-included', i.e., those customers who are actively and persistently courted by the financial services industry, and who have at their disposal a wide range of financial services and products. At the other extreme, we may have the financially excluded, who are denied access to even the most basic of financial products.

In between are those who use the banking services only for deposits and withdrawals of money. But these persons may have only restricted access to the financial system, and may not enjoy the flexibility of access offered to more affluent customers.

OBJECTIVE

Financial Inclusion aims at achieving the objectives in such a way that the rural-urban gap is systemically reduced. The frontal objectives of financial inclusion are:

1. To take banking services to everybody to meet their entire savings, credit and remittance needs initially, and needs for all other financial products andservices subsequently.

2. To provide banking services to the entire population residing in Urban and Metro Centres.

3. To sanction overdraft to all eligible persons for consumption needs.

Advantage of Financial Inclusion

1-Economic Growth

The growth trend of the Indian economy over the last few years appears to indicate the beginning of a new phase of higher growth. From an average growth rate of around 6.0 per cent for a quarter of a century, the growth rate has accelerated to 8.1 per cent over the last few years. Along with declining population growth, this suggests high growth in per capita income in excess of 6 per cent in recent years, and perhaps approaching 7 per cent, which would lead to doubling of per capita income every ten years. Most importantly, the current growth process is not a flash in the pan so through the financial inclusion the we will achieve the inclusive growth And access of credit facility will lead to increase the entrepreneurial skill of people and short out the problem of credit crunch among the less developed people.

2-Financial deepening

There is a general consensus among economists that financial development spurs Economic growth. Theoretically, financial development creates enabling conditions for growth through either a supply-leading (financial development spurs growth) or a demand following (growth generates demand for financial products) channel. And that will lead to the growth of different financial product in India

Economics of Financial Inclusion

The cost and benefits arising out of following the policy of financial inclusion.

Benefits and Costs of following a Financial Inclusion Policy Stance

The process of financial inclusion should benefit both the users and providers. Efforts to improve inclusion should also make business sense, and translate into profits for the providers of these services.

Only then can it have a lasting effect. As the process involves costs and benefits to both the providers/suppliers and beneficiaries, economics calculations have been attempted from both the providers as well as beneficiaries perspective.

This section deals with the economics of financial inclusion by making an effort to delineatevarious costs involved in financial inclusion and enumerating benefits emering out of it.

Role of Technology in Financial Inclusion

The financial structure in a country is influenced and shaped by nonfinancial developments. Changes in the field of telecommunications, computers, non-financial sector policies, and economic growth itself influence the structure of the financial system. Technological improvements lower transaction costs and affect financial arrangements (Financial Innovation and Economic Performance, Robert C Merton, 1992).

For banks, technology has a critical role to play in reducingtransaction and operation cost component for the banks in providingfinancial services to its poorest customers. Reducing these costs shalllead to a reduction in lending costs, which would definitely help inimproving the viability of rural businesses. For addressing theproblem of long distances and poor transport linkages in rural areas, communications technology could play an important role by bridgingthe last mile between the customer and the provider and thus facilitating transactions. Banks in India have been able to achieve a substantial level of Computerization in their operations, however, tremendous scope still Exists for them to learn from mobile operators to optimize back-endtechnologies and leverage volume to significantly reduce the back-end costs.

For example

The back-end costs for banks vary from Rs.1 to 2per transaction whereas for Indian mobile companies similaroperations cost between 1 and 2 paise per transaction. Post-liberalization, the use of ATMs has helped to reduce front-end costs, which continue to be the dominant costs for banks. Banksneed to promote low cost indigenous ATM technologies, especially for rural areas.

Financial Inclusion in India

The dynamic country, India, is projected to grow at a rate of 8.4 percent during 2010-11. Its financial assets amount to about $2 trillion or about 160 percent of its GDP. India has also a large network of commercial bank branches- 80,000- of which almost half are in rural areas. But the uneven and deep financial system is mostly focused on the urban areas and has been relatively unsuccessful in bringing the poor and rural households into the growth trajectory by providing them with easy and ready access to the various financial services. Limited access to affordable financial services such as savings, loan, remittance and insurance services by the vast majority of the population in the rural areas and unorganised sector is acting as a constraint to the growth impetus in these sectors. Access to affordable financial services – especially credit and insurance – enlarges livelihood opportunities and empowers the poor to take charge of their lives. Such empowerment aids social and political stability.

Need For Financial Inclusion In India

Financial exclusion is the lack of access by certain consumers to appropriate, low cost, fair and safe financial products and services from mainstream providers. There is a large overlap between poverty and permanent financial exclusion. Both poverty and financial exclusion result in a reduction of choices which affects social interaction and leads to reduced participation in society. Financial Exclusion leads to Financial Illiteracy, Financial Discrimination and Financial Exploitation. Large swathes of India are financially excluded. At least 73 percent of farmer households are in need of formal financial services. Out of 6 lakh villages in the country, only 30,000 have a bank branch. Only 40 percent of the country's 1.2 billion people have a bank account, and this ratio is much lower in the north-east region of the country. Debit cards cover only 13 percent of the population and credit cards, a mere 2 percent. India ranks low when compared with the OECD countries and select Asian peer group in respect of financial penetration. Growth is inclusive when it creates economic opportunities along with ensuring equal access to them. Owing to difficulties in accessing formal sources of credit, poor individuals and small and macro enterprises usually rely on their personal savings or internal sources to invest in health, education, housing, and entrepreneurial activities to make use of growth opportunities. As the gap between the urban and rural areas increase as a result of such exclusions, inclusive growth becomes more difficult to achieve, adversely affecting the growth rate of the country.

Steps taken in this direction

In India, the Reserve Bank of India (RBI) has initiated several measures since 2005 to achieve greater financial inclusion, such as facilitating 'no-frills' accounts and "General Credit Cards" for low deposit and credit.

No-frills accounts are those accounts which can be opened with minimum/zero balance and relaxed KYC (Know Your Customer) norms. This was introduced in order to instil savings habit among the low income households. Such accounts give interest at the same rate as other deposit schemes, but has a upper bound limit of Rs.50,000.

General purpose Credit Cards (GCCs) offered by banks at their rural and semi-urban braches are in the nature of revolving credit, entitling the holder to withdraw up to the limit sanctioned (Rs.25,000). By March 2010, banks had provided credit aggregating Rs.635 crore in   3.5   million   GCC   accounts.

The Self Help Group (SHG)*- Bank linkage programme has so far become the largest microfinance programme in the country. With the small beginning as Pilot Programme launched by NABARD by linking 255 SHGs with banks in 1992, the programme has reached to linking of 69.5 lakh saving-linked SHGs and 48.5 lakh credit-linked SHGs and thus about 9.7 crore households are covered under the programme, envisaging synthesis of formal financial system and informal sector.

PROBLEMS AND DIFFICULTIES

Scaling up of activities
☐ Transaction cost too high
☐ Appropriate business model yet to evolve
☐ BC model too restrictive
☐ Limitation of cash delivery points
☐ Lack of Interest / Involvement of Big Technology
   Players

FUNDS OF FINANCIAL INCLUSION

- The GOI in June 2006 constituted a 'Committee on Financial Inclusion' under the chairmanship of Dr. C. Rangarajan to look into the problem of exclusion of rural poor from access to financial services. Based on recommendations of the Committee and announcement made in the Union Budget 2007-08, two funds (the Financial Inclusion (Promotion and Development) Fund (FIF) and the financial Inclusion Technology Fund (FITF)) were set up with NABARD.   The Funds are meant for meeting the cost of developmental and promotional interventions, and costs of technology adoption, respectively, for facilitating the mandated levels of inclusion. The Funds will have an initial corpus of Rs.500 crore with initial funding of Rs.250 crore each, to be contributed equally by GoI/RBI/NABARD, with annual accretions thereto. Banks will be eligible for support from the Funds on a matching contribution of 50% from the Fund for non-tribal districts and 75% for tribal districts identified under the Tribal Sub-Plan.

- Funding from FIF would be available for various promotional and developmental initiatives to facilitate better credit absorption capacity among the poor and vulnerable sections, *viz.*, (i) creation of and support to Farmers' Service Centres (FSCs) to provide advisory services to the new/hitherto excluded segments; (ii) promoting entrepreneurship/skill development among farmers/rural entrepreneurs for effectively managing the assets financed; (iii) promotion, nurturing and credit linking of SHGs especially in the central, eastern and north-

eastern regions; (iv) training of personnel of commercial banks/RRBs to positively orient them towards lending to the poor and hitherto excluded; (v) support for setting-up Resource Centres to enable mature SHGs to micro-enterprises and voluntary establishment of federations together/or from MFDEF; and (vi) prioritised support for capacity building of BFs/BCs.

▪ Support from the FITF would be extended to enable application of low-cost technology solutions and for rolling out IT-based inclusive financial sector plan on the scale as envisaged in the NRFIP.

INVESTORS FOCUS ON

IFIF's primary focus is on making equity investments in companies that are directly or indirectly linked to financial inclusion. Such companies would be either:

• For-profit companies that directly provide financial services to the poor, i.e. MFIs, banks etc. and/or

• Companies that enable the provision of financial services to the poor, e.g. business correspondents to banks, technology companies, housing companies etc.

Efforts will be focused on promoting a wide range of financial services, including credit, savings, insurance or remittance facilities, to the un-served/under-served segments for their business and personal needs

Investments would be made in high-growth and efficient institutions who use traditional, as well as innovative models for reaching the unreached.

"RBI guidelines to promote financial inclusion "

Mumbai, Oct 19 : Banking and finance experts today said that draft guidelines issued by the Reserve Bank of India (RBI) for new licenses to operate commercial banks in the private sector will allow only serious players, promote financial inclusion and encourage high level of corporate governance.

INNOVATION IN FII

Opening Doors to India's Unbanked

India is one of the world's most populated countries, but today millions do not have access to formal financial services. Cash is still the dominant currency for most financial transactions,

and with it comes the risk of theft and the inconvenience of not being able to use the Internet to purchase goods or tickets.

Many Indians, like Kunal Chheda, have started to enjoy the benefits that digital currency brings — financial planning, security and convenience. Since 1999, when Visa launched India's first debit product, 35 local and international Indian banks have initiated their own Visa debit card program.

Findings

51% lack access to Financial Services
from formal system
Exclusion predominant amongst:
-- Poor and weaker sections
-- Resource poor regions

Financial exclusion is the unavailability of banking services to people living in poverty. It is believed to be one factor preventing poor people from exiting poverty, by forcing them to manage their finances on a cash-only basis and restricting their access to equitable sources of credit.
Financial exclusion can make poor people vulnerable to loan sharks. Microfinance is an approach used to reduce financial exclusion.
findings shed light on the status of poverty in India, the rural housing shortages, gender-ed exclusion in India, drop in growth of SHG-Linkage program, agricultural credit decline and no-frills account activity in India.

Conclusion

It is becoming increasingly apparent that addressing financial exclusion will require a holistic approach on the part of the banks in creating awareness about financial products, education, and advice on money management, debt counselling, savings and affordable credit. The banks would have to evolve specific strategies to expand the outreach of their services in order to promote financial inclusion. One of the ways in which this can be achieved in a cost-effective manner is through forging linkages with microfinance institutions and local communities. Banks should give wide publicity to the facility of no frills account. Technology can be a very valuable tool in providing access to banking products in remote areas. ATMs cash dispensing machines can be modified suitably to make them user friendly for people who are illiterate, less educated or do not know English.

To sum up, banks need to redesign their business strategies to incorporate specific plans to promote financial inclusion of low income group treating it both a business opportunity as well as a corporate social responsibility. They have to make use of all available resources including technology and expertise available with them as well as the MFIs and NGOs. It may appear in the first instance that taking banking to the sections constituting "the bottom

of the pyramid", may not be profitable but it should always be remembered that even the relatively low margins on high volumes can be a very profitable proposition. Financial inclusion can emerge as commercial profitable business. Only the banks should be prepared to think outside the box!

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Human Resource development by Empowering Youth of India.

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Abstract-

This paper is on Human Resource development for Empowering the youth of India for being a Bright India evaluate the various human resource development programmer organized by HRD ministry of India & their impact on youth of this country. A descriptive study research method was adopted for the study. We studied 200 youth having the bachelor degree of different faculties using stratified sampling technique. Questionnaires for student was used & complemented with focus group discussion technique to collect information from respondents. The data collected was analyzed using multiple regression analysis. It was observed the youth with lack of confidence lack of skills for problem identification, planning, monitoring, and implementation. It needs evaluation of developmental programmer/projects of youth. It is therefore recommended that Govt. of India should encourage continuous development through various programmes for youth.

Key words- Human Resource Development, Empowerment, Youth.

Introduction-

Youth development can be achieved by focusing on two broad objectives, namely physical target such as material improvement of the community e.g. Schools, Hospitals, and Education & Technology etc. The second target is on activities that will build their confidence through improving the individuals &making them the builds of nation & architect of their own well-being.

According to Harbison(1965-75),emphasizing on the importance of investing in human as an asset for development state that, "The wealth of a country is dependant not so much upon its natural resources & material capital; it is determined in a significant degree by the knowledge, skills & motivation of people."The capacity of a country is determined by the youth of that nation. The youth of any community may become significant base because successful activity can take place by them & by their own confidence, motivation, activeness &moral atheism; Som,a(2002);.The youth are the active agent of change, they play a very crucial role in the development of a nation. So that there is need for mass mobilization & effective education of the youth to achieve meaningful participation in the process of nation development. It needs identification, planning, monitoring, implementation & evaluation of their own personality, new skills & work ethics which will heighten the work efficient of youth.

Balogun (2003) was of the view that development of any nation or country depends to a large extends on caliber organization & motivation. There has been many youth development projects by both Govt. & Non-Govt. organization on India which suppose to benefit the youth but it has not been effective as most of it are abandoned, misused, uncompleted & at time miss-managed. This is because of lacking of necessary knowledge &skills need for development projects to be successfully implementation. It is therefore needed to determine how human resource development programmer enhances the youth development.

Statement of the Problem-

Many developmental programmes that suppose to benefit the youth of India carried out by government, non-govern. Organization have not been effective as most of its are abandoned, misused & non important. The youth are having lack of confidence, planning, implement ting & requisite knowledge for self progress. This paper anchored on the relevance of human resource development in promoting such skills, knowledge & ability of self progress.

Objective of the Study-

The objective of the study are-

I) To determine the relationship between human resource development trains programme for youth & appropriate need, identification, planning & implantation.

ii) Determining the variation in the level of commitment of HRD ministry for youth.

iii) To focus on development of youth for facing the various problems.

Methodology-

The descriptive survey method was adopted for the study. The population of the study comprised 200 students (youth) having their bachelor degree of different faculties of Pandharkawada city of Yavatmal district of Maharashtra state. Stratified random sampling techniques was used to select a sample of 200 students for the study. A structured quaternaries tagged HRD empowering programme for youth served as main instrument for data collection. This was complemented with focus group discussion technique.

Method of Data Analysis-

The data collocated from field were analyzed using multiple regression analysis, person product movement correlation.

Result-

HRD Empowering programme for youth assists in appropriate identification of youth

need, adequate planning & proper implementation. The high positive correlation between need, identification, planning & implementation with HRD empowerment programme for sustainable development of youth. The male & female are equally facing problems for better advancement.

Discussion-

HRD Empowering programme for youth needs to self recognisation & priorities than in the order of urgency & plan with the limited resources available within the country. This finds the line with Belogum (2003) that the development of any community or nation depends to a large extent on the caliber organization & motivation of its human resources. This implies that human aspect of youth building relates to stock of trained, skilled & productive man power which can perform that key tasks required achieving goals.

Conclusion-

> Based on the finding of the study, it is concluded that HRD Empowerment programme in Maharashtra state promotes knowledge, skill, attitude & aptitudes for proper need, identification, planning & implementation for youth development. The study conclude that traing & retraing of youth enhances capability building for both male 8 female member have found fail to became more efficient, effective to their need, planning, skills knowledge & implementation in real life.

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Role of Financial Inclusion for Inclusive Growth in India

- Issues & Challenges

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ABSTRACT:

Financial inclusion is integral to the inclusive growth process and sustainable development of the country. However, the financial inclusion models that banks come up with should be replicable and viable across the country. Although the banking network has rapidly expanded over the years, the key challenge would be to extend the banking coverage to include the large population living in 6 lakh villages in the country. These large numbers of poor are required to be provided with much needed financial assistance in order to sail them out of their conditions of poverty. Accordingly, there is felt a need for policy support in channeling the financial resources towards the economic upliftment of resource poor in any developing economy.

This paper is an attempt to comprehend and distinguish the significance of Financial Inclusion in the context of a developing country like India wherein a large population is deprived of the financial services which are very much essential for overall economic growth of a country.The current policy objective of inclusive growth with stability is not possible without achieving universal Financial Inclusion. Thus, financial inclusion is no longer a policy choice today but a policy compulsion. This report also focuses on issues and challenges of financial inclusion in a smart way in keeping with India's inclusive growth objectives.

Keywords: Financial inclusion; Issues and challenges; economic growth in India; developing countries,

INTRODUCTION

"It must be remembered that the financial sector is probably the only sector that has the ability to act as a facilitator and multiplier for overall economic growth and stability", *says R Gopalan*

Inclusive growth is the biggest challenge that the nation faces and it is important to ensure that while the Indian economy grows rapidly, all segments of society are part of this growth process, preventing any regional disparities from derailing such growth. Thus, there is an urgent need today to provide financial services to all households that are excluded from formal financial services. Here, it must be remembered that the financial sector is probably the only sector that has the ability to act as a facilitator and multiplier for overall economic growth and stability. A well spread out financial system engenders economic activity by

mobilising savings into the formal financial system, providing an avenue to urban workers to remit money to their families in villages besides weaning them away from the clutches of usurious moneylenders. This is even as it connects all parts of the country to the market economy and mitigates risks by ensuring that the poor have access to a variety of social security products, like micro-savings, micro-credit, micro-insurance, and micro-pension products.

Amartya Sen (2000) convincingly argued that poverty is not merely insufficient income, but rather the absence of wide range of capabilities, including security and ability to participate in economic and political systems. Today the term 'bottom of the pyramid' refers to the global poor most of whom live in the developing countries. These large numbers of poor are required to be provided with much needed financial assistance in order to sail them out of their conditions of poverty.

Accordingly, there is felt a need for policy support in channeling the financial resources towards the economic upliftment of resource poor in any developing economy.

This paper is an attempt to comprehend and distinguish the significance of Financial Inclusion in the context of a developing country like India wherein a large population is deprived of the financial services which are very much essential for overall economic growth of a country.

The consensus is that finance promotes economic growth but the magnitude of impact differs. Financial inclusion is intended to connect people to banks with consequential benefits. Ensuring that the financial system plays its due role in promoting inclusive growth is one of the biggest challenges facing the emerging economies. We therefore advocate that financial development creates enabling conditions for growth when access to safe, easy and affordable credit and other financial services by the poor and vulnerable groups, disadvantaged areas and lagging sectors is recognised as a pre-condition for accelerating growth and reducing income disparities and poverty. Access to a well-functioning financial system, by creating equal opportunities, enables economically and socially Role of Financial Inclusion for Inclusive Growth in India-Issues & Challenges 2 excluded people to integrate better into the economy and actively contribute to development and protects themselves against economic shocks.

FINANCIAL INCLUSION

Importance of financial inclusion arises from the problem of financial exclusion of nearly 3 billion people from the formal financial services across the world. The review of literature suggests that the most operational definitions are context-specific, originating from country-specific problems of financial exclusion and socio-economic conditions. Thus, the context-specific dimensions of financial exclusion assume importance from the public policy perspective. The operational definitions of financial inclusion, have also evolved from the underlying public policy concerns that many people, particularly those living on low income, cannot access mainstream financial products such as bank accounts and low cost loans, which, in turn, imposes real costs on them -often the most vulnerable people (H.M. Treasury, 2007). Thus, over the years, several definitions of financial inclusion/exclusion have evolved. In the Indian context, Rangarajan Committee (Report of the Committee on Financial Inclusion in India (2008)) defines it as: "Financial inclusion may be defined as the

process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost." The financial services include the entire gamut - savings, loans, insurance, credit, payments etc. By providing these services, the aim is to help them come out of poverty.

How Poor is Poor?
Poverty Status in India
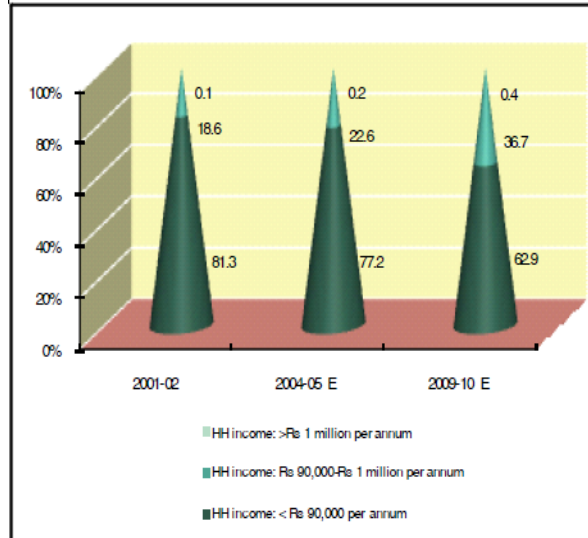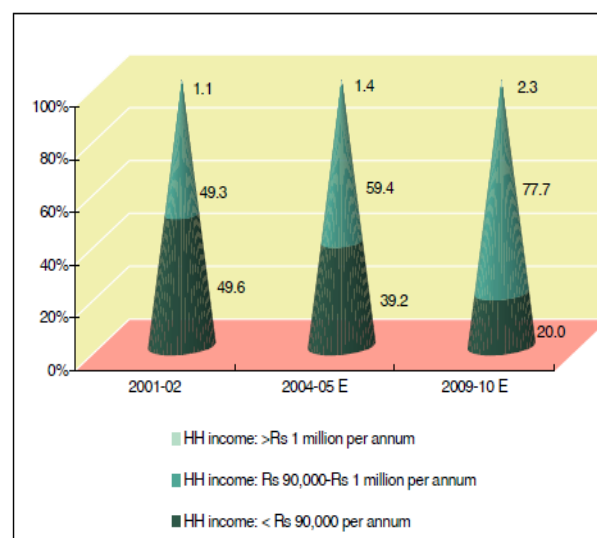
Source: NCAER, CRISIL Research

GLOBAL EXPERIENCES

While in developed countries, the formal financial sector comprising mainly the banking system serves most of the population, in developing countries, a large segment of the society, mainly the low-income group, has little access to financial services, either formal or semi formal. As a result, many people have to necessarily depend either on their own sources or informal sources of finance, which are generally at high cost. Most of the population in developed countries (99 per cent in Role of Financial Inclusion for Inclusive Growth in India-Issues & Challenges 3 Denmark, 96 per cent in Germany, 91 per cent in the USA and 96 per cent in France) has bank accounts (Peachy and Roe, 2004). However, formal financial sectors in most developing countries serve relatively a small segment, often no more than 20-30 per cent of the population, the vast majority of whom are low income households in rural areas.

Table-1: Financial Inclusion and Development Indicator

Country	Composite Index of Financial Inclusion (per cent of population with access to	Poverty (per cent of population below poverty line)	Unemployment during 2000-04 (per cent)	Gini Index

1	2 (financial services)	3	4	5
India	48	28.6 (1999-00)	4.3	32.5 (1999-00)
Bangladesh	32	49.8 (2000)	3.3	31.8 (2000)
Brazil	43	22.0 (1998)	9.7	58.0(2003)
China	42	4.6 (1998)	4.0	44.7 (2001)
Indonesia	40	27.1 (1999)	9.9	34.3 (2002)
Korean Republic	63	……..	3.5	31.6 (1998)
Malaysia	60	15.5 (1989)	3.5	49.2 (1997)
Philippines	26	36.8 (1997)	9.8	46.1 (2000)
Sri Lanka	59	25.0 (1995-96)	9.0	33.2 (1999-00)
Thailand	59	13.1 (1992)	1.5	42.0 (2002)
Source: World Bank (2006) and (2008).				

Recent data (Table-1 in Annexure-1) shows that countries with large proportion of population excluded from the formal financial system also show higher poverty ratios and higher inequality. Typically, countries with low levels of income inequality tend to have lower levels of financial exclusion, while high levels of exclusion are associated with the least equal ones. In Sweden, for example, lower than two per cent of adults did not have an account in 2000 and in Germany, the figure was around three per cent (Kempson, 2006). In comparison, less than four per cent of adults in Canada and five per cent in Belgium lacked a bank account (Buckland et al, 2005). Countries with high levels of inequality record higher levels of banking exclusion. To illustrate, in Portugal, about 17 per cent of the adult population had no account of any kind in 2000 (Kempson, 2006).

Table-2: Financial Inclusion Initiatives in different countries

Country	Legislation instrument /Policy Scheme	Objectives
United Kingdom	Social Exclusion Unit (SEU),	To reduce social exclusion of which financial inclusion is an integral part

	1997	
	Policy Action Teams (PATs)	To look in an integrated way at the problems of poor neighborhoods
	Financial Inclusion Task Force	1. Access to banking, access to affordable credit 2. Access to face-to-face money advice
	Financial Inclusion Fund	1. Access to banking services 2. Access to affordable credit 3. Access to money advice
United States of America	The Community Reinvestment Act, 1977	1. Prohibits discrimination by banks against low and moderate income neighborhoods 2. To make mortgage loans to lower-income households 3. banks are rated every three years on their efforts in meeting community credit needs
	Matched Savings Scheme (MSS) 1997	1. Prohibits discrimination by banks against low and moderate income neighborhoods 2. Matching money has to be spent on one of a range of prescribed uses such as education, business or home purchase
France	Banking Act, 1984	1. Any person with French nationality has the right to open an account with any bank
		2. If refused the aggrieved person can apply to the Banque de France to designate a bank that should open an account
	French Banker's Association (Basic Banking Service Charter of 1992)	Committed to providing; Affordable account, Cash Card, Free access to a cash machine, Distance payment facilities, Bank Statement and Negotiable number of cheques
Australia	Australian Bankers Association (ABA) Code of Practice, 1995	1. Generic Account was introduced in 2002 2. Staff to give information about suitable accounts to low income customers 3. Face-to-face banking services even after branch closure through alternative means such as franchising 4. Three months written notice to customers before closing any Branch

Initiatives for financial inclusion in India

The broad strategy for financial inclusion in India in recent years comprises the following elements:

(i) encouraging penetration into unbanked and backward areas and encouraging agents and intermediaries such as NGOs, MFIs, CSOs and business correspondents (BCs);

(ii) (ii) focusing on a decentralised strategy by using existing arrangements such as State Level Bankers' Committee (SLBC) and district consultative committee (DCC) and strengthening local institutions such as cooperatives and RRBs;

(iii) using technology for furthering financial inclusion;

(iv) advising banks to open a basic banking 'no frills' account; (vi) emphasis on financial literacy and credit counseling; and (vii) creating synergies between the formal and informal segments.

III. FINANCIAL INCLUSION AND INCLUSIVE GROWTH IN INDIA

From an annual average growth rate of 3.5 per cent during 1950 to 1980, the growth rate of the Indian economy accelerated to around 6.0 per cent in the 1980s and 1990s. In the last four years (2003-04 to 2006-07), the Indian economy grew by 8.8 per cent. In 2005-06 and 2006-07, the Indian economy grew at a higher rate of 9.4 and 9.6 per cent, respectively. Reflecting the high economic growth and a moderation in population growth rate, the per capita income of the country also increased substantially in the recent years. Despite the impressive numbers, growth has failed to be sufficiently inclusive, particularly after the mid-1990s. Agricultural sector which provides employment to around 60 per cent of the population lost its growth momentum from that point, though there has been a reversal of this trend since 2005-06. The percentage of India's population below the poverty line has declined from 36 per cent in 1993-94 to 26 per cent in 1999-2000. While India has witnessed unprecedented economic growth in recent past, its development has been lopsided with the country trailing on essential social and environmental parameters of development. The approach paper to the Eleventh Plan indicated that the absolute number of poor is estimated to be approximately 300 million in 2004-05. Accordingly, the 11th Five Year Plan has adopted "faster and more Inclusive growth" as the key development paradigm.

The importance of this study lies in the fact that India being a socialist, democratic republic, it is imperative on the policies of the government to ensure equitable growth of all sections of the economy. With only 34% of population engaged in formal banking, India has, 135 million financially excluded households, the second highest number after China. Further, the real rate of financial inclusion in India is also very low and about 40% of the bank account holders use their accounts not even once a month. It is universally opined that the resource poor need financial assistance at reasonable costs and that too with uninterrupted pace. However, the economic liberalization policies have always tempted the financial institutions to look for more and more greener pastures of business ignoring the weaker sections of the society. In India, the financially excluded sections comprise largely rural masses comprising marginal farmers, landless labourers, oral lessees, self-employed

and unorganized sector enterprises, urban slum dwellers, migrants, ethnic minorities and socially excluded groups, senior citizens and women.

Some of the important causes of relatively low extension of institutional credit in the rural areas are risk perception, cost of its assessment and management, lack of rural infrastructure, and vast geographical spread of the rural areas with more than half a million villages, some sparsely populated (Mohan, 2006).

It is essential for any economy to aim at inclusive growth involving each and every citizen in the economic development progression. It is in this context that financial inclusion should be aimed at inclusive growth in the Indian context.

ISSUES AND CHALLENGES

India currently faces several issues and challenges in the area of Financial Inclusion for Inclusive growth. Salient among them are stated here below;

1. Spatial Distribution of Banking Services:

Even though after often emphasized policy intervention by the government and the concerted efforts of Reserve Bank of India and the public sector banks there has been a significant increase in the number of bank offices in the rural areas; but it is not in tune with the large population living in the rural areas. For a population of 70% only 45% of bank offices provide the financial services.

2. Regional Distribution of Banking Services:

The analysis by the authors brings to the fore that there has been uneven distribution of the banking services in terms of population coverage per bank office in the six regions viz; Northern, North-eastern, Eastern, Central, Western and Southern

regions of the country.

3. Bank Branches are required to be increased as it has a direct impact on the progress of financial inclusion. It is clearly established that as the bank branches increase number of bank accounts also increase significantly.

4. Poverty levels are having direct relationship with the progress of financial inclusion. The authors have established in their study that as the poverty levels decrease financial inclusion also increase. As such, there should be multi fold strategic approach in such poverty dominated areas for financial inclusion.

5. SC/ST population: It is ascertained by the authors' study that in the areas of Scheduled Castes/Scheduled Tribes population the progress of Financial Inclusion is slow which indicates that the efforts for Financial Inclusion has to be increased significantly in such areas in order to bring in social and economic equity in the society.

6. Overcoming Bankers' Aversion for Financial Inclusion

Even though no banker openly expresses his aversion for the financial inclusion process, overtly it can be noticed that they are averse to it in view of the cost aspects involved in opening of no frill accounts.

RECOMMENDATIONS AND POLICY CHOICES

Twenty One Steps for Twenty First Century Financial Inclusion The authors present here below Twenty One recommendations and policy choices for successful financial inclusion for inclusive growth in India.

Step 1: A New Financial Architecture to Suit the Needs of Inclusive Growth Keeping in view the dynamics of the changing economy, there is a strong need to restructure the financial system particularly the rural financial system. The present system which was enshrined in the late 70s greatly needs a rigorous relook.

Step 2: Coordination with UIDAI

Government of India's ambitious programme of issuance of multi-purpose Unique Identity Cards by UIDAI should be of great help for achieving financial inclusion. There needs to be proper systematic coordination with UIDAI in order to make the best use of it for the purpose for financial inclusion.

Step 3: Formation of National Financial Inclusion Mission

The authors recommend formation of National Financial Inclusion Mission on the lines of National Literacy Mission to carry out systematic and coordinated drive for financial inclusion.

Step 4: Involvement of Education Sector for furthering Financial Inclusion

Involving educational institutions, particularly college students for financial inclusion drive would not only be cost effective but also would create wide public awareness.

Step 5: Establishment of Financial Counseling Centres

Financial Inclusion drive should not be short-lived; instead a systematic effort should be structured by establishing FCCs (Financial Counseling Centres) on the lines of e-Seva centres in Andhra Pradesh for providing financial services.

Step 6: Building Client Capacities

As the saying goes "teach him to fish instead of giving him fish", it should be the effort of all the concerned (particularly the financial institutions) to develop these poor people as prospective customers. Building client capacities would definitely help all the stakeholders and would to a vibrant financial system.

Step 7: Partnership with Dedicated NGOs and MFIs

Partnering with trustworthy and acclaimed people's organisations would definitely accelerate the process of financial inclusion especially in the rural areas. Specific financial as well as non-financial incentives have to be designed for the spirited involvement of such organizations.

Step 8: Financial Inclusion as a Part of Course Curriculum in High Schools

Financial Inclusion should be imbibed into the course curriculum in high schools so that the students would understand the importance of financial inclusion for inclusive growth in the economy which in turn would motivate them to automatically participate in the financial system.

Step 9: Digitise the Documentation Process for Opening of Bank Accounts

One of the often stated reasons for slow pace of financial inclusion has been the hassles involved in opening of bank accounts and availing of loans from financial institutions due to the long process of documentation. To overcome this, there is a need to digitise the public records for dual purpose of easy accessibility and storage.

Step 10: Strategize the Provision of Bank Credit

Need is felt to strategize the provision of bank credit to the rural farmer households. Majority of the marginal farmer households are not at all covered by the formal finance. As such public sector banks and the co-operative banks in the rural areas have to sensitize about the need for provision of timely and cheaper credit to these segments. Reserve Bank of India in consultation with NABARD should come out with a comprehensive strategy for revitalizing the quiescent rural credit mechanism.

Step 11: Exclusive Focus on the Socialyl Excluded and the Poor

It is imminent to encompass the socially excluded sections and the poor like, tenant farmers, oral lessees and share croppers, marginal farmers with small economical land holdings, agricultural laborers, rural artisans and people involved in making handicrafts and also majority of weavers in handloom Sector.

Step 12: Extensive use of Co-operatives

PACS (Primary Agricultural Cooperative Societies) could provide valuable services to their members with a sense of belongingness. Accordingly, there is a need to revitalize these

cooperatives as per the Vaidyanathan Committee recommendations and use them extensively for financial inclusion in the rural areas.

Step 13: Undoubtedly a Greater Role for NABARD

NABARD has to play a pro-active role by partnering with the rural credit institutions in the field and identify new initiatives that will contribute to effectively improving the extent of financial inclusion involving SHGs, MFIs, etc.

Step 14: Procedural / Documentation Changes

It is inevitable on the part of the regulators to find out an easy way of procuring the documents for opening of bank accounts and availing loans. The present guidelines are more tedious and result in huge costs for the poor in accessing the banks for any kind of services. Simplifying Mortgage Requirements, Exemption from Stamp Duty for Loans to Small and Marginal Farmers, Saral Documentation for Agricultural Loans.

Step 15: Proactive Role of Government

State Governments should be asked by the Central Government to play a proactive role in facilitating Financial Inclusion. Issuing official identity documents for opening accounts, creating awareness and involving district and block level functionaries in the entire process, meeting cost of cards and other devices for pilots, undertaking financial literacy drives are some of the ways in which the State and district administration have involved themselves.

Step 16: A Role for Rural Post Offices

Post Offices in rural areas can be asked to provide their services in accelerating the financial inclusion activity. In view of the postman's intimate knowledge of the local population and the enormous trust reposed in him post offices can be good use in the process of financial inclusion

Step 17: Effective Use of Information Technology Solutions

The use of IT enables banks to handle the enormous increase in the volume of transactions for millions of households for processing, credit scoring, credit record and follow up. The use of IT solutions for providing banking facilities at doorstep holds the potential for scalability of the Financial Inclusion initiatives.

Step 18: Adequate Publicity for the Project of Financial Inclusion

In a huge country like India, there needs to be huge publicity for popularizing the concept and its benefits to the common man. In this direction, a comprehensive approach has to be developed involving all the concerned at all levels to impress upon the need for financial inclusion for accelerating the economic growth in the country.

Step 19: Financial Inclusion as a Corporate Social Responsibility of all the Banks and Financial Institutions

It should be the endeavour of all the financial institutions to adopt financial inclusion as a corporate social responsibility and chalk out strategies in tune with the national policy on financial inclusion.

Step 20: Role of RBI

Reserve Bank needs to take a pro-active role in the accelerating financial inclusion by involving all the stake holders in the financial system by using its power of moral suasion as well as regulatory powers.

Step 21: Political Will

Political will is an all important aspect in any developmental effort. Political leadership should accord adequate importance for financial inclusion in order to motivate and mobilise all the weaker sections of the society in favour of financial inclusion for their economic upbringing.

CONCLUSION

Importance of financial inclusion arises from the problem of financial exclusion of nearly 3 billion people from the formal financial services across the world. With only 34% of population engaged in formal banking, India has, 135million financially excluded households, the second highest number after China. Further, the real rate of financial inclusion in India is also very low and about 40% of the bank account holders use their accounts not even once a month. Financial Inclusion has far reaching consequences, which can help many people come out of abject poverty conditions. Financial inclusion provides formal identity, access to payments system & deposit insurance. The objective of financial inclusion is to extend the scope of activities of the organized financial system to include within its ambit people with low incomes. Through graduated credit, the attempt must be to lift the poor from one level to another so that they come out of poverty. There is a need for coordinated action between the banks, the Government and others to facilitate access to bank accounts amongst the financially excluded.

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An Empirical Study of Managing Diverse Culture at Workplace with special reference to organizations in Nagpur City

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Abstract

During this era of globalization there is an inflow of employee resources from all around the world resulting in geographical diversity of the workforce which has cultural implications. This quite often leads to differences in the behavior and value system of the employees thereby affecting the growth of the organization. Today global organizations work on the principle of 'Think globally and act locally' and market their products and services to geographically diverse areas and incorporate a variety of individuals with different cultural backgrounds. Efficient and skillful management of these resources is of prime importance to extract maximum benefit for the organization from this diverse pool and at the same time have regard for differing behavioral norms and values

The paper aims at studying the strategies adopted by business organizations in managing employees from different cultures. The study would be conducted at those business organizations in Nagpur whose employee structure has the composition of people from different states and regions. The challenges faced by the HR Manager and the skillful management techniques being utilized towards team building would be the focus of study.

Introduction:

India has an ancient and diverse culture. The linguistic diversity is the result of physical, religious and racial variety. Successive process of migration which was absorbed into the Indian way of life has further enriched the Indian culture. One good thing about the country is that it has encouraged diversity from the very beginning. Culture in an organization is usually formed by its founder members .The employees look at them as their role models

and try imitating them and live up to their expectation. Cultures are also formed through critical incidents i.e. certain events which teach certain desirable and undesirable behavior. Organization's environment and need to maintain effective relationship among employees lead to establishment of values and norms of behavior expected from the employees.   This enables the workforce in an organization to gel well and lend an integrated effort towards achieving organizational objectives. Cultures have the potential of bringing employees together and form a team rather than a collection of isolated individuals. As such there is no ideal culture; it differs from organization to organization. Besides concentrating on the achievement of organizational objectives, the culture of the organization should also encourage quick adaptation to the external environment .This would lead to long-term survival and profitability of the organization.

Today more and more companies are working towards embracing diverse workforce. If the organization values diversity, it tends to attract and retain the best talent from diverse areas. This would lead to a more creative and productive work force. However, increased diversity can also lead to conflicts because it is quite often seen that people feel more comfortable in dealing with those who are like themselves. Hence, effective management of the diverse workforce is a must.

Culture:

Culture can be understood as a set of beliefs that is learned, held in common by members of the culture, that is compelling with respect to behavior .Culture is the guiding force which enables the individual to perform an action .If the action is consistent with one's culture one feels comfortable .Values, attitudes and behavior constitute culture .Conception of something that is desirable is value. Preferences to act or react in certain ways form attitudes while behavior is the form of human conduct and action.

Culture varies from organization to organization –some organizations have cultures which empower individuals to take initiative and become an integral member of high performance team. The open culture of an organization encourages individuals to put forward their opinions and this leads to encouragement of initiation from the employees thereby

empowering both individuals and teams. A good culture encourages holistic development of its people i.e. both personal as well as professional. A friendly atmosphere within the organization enables its people to think and express their views on a wide variety of topics. The interactive environment of the organization also leads to group thinking and decision making. This further leads to empowered individuals, engaged teams and high performance of the employees.

Weak Culture: When there is little agreement on the beliefs and values of the members of the organization there is likely to be a weak culture in the organization. The mission of the organization is not properly articulated and the members do not identify with the organization's mission, vision, objectives and strategies. However, a close assessment and modification can convert a weak culture into a strong one

Strong Culture: An organization is said to have a strong culture when it has a well defined, explicit set of principles and values which are widely shared by all its employees right from the top level to the bottom line employees. Strong culture leads to coordinated effort towards achievement of organizational objectives. There is a tendency to get the work done and that too in a right manner. A strong culture enables one to pursue the task in a right way because of adherence of all the employees to the core values and principles.

Culture is shaped by its people: Employees with their own experience and personalities shape the culture of an organization. Individuals coming together in an organization have their own set of beliefs and values which slowly get influenced with those of others leading to the development of the organization culture.

Culture can be negotiated: People enter an organization with a definite set of value system .However they should be ready to change as per the need and norms of the organization.

Bringing about a change in culture is difficult: Organization culture expects its people to change their behavior which is a difficult task. However, certain degree of training, involvement of the employee in the organizational development process and understanding may enable the organization and the employee to change for the better.

Quite often the concept of strong and weak culture crop up when taking about culture of an organization. A strong culture can be understood as an employee friendly culture where the

employee feels satisfied and motivated towards achieving the organizational objectives. On the other hand if the culture of an organization is weak employees of the organization have a feeling of dissatisfaction .This may sometimes lead to emergence of a number of sub cultures within the organization .

Organizational Culture:

The very personality of the organization can be understood as organizational culture .It is the assumptions, values, norms, of the members of the organization and their behavior which forms the culture of the organization. Culture of an organization is developed so as to enable it to cope up with its environment .Employees carry their own set of beliefs and values thereby influencing work environment.

Organizations can be homogeneous or diverse depending upon the workforce of the organization. Few organizations may have a homogeneous work culture where people of the same region with a definite set of beliefs and values and speaking the same language work together for achievement of organizational objectives. Workforce diversity in India is a natural phenomenon where different religions, races and languages melt together.   However, diverse workforce in an organization is achieved through the assimilation of demographically dissimilar work. The process starts right from the time of recruitment and retention of the workforce. In such an organization it is important that the organization acknowledges the difference in culture and values the diversity in the workforce. In this era of globalization and increasing ethnic and gender diversity it is important for the manger to ensure that the employees gel together for achievement of organizational objectives

Role of a manager: Manager's task in a diverse culture becomes more challenging where he has to manage the differences in the background as well as leverage the advantages of diversity. Employees belonging to different cultures carry with them differences of understanding as well as expectations. Certain social norms are specific to a definite class of people. Hence, when different classes of people come together it becomes difficult to create an atmosphere where each employee finds himself comfortable .It is the task of the manager to ensure that each member's talent is recognized and utilized. It is important that no one group dominates the team.

Creation of a high performance culture: Everyorganizationdistinguishes itself from the others in respect of its beliefs and philosophy. It differs in its approach to different problems and decision making. This makes an organization unique as far as its culture is concerned. An organization with strong culture facilitates internal behavioral consistency thereby leading to high performance of the employees. Organizations with rich, healthy culture tend to perform better than those with poor, weak culture. A healthy culture responds to the external environmental changes at a faster rate thereby enabling the organization to meet the demands of the rapidly changing customer needs. Adaptation to the external environment ensures long term survival and profitability of the organization. Creating internal unity and enabling the organization to adapt to the external environment are the important functions of an organization's culture.

Objectives:

To study the advantages and challenges of diverse work culture.

To study the necessary skills required for managing diverse culture at workplace.

Hypothesis:

H1   Advantages of diverse work culture is greater than its challenges.

 *H2   D*iverse work culture requires greater management skills.

Methodology:

The study was carried out in two different organizations- one with a homogeneous work culture and another with diverse work culture. A private education institution with a homogeneous work group where majority of its employees belonging to the state of Maharashtra, speaking the same language and a research oriented public sector institution were selected for the purpose of study. Out of a universe of about 160, a sample of 70 employees was selected from each of the organizations .However, effort was made to ensure that the sample consisted of a mixed group of people. Hence, the researcher adopted a stratified random sampling technique. The universe was divided into different strata as per

the designation and position of the employees in the organization. Employees from each stratum were selected in a definite proportion to form the sample of the study.

For the purpose of selecting the tool for data collection the researcher had an interaction with a few of the employees of the organization and a general idea about the employee's demography and organization's working environment was developed. Based on the interaction, a list of items to be included in the questionnaire was selected. A structured questionnaire was used for the purpose of data collection. The same set of Questionnaires were given to employees of organization with homogeneous and diverse cultures The first part of the questionnaire sought personal information about employees while the second part dealt with organizational culture, its advantages and the challenges faced by the manager in managing the work force of the organization. The researcher used Likert Scale to study attitudes of the respondents .A forced choice method of the scale was used .The qualitative scale such as; little, less, fairly and highly were allotted definite scores so to measure the intensity of the response in quantifiable terms.

Analysis

During the process of study it was foundthat the organization with diverse workforce had employees belonging to different states of India. This research based organization has branches all over India. The organization has a centralized recruitment process where people are recruited as per the need of the organization and the skills of the employees, irrespective of the place they are from. Employees are also transferred from one place to another after a definite period of their serving at one centre. Employees transferred or on deputation also form part of the workforce. Table 1 below shows the respondent's background based on the languages being spoken by them:

Table no: 1Respondent's Background based on Languages spoken

Languages Spoken	Frequency	Percentage
Hindi	17	24.28
Marathi	21	30

Gujarati	8	11.42
Bengali	5	7.14
Tamil	4	5.71
Malyalee	3	4.28
Oriya	5	7.14
Telgu	7	10.00
Total	70	100

Source: Compiled by the author

During the study it was found that people belonging to different geographical areas of the country differed in terms of attitudes, values and behaviors they spoke different languages and belonged to different cultures. It was generally found that people speaking the same language or having the same mother tongue tend to harmonize with one another. People of the same cultural background preferred to work together. These people also formed informal groups which enabled them to share their values and feelings. This lead to the formation of sub groups based on homogeneity within the organizational setup.

Today is an era of think globally and act locally .People from different background come together in a completely new environment and work together towards achieving organizational objectives. Due differences in their cultural background and their adaptability to work together leads to certain advantages for the organization as well as the individual himself .Study of advantages of the diverse work culture can be understood from the following table:

Table no: 2 Respondent's attitude towards advantages of diverse work culture

Advantages	Respondent's attitude								
	Little		less		Fairly		Highly		
	f	score	f	score	f	score	f	score	Mean

								Score
Promote exchange of ideas	11	22	16	64	25	150	18	144	5.42
Helps in creating pleasant working environment	16	32	26	104	17	102	11	88	4.65
Helps in handling problems and failures	16	32	19	76	21	126	14	112	4.94
Promotes out of box thinking	9	18	11	44	28	168	22	176	5.80

Source: Compiled by the author

Score :   Little=2;   Less=4;   Fairly=6;   Highly=8

It is evident from Table no 2 that when people with different ideas, values and behavior worked together it gave an opportunity for the team to think out of the box and come up with a number of solutions for the problem. Several people with different cultural backgrounds and definite set of skills promoted exchange of ideas thereby encouraging effective communication among the employees. The talent pool created by contributions from the individuals enabled the organization to handle problems and failures.

During the study it was also found that a heterogeneous workforce tends to be more creative and innovative. However, certain challenges are also faced by such organizations.

Table 3: Respondent' attitude towards challenges faced by diverse culture organization

Challenges	Respondent's attitude								Mean score
	little		Less		fairly		highly		
	f	Score	f	Score	f	Score	f	score	

Misunderstanding arising out of communication differences	20	40	23	92	15	90	12	96	4.54
Clashes due to dissimilar belief system	23	46	21	84	12	72	14	112	4.48
Problems due to divergent expectation	19	38	12	48	20	120	19	152	5.11
Difficult to socialize outside work	20	40	11	44	26	156	13	104	4.91
Tendencies to form sub groups	26	52	14	56	19	114	11	88	4.42
Clash among sub groups	22	44	22	88	16	96	10	80	4.40

Source: Compiled by the author

Looking at the mean score it was found that when employees from different cultural background form a team, they have divergent expectation from the organizational processes .This may be challenging for the managers as diversity leads to differences which may sometime mean conflict .However, if a comparison of the mean scores of advantages and challenges of heterogeneous workforce is made it is found that the benefits outweighs the problems faced. Individuals with their skills, knowledge, desire and opportunity are able to build up an empowered organization thereby promoting out of box thinking. With the effort of the manager to create mutual respect between team members, a vision for the project is established .This quite often leads to exchange of ideas among the team members.

Analysis of the mean scores confirms the **Hypothesis(H1) that the advantages of diverse workforce are greater than its challenges.**

The same set of questionnaire was used to study the workforce in a homogeneous organization. Table no 4 shows the responses of employees belonging to an organization where individuals had a similar value and belief system , they spoke the same language and perceived things in almost a similar manner.

Table 4:   Advantages of homogeneous Work culture:

Advantages	Respondent's attitude								
	Little		less		Fairly		Highly		
	f	score	f	score	f	score	f	score	Mean Score
Promote exchange of ideas	18	36	19	76	22	132	11	88	4.74
Helps in creating pleasant working environment	15	30	18	72	23	138	14	112	5.02
Helps in handling problems and failures	19	38	20	80	18	108	13	104	4.71
Promotes out of box thinking	23	46	19	126	16	96	12	96	5.20

Compiled by the author

The table above shows that even in a homogeneous work culture the skills of the employees and proper coordination by the leader enables the team to work effectively towards achievement of organizational objectives. Good working environment leads to exchange of ideas thereby promoting out of box thinking. Even in a homogeneous workforce individuals

differ from each other as far as their value and belief system is concerned leading to differences in behavior pattern .This poses several challenges for the organization.

Table 5: Respondent's attitude towards challenges faced by homogeneous organization

Challenges	Respondent's attitude								Mean score
	little		Less		fairly		highly		
	f	Score	f	Score	f	Score	f	score	
Misunderstanding arising out of communication differences	22	44	18	72	16	90	14	112	4.54
Clashes due to dissimilar belief system	20	40	22	88	14	84	14	112	4.62
Problems due to diverse expectation	16	32	19	76	22	132	13	104	4.91
Difficult to socialize outside work	21	42	18	72	19	102	12	96	4.45
Tendencies to form sub groups	23	46	21	84	16	96	10	80	4.37
Clash among sub groups	19	38	22	88	21	138	8	64	4.68

Compiled by the author

Study of the mean score of the above table shows that homogeneous organizations though comprising of employees belonging to similar culture do face certain challenges .As discussed earlier, each individual has his own set of belief system and hence

misunderstanding may arise due to diverse expectation .People with similar perception and understanding quite often flock together to form informal groups within the organization. When a comparative study of the advantages and disadvantages of homogeneous and heterogeneous culture was made it was found that both had its merits and demerits but the advantages superseded its challenges. Organizations ,be it homogeneous or diverse, have employees belonging to different backgrounds who respond to the same stimuli in diverse ways .Skills of the team leader is of utmost importance for both the types of organizations. This study puts forth that the **Hypothesis** *(H2)* **Diverse workforce requires greater management skills is disproved.**

Management skill of the leaders:

In this era of globalization, organizations prefer a diversified workforce where people from different backgrounds, skills and abilities come together to achieve organizational objectives. In order to enable the diverse workforce reach its optimum potentiality the manager has to create awareness about the need and value of diversity throughout the organization. The leader should be able to appreciate the different perspective and approaches to work as well as internalize the differences among employees and encourage personal development and respect for individuals. Manager has to ensure that contributions of each employee of the organization is recognized and appreciated irrespective of the fact that it is a homogeneous or heterogeneous organization.

To ensure that the organization embrace diversity, it is essential that the concept be embedded in the organizational strategy. The manger should be able to remove ethnocentrism and formulate policies and practices such that the organization is able to take advantage of the potential of the diverse work force.

Conclusion: Both heterogeneous and homogeneous workforce requires a good working environment to deliver the best of their skills. It is important that the organization nurtures a strong work culture. A clear understanding of the desired culture and a thorough analysis of the existing organizational culture would enable the organization to identify the 'culture gaps' that needs to be filled. Long term survival and profitability of an organization can be ensured though reinforcement of effective work culture. Each human being is an individual

in himself with definite talent, attitude, belief and pattern of behavior. When working as a team, a sense of respect and understanding towards each other has to be incorporated. The team leader has to have an understanding of the diversity among the team members while enabling each member to contribute effectively towards personal and organizational development.

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"Development of Training Programme for Global Managers, with changing Global Economy"

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Abstract

In the new environment, consequence of competitive global economy is highly uncertain in nature. It is governed by entirely new dynamics. Availability of global capital and technology along with mobility of talents has facilitated development of global organizations. The crucial feature of global organizations is that they look upon the whole world as their own business territory to carry out their activities. These organizations choose for themselves the most attractive places for business on the geographical map. They manufacture their products anywhere in the world depending upon the economies of scale and market them worldwide.

To succeed in a global market place and to run these global organizations, managers need to have a global vision and a complementing strategy which enables managers to develop a global vision. The manager's global vision is shaped by several factors. One of the biggest driving factors is having a global mindset - i.e., ability to look at the global markets as a whole. This can be summarized by the slogan "Think Local Act Global". Global managersworks with the assumption that global markets are best served by adaptation to local conditions - and have local initiatives in different markets around the world. Diversity - ethnic, consumer, geographic, & economic diversity is looked as sources of opportunity. Global strategy focuses on optimal global sourcing, selling standard products and the ability to react globally to competitors' moves. Moreover, the business fluctuations are so sudden that a global manager has to quickly shift his gears to cope with this volatility. In essence global managers are risk taking leader - managers and are market mobilizes.Hence, need of the hour is to create more Global managers for meeting the increasing complexities of global business.This is done by equipping executives with the required management skills and knowledge for operating successfully in a global business environment. Thus Global organizations are required to implement more strategic human capital development systems and more consistent HR systems.

Key words:Global economy, Global mindset, Global strategy, Strategic Human Capital Development and HR systems.

Introduction

As technology continues to connect the world, many organizations have taken advantage of the opportunity to conduct business globally. Global management combines knowledge of business, culture, history and social practices to help companies find their niches in the global business community and successfully work with other cultures. The crucial feature of global organizations is that they look upon the whole world as their own business territory to carry out their activities. These organizations choose for themselves the most attractive places for business on the geographical map. They manufacture their products anywhere in the world depending upon the economies of scale and market them worldwide. Moreover, the business fluctuations are so sudden that a successful manager has to quickly shift his gears to cope with this volatility. In essence global managers are risk taking leader - managers and are market mobilizes.

Research Methodology

The research based on secondary data:- Secondary data gathered by collecting magazines, books, journals, internet and other publications.

Global Human Resource Management

With the advent of globalization, organizations - big or small have ceased to be local, they have become global! This has increased the workforce diversity and cultural sensitivities have emerged like never before. All this led to the development of Global Human Resource Management.Even those organizations who consider themselves immune to transactions across geographical boundaries are connected to the wider network globally. They are in one way or the other dependent upon organizations that may even not have heard about. There is interdependence between organizations in various areas and functions. The preliminary function of global Human Resource Management is that the organization carries a local appeal in the host country despite maintaining an international feel. To exemplify, any multinational / international company would not like to be called as local, however the same wants a domestic touch in the host country and there lies the challenge.

Thus the objectives of global HRM can be taken as follows:

1. Create a local appeal without compromising upon the global identity.
2. Generating awareness of cross cultural sensitivities among managers globally and hiring of staff across geographic boundaries.
3. Training upon cultures and sensitivities of the host country.

Global management can be defined as follows:-

"The process of developing strategies, designing and operating systems around the world to ensure sustained competitive advantage" (Deresky 2003).

Global Managers

A global manager is characterized by the nature of the work he or she does, typically within an organization with global operations. He or she has the capability to manage amid the complexity of business that is conducted across divergent cultures and time zones. A global manager can also be an expatriate, living and working abroad, but this is not always the case.

Global managers can more specifically be seen in terms of three prototypical roles in a global organization. These are:

1) The global business or product-division managers who are tasked with global strategic positioning and asset co-ordination across the organization

2) The country managers who bridge between the local market operations and global business objectives of the organization

3) The worldwide functional managers who help leverage knowledge and innovations across the key functional departments throughout the organization.

These three archetypes show that the knowledge and experience to carry out global work can be fostered and expressed through an integrated network of specialized global talent.

In this way, we see that global experience is not tethered exclusively to the event of expatriation but can be done by managers (whether at home or abroad) through their globally-focused activities and responsibilities.

Global Mindset

In a global organization an essential pre-requisite to function as effective global manager is to develop a global mind set. A global mind set is necessary to leverage global scale.

Basically a global mind set implies thinking of 'big picture' by establishing performance benchmarks which align with global benchmarks. A manager with global mind set adopts broader goals beyond local interests. In the process he not only uses best practice models but also initiates innovations for competitive edge. Accordingly he evolves superior global strategies and management practices. In the final analysis he develops a global perspective of business. This includes combination of factors involving political, regulatory, technological and leadership changes. A global manager champions great ideas regardless of their origin and learns continuously about global business through networking.

Table 1: The traditional vs. the global mindset		
	Traditional mindset	**Global mindset**
General perspective	• Functional specialized	• Cross functional • Cross-cultural • Enabling boundary less organizations
Organizational life	• Forces are prioritized • Conflict is eliminated • Hierarchy is trusted	• Contradictions are balanced (global standards vs. local practices) • Conflict is leveraged as an opportunity • Networked processes are trusted • Global objectives are supported • Influence, persuasion, and presentation skills are key
Work style	• Personal self-awareness primary • Individual mastery primary	• Cultural and personal self-and other awareness • Networked collaboration • Teamwork primary • Managing in a global matrix • Effective use of communication technologies
View of change	• Surprises are avoided • Change is seen as threat	• Change is expected, valued and actively enabled. • Change is seen as opportunity • Change is seen as personal growth
Learning	• Specific knowledge and skills are mastered • Training is value	• Broad-based lifelong learning is engaged. • Education and learning are valued • Global learning is key success factor • Responsible for career development

Issues/Challenges:-

Working globally is a challenge and it takes a real skill to operate hence there are many challenges a global manger faces which is needed to be overcome then only smooth functioning is possible. A global manager must use technology to connect with workers worldwide.

A global manager faces many challenges in developing employees. He must encourage and develop talents of workers in different countries. Because his workers belong to diverse cultures and have different needs, he must provide as many tools as he can. His job is to use creative approaches to helping his workers solve operational challenges in their respective markets.

Common Goals

A strategic challenge is how to develop the company through a central strategy. For example, a manager might try to apply a marketing strategy that works in Japan to the Canadian market. Even though workers in Japan might collaborate with workers in Canada, the same marketing strategy might not work. Japanese consumers might differ markedly from Canadian consumers in a particular market. In this situation, different parts of the company under a global manager must use whatever methods necessary to achieve the company's central marketing goals.

Global Collaboration

It is not enough to organize people into international or regional project teams so they can develop strategic direction for the company or even share operational strategies. A manager must find ways to get people in all parts of the world to collaborate by breaking down geographic boundaries. Without sharing ideas in a creative and supportive environment, even if this occurs in the virtual world, a global manager cannot help the global firm successfully handle challenges in its different markets.

Sustainable Business Strategy

A global manager must organize employee talents to create a sustainable competitive advantage. A company first develops a business strategy that works so that it can provide the same product to people around the world. The challenge is in developing successful business practices that will keep the costs of producing a product in line and help the company maintain its competitive advantage.

Core Competencies

A global manager must also help a company face operational challenges associated with maintaining core competencies. These are strategically-developed competencies that give it an advantage in each market. If these competencies are weakened over time, a company will lose some of its market share to competitors. One way that a manager does this is by helping

the company guard its knowledge of how to operate and to protect this knowledge from being shared with competitors

Training and Development:-
Training refers to the process of imparting specific skills and Development refers to the learning opportunities designed to help employees grow.
In simple terms training and development refer to the imparting of specific skills, abilities and knowledge to an employee…..More clearly, training and development may be understood as any attempt to improve current or future employee performance by increasing an employee's ability to perform through learning, usually by changing the employee's attitude or increasing his or her skills and knowledge. The need for training and development is determined by the employee's performance deficiency, computed as follows:
Training and development need=standard performance-actual performance
Special care is taken in training global managers and in their career development.Multi national enterprises need managers with a global outlook. Inbreeding and narrowness at the top are harmful in the long run. All those managers who have the potential to work overseas should be prepared for cross national experience. The headquarters should maintain a central inventory of international executives and monitor a continuous career development programme.
There is a no substitute to training in MNEs. The usual objectives of a training programme for international executives may be summed up as: **transfer of knowledge, improvement in communication, understanding company's goals and way of operating, increasing sensitivity to cultural patterns that may be foreign to their own experience and values, improving adaptability to new environment**. The training programmes should have cross national focus. Though training cannot be a substitute for actual foreign living experience, it may, however minimize the painful experience of adjusting to alien culture and avoid the damage that may be caused by the culture shock.
The training programme should be chalked out keeping in view the training needs. In one study Marry Johnston found that the human relations skills, understanding of other cultures and ability of adapt were the most pressing training needs for overseas manager.
The training programmes to meet specific needs of global mangers may be carried out internally as well as externally. The internally oriented training programme may be tailored to the specific needs of the company. The topics should have a closer relationship managers own work and current issues facing the enterprise. The participants when brought from subsidiaries located in different countries, come to know each other and understand differing perception to the common problems. The impact of such training is also easily identifiable. The internally oriented programmes may also be tailored to the needs of specific individuals and their specific job assignment. The managers may be given on t he job training under the supervision of seniors. The learning in such cases is real and not a mere intellectual exercise. It may be an effective way of understanding the culture as well.
Seminars, conferences and workshops are other important means of training international managers, particularly on specific topics. For example a workshop on transfer pricing may be very useful for global managers. The externally oriented programmes aim at broadening the managers' horizon beyond its own organization and job. Foreign language training for

instance is given by academic or institution of foreign languages. The language course may develop a good understanding or say foreign culture but it may not equip the manager with specific terminology required for business.

Various approaches to cross cultural training has been used in the multinationalenterprises.However,it may be mentioned here that some training approaches as more rigorous then others. Some approaches eg.simulationsrequires the trainee to participate directly in the learning experience which others e.g. listening to an area briefing simply require the trainee to passively absorb information with little mental and emotional effort on his part. According to Black and Mendenhall more rigorous approaches which require the trainee to expert significant cognitive and behavioral effort are more effective than less rigorous approaches. However to conduct effectively rigorous training programme require significant amount of time and money and most companies may not be able to afford to take a manager off the job for one to two months on offsite training.

Training skills required by Global Managers to function successfully:-

For managing global environment business managers require new skills. Some of the key skills which enhance the value and speed of global business are listed below:

o Connecting resources, innovational and entrepreneuralship
o Ability to manage complexity
o Managing change and diversity
o Learning
o Networking
o Team Management
o Talent Management
o Managing cross-cultural issues
o Effective communication
o Self-management

Connecting resources, innovational and entrepreneurship

Global organizations operate across various territories to develop and manage markets. Deploying resources and developing entrepreneurship in local business require a blend of entrepreneurship and professional skills. This involves mapping of business potential and assessing managerial capabilities to tap the potential. Managers, with a drive and capability to manage complexities, will demand adequate and timely resources. Corporate managers will have to ensure availability of resources and evolve an operational model to monitor the resources with necessary flexibility.

Managing complexity

The global business is replete with ever increasing complexity. In the evolving global business models managers have to deal with ambiguity and unfamiliar environment. They need to develop a sense of comfort while managing rapid changes. They will also have to

develop competencies for making futuristic decisions. The volatility of global business calls upon managers to intelligently scan business environment and develop a predictive analysis for pro-active management.

Managing change and diversity

Change is a constant feature of today's business world. The political conditions and regulatory environment are constantly responding to various changes. Mature markets and emerging markets react differently to economic fluctuations. The composition of workforce as also their expectations is changing fast. Global managers have to manage this multi dimensional diversity and initiate pro-active responses.

Learning

Global managers need to have an insatiable appetite for learning. Learning is a dynamic process which manifests itself in continually changing nature of the organization. This is exemplified by innovation, collaboration and culture shifts especially during times of change, uncertainty and external challenge. Learning is considered to be a creation and acquisition of potential and actual ability to take an effective action. A successful organization is a learning organization. Global managers have to develop organizational learning to provide the foundation for leveraging the full value of organization's human resources.

Networking

Although the digitalized world offers speedy communication the local nuances relating to business, markets and people cannot be correctly registered in formal communication. Many markets are inter-dependent. Business is conducted through customers, suppliers and distributors across the world. Mergers and acquisitions bring together not only business units but also synergies and cultures. Despite intense competition in global business many companies develop collaborative alliances and arrangements in research and development, manufacturing and marketing. Dealing with all these partners in business demands networking skills. Networking skills include being in continuous touch with people across boundaries and developing relations for sound and smooth business. Global managers also require negotiation skills to foster effective and economic alliances across various lines of business.

Team Management

Modern business operates through teams for managing multiple projects. Successful global managers create a willing mindset in team members by sharing with them a realistic vision of future. They solicit, promote and use different perspectives of team members for enriching business. They also initiate a strong sense of excitement and energy in various teams across the borders.

Talent Management

Since capital and technology are mobile in global business, it is the managerial talents which make the difference in developing excellence. Global managers ensure a steady supply of quality talents in all areas of business. They shape roles to align with organizational priorities. They also help employees to design development plans to align with their own goals and interests. They encourage and use diversity of talents for an integrated perspective for organizational affectivity.

Managing cross cultural issues Culture deeply affects people's values, beliefs, perceptions and perspectives. Global managers have to correctly understand, respect and successfully deal with people of diverse cultures. A global corporation employs people of different nationalities. They are required to work in countries other than their own with different cultures. Global managers have to develop cross cultural sensitivity and develop skills which leverage cultural diversity for business development.

Effective communication

A global manager has to develop distinct communication skills to convey the value of growth drivers and interpret organizational policies with a correct perspective to people at all levels across the borders. Global managers walk the talk and work antenna for change management.

Self Management

Global managers require a high level of physical and mental energy to operate in the fiercely competitive global business. In addition to traveling widely almost around the globe, they require a mental framework to generate quick and correct responses to changing environments. They have to be comfortable with ambiguity and uncertainty. As such they have to have high emotional intelligence. They need to develop interactive skills to deal with people from different cultures. While knowledge, experience and competitiveness are critical, personal attributes will be determinants of success or failure of a global manager. Global managers acquire a heightened sense of humility with impeachable integrity.

Conclusion:-

Thus Global Managers can be summarized as managers who are responsible for utilizing human, financial, informational, and physical resources in ways that facilitate their organization's overall objectives in turbulent and sometimes hostile environments about which they often understand very little. Therefore it can be said that in order Global manager to function successfully, timely and frequent training is required so that they function efficiently in dynamic environment. Also with changing global economy,with greater emphasis on global markets, networks, and organizations over local or national ones, training and development programme should be developed accordingly.

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Talent Management Policies & Practices in India 2020

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Abstract:-

The year 2020 is only a decade away and, yet the way our global workforce is sourced, organized & managed will change radically by that time. An explosion of activity in emerging markets has significantly increased the need for companies to move people and source talent from all around the world. Research shows that outstanding performers typically deliver 4 to 6 times more performance than average. Selecting or developing just one outstanding performer has huge impact on overall performance.

The Year 2020 organization will be one that is markedly different from what we see today. Today's organizational designs will likely be deemed obsolete. Employees will demand a shift away from "command & control" reporting lines to more cooperate-based leadership models that provide greater autonomy and freedom of choice in the way work is performed. It will be a world in which next generation of workers chooses to embrace personal independence at the risk of security, and one in which business must work hard to attract the budding talent. The employees will be technologically savvy, information hungry, communicative multitaskers, short of attention and seeking immediate gratification in everything that they do. For them advancement might not be as important as being challenged with work . With this comes a very real leadership challenge whereby organizations will need to think differently. To this end operating models of future will need to contemplate and weave the freelance working arrangements.

We believe the war for talent will continue to be the major human resource issue to 2020, when the people pipeline looks to be the most crucial variable separating winners and losers in the marketplace. CEO does thus need to find out how to focus their top talent on their biggest single opportunity –growing in the emerging markets. One thing seems clear, the talent race never finished and competition remains as intense as ever.

The term talent management has become increasingly common in the world of HR.Talent separates high performing companies from the laggards. The requirements from talent today go beyond the resume. Organizations are seeking a dynamic and constantly refreshed set of skills, competencies and sensitivities from the past because of the evolving business environment. Talent come with many needs – ambition, fulfilment, connect etc. Talent definition is changing continuously. According to **Chartered Institute of Personnel & Development**, "The current uncertain economic climate makes the effective & strategic management of talent more not less important. It is likely that whatever the economic

backdrop, organizations will continue to prioritize recruiting scarce talent & identifying, developing & managing the talent throughout the business."

The new generation entering the workforce is transforming the world at work with a curious mix of ambition and the need for partnership & flexibility. Of course, this new generation is a reflection of the world around us - one with a greater emphasis on wealth and wealth-creators, enhanced means of communication & collaboration, flexible working styles and avenues to perform in a virtual partnership environment. The year 2020 is only a decade away, yet the way our global workforce is sourced, organised, and managed will change radically by that time.

The next generation of talent management practices and solutions will be impacted by three major factors:

1. Economic evolution

2. Demographic changes

3. Technological advancement

Effect of Globalization

An explosion of activity in emerging markets has significantly increased the need for companies to move people and source talent from all round the world. Mobilization strategies will need to progress to keep pace with the changing business environment. Our existing models for international assignments aren't redundant yet, but for organizations to be successful in the coming decade, a radical rethink of policy and processes may be required.

An explosion of activity in emerging markets has contributed to a significant increase in the need for companies to move people and source talent from all around around the world.

The war for talent will continue to be the major human resource issue to 2020, when the people pipeline looks to be the most crucial variable separating winners and losers in the marketplace. Companies may go to creative, perhaps even extreme, lengths to secure and retain talent and knowledge as their existing workforce ages. Global mobility will play a key role in solving the labour availability conundrum. According to a survey it has been found that out of the significant majority of millenniums surveyed 80% wanted to work abroad.

As country-based multinationals evolve into global multinationals, we will see a bedrock change in how and where business gets done that will have numerous ramifications globally for companies, employees, their families, and the marketplace. There will be a further 50% growth in international assignments by 2020. This will only increase the need for expeditious knowledge transfer and amplify the pressure on human resource leaders to tackle the ensuing

regulatory, compensation, and tax wrinkles, while also developing a streamlined process for the assignee and the organization.

Nurturing Inherent talent

Talent crisis is not only the problem for present but also for the future. It will continue to threaten business growth and economic prosperity. Focusing on engaging pivotal roles, not just key people, can help improve retention, while also improving company performance. A lot of investment in talent over the past few decades has been made in slower growing economies. CEO does thus need to find out how to focus their top talent on their biggest single opportunity –growing in the emerging markets. *One thing seems clear, the talent race never finished and competition remains as intense as ever.*

Companies most often are programmed to identify, analyse and overcome the faults, they hardly ever focus on nurturing their inherent talents. Success is typically won by tapping into the in-built talents and turning them into real-world strengths. Attacking the myth that "each person's greatest room for growth is in his or her areas of greatest weaknesses", it must be maintained that the first priority for individuals as well as corporations must be to identify and then capitalise on the unique, enduring talents within each one of us.

Looking at demographic trends it can be felt that by the year 2020, the competition for talented people in Indian organizations will get worse, as managerial talent will be less and less available. In India, of course, the issue is more complicated, as it is not just managerial talent we are grappling with, but also basic skilled workforce.

Changing demographic realities, rapid technological advances, and ever-evolving globalization dictate that it's time to get focused and serious about creating diverse and inclusive workplaces that drive performance and spark innovation.Basic business principles around business ownership and profit sharing may be shaken to its roots with companies likely being forced to increase employee-based ownership to keep them interested. Talent management activities should be focused on high calibre individuals who have the potential to develop into "bigger & bigger" jobs. Growing talent within the organization can only happen effectively if talent is spotted early on at all levels and developed accordingly. What companies need are people with the capabilities and aptitude to take on larger and different jobs across the organisation.'

Some characteristics that can be used to identify talent within the workforce include the following:

- Comfort with Change
- Clarity of Direction
- Thoroughness
- Participative Management Style
- Persuasiveness, Persistence, and Discretion

These indicate that talented people are not necessarily extraordinary individuals. People can be largely groomed to enhance these characteristics and become more talented themselves.

Similarly the success for talent retention can be measured by the following factors:

- Retention level of people in talent pool
- % critical roles filled by people defined as "talent"
- % critical roles with identifiable & capable successors
- Development of innovative products or services
- Increase in ratio of high talent applications
- Benchmarked as organizations where people aspire to work for

India, Eastern Europe and parts of South America are grappling with critical talent shortages. The future workforce is already with us and companies must decide now how they will recruit, manage & develop these people, or face losing the war for talent and competitive edge over the coming years.

Year 2020 Organization &Talent management infrastructure for 2020

In less than a decade from now, the Millennials (or Generation Y - those born between 1980 and 2000) will be firmly entrenched within all management layers of most large corporations around the world. As this begins to happen, it's interesting to ponder what this will mean for big business and what changes Gen Y will bring with them as they begin to take charge and steer the ship. The organizations in the year 2020 will be one that is markedly different from what we see today.

The generation of 2020 would be abrupt, technologically savvy, information hungry, communicative multitaskers, short of attention and seeking immediate gratification in everything that they do. Ironically, these personal growth seekers, are also the ones who seek constant feedback and positive reinforcement. They may demand and win out-of-the-box reward packages and a lot of say in where and how they will approach their work.These kids will be difficult to engage and nearly impossible to manage.

The 2020 labour force will enter with perceptions of career success that will be very different from those of today's generation. For the next generations, career success is achieving balance in work and life. For them advancement shall not be as important as being challenged with work that makes a difference in their own development as well as in the work community. It will be a world in which the worker will choose to embrace personal independence at the risk of security.

There are many reasons behind this behaviour. This generation of workers will be growing up with technology. They will be comfortable leveraging multiple sources of data and information to simultaneously accomplish multiple tasks. They would have had ample of collaborative networks available to them to help them generate ideas and identify solutions. Income, status and financial incentives might be less important to them than quality of life.

In the year 2020 today's organizational designs will be deemed obsolete. Millennials will demand a shift away from "command & control" reporting lines to more cooperative-based leadership models that provide greater autonomy and freedom of choice in the way work is performed.The business would have to work hard to attract budding talent. Talent management requires a strategic and integrative approach. These differences have implications for HR practice.

The HR community will have to embrace and work to develop practices such as:

- Instilling a talent mindset
- Creating a winning "EVP" (Employee Value Proposition, also referred to as "Employer Branding")
- Recruiting talent continuously
- Growing great leaders, and
- Acknowledging and differentiating high performers (focus on growth, proportionately reward top performers and move out bottom performers).

The organizations will need to think differently about the management structure and competencies required to thrive in the new operating models and to attract & retain the best talent.

Such a shift will stress and flex the organization in new and challenging ways. Looser, team-based organizational designs will need to be adopted. Gone are the days of multi-layered designs characterized by managers managing managers. Rather, temporary, purpose-based worker groupings emerge and flatter reporting structures are the upshot.

The pyramid management structure that we all grew up in will slowly be replaced with more fluid and responsive network design. A networked organizational design is the next evolutionary step for today's "matrixed" organization.In a network structure work is organized into projects, and, in turn, projects are grouped into portfolios (i.e. node in the network) of like kind. Execution of the projects within a portfolio is performed by workers who are assigned to portfolio, in a "Just-In-Time" fashion.Key knowledge workers may be permanently assigned to a portfolio (so as to allow for needed deep intimacy and understanding of a portfolio's particular subject matter), while others may be temporarily assigned to play a particular project role for a specified duration. This allows an organization to better leverage its subject matter expertise across all of its portfolios.This new type of organizational design provides work flexibility that the year 2020 staff prefers and the scalability that business require in order to better manage costs and maintain quality through normal business cycles.The senior leaders will be required to show a high degree of emotional intelligence so that they can proactively guide organizational transformation and evolve successful enterprise.Firms must strive to establish programs aimed at creating a culture that attracts, develops and retains quality personnel. Collaboration and flexibility will gain prominence in established work settings, positions and job titles might need to be redefined or removed altogether, if existing titles hinder teamwork and prevent required

organizational elasticity. Thought must be given to harness the growing use of social networks within the workplace as 2020 workers will continue to call for more sophisticated means of "staying connected." Business will be compelled to offer more "tailorable" and enhanced "lifestyle" benefits to employees. We are already seeing concierge services, childcare and eldercare offerings emerge in benefit packages. This trend will continue as a new generation of workers seeks ways to make their life easier. Senior management teams must promote these cultural shifts through its actions and be prepared to actively manage the enterprise through the transitions that will be required to institutionalize these changes.

RESHAPING TALENT MANAGEMENT PROGRAMS

Anticipating greater emphasis on talent management and competition for key talent, employers are planning to reshape their talent programs as the economy shifts out of the recessionary period, according to the new Future of Talent Management survey from Mercer.

Moreover, most organizations are planning changes to their talent programs in response to the downturn, although they are at different stages in terms of identifying and implementing these changes. The majority plan to make changes to leadership training (88%), workforce training (85%), employee engagement (85%), recruiting (80%), retention (80%), rewards (76%) and performance management (76%) programs. More than two-thirds (68%) are planning to make changes to their career programs and just more than half (51%) are planning to make changes to mobility programs

Employers expect talent management to grow in importance. Half (51%) rate it as a top priority at their organization today, but 76% expect it to be a top priority within the next three to five years. In addition, virtually all employers (97%) anticipate an increase in competition over the next three to five years for the key talent their organizations need to succeed; 39% expect some increase in competition, while far more − 58% − expect a significant increase in competition. The most effective practices are believed to be in-house development programmes, internal secondments and coaching

Case Study of Reliance Industries Ltd.

An Arthur D Little study of 4,000 Asian companies, rated Reliance as amongst the ten most competitive companies across all sectors, alongside Sony, Honda, Toyota and Acer.

As a group, Reliance, which is India's largest business house, has always believed that " the value of organizations will, in times to come, increasingly reside in their intangible assets". The assets referred to are intellectual capital (knowledge), human capital (employees), structural capital (physical and technology assets) and investor capital (shareholders).

Leadership Assets

The leadership of its founder, Late Mr Dhirubhai Ambani has undoubtedly been one of its biggest assets. Giving an example of this, Yogesh Desai, President of Corporate

Development at Reliance, recalls, "A couple of years ago, I concluded that booking hotel rooms for guests in Bombay was turning out to be too expensive and that captive guest rooms scattered across Bombay provided a cheaper alternative. I wrote a six-word memo on a post-it yellow slip and sent it to Mukesh Ambani. He sent back a reply on that very post-it: another six words. An investment of Rs. 1.5 crores transpired on the basis of 12 words. Today we have nearly 20 guest houses and over 120 rooms throughout Bombay and we save over Rs. 30 crores a year." We can safely surmise that Yogesh Desai's talent has been well managed indeed!

Employee Assets

Empowerment of employees is a deliberate strategy at Reliance. According to Mukesh Ambani, "the Reliance management success has demonstrated the effectiveness of devolution of authority. This is done by casting managers in the mould of owners in the sphere of their assigned activity. They are vested with the responsibility and authority for execution and results. This enables people to give their best. Reliance Industries' profit per employee is the highest among Asian Chemical companies. Yet, the cost per employee as a percentage of sales is merely 1.6% - that's just about 10% of the average employee cost in the industry.

The Analysis

Value creation is a dynamic process and requires not just a mathematical, but a holistic approach. Successfulorganisations are able to create value in the increasingly competitive and dynamic business environment because they realize the importance of intangible assets. Technology, leadership, relationship, talent recognition and management, brand value, knowledge - these factors, individually and jointly, have steered these companies to success. Business leaders and managers, who ignore this new and important dimension of business, might compromise the value creating potential of their respective companies.

The Wheels Begin to Turn

Over the end of this year, things have returned to normal, a normal that in India represents in excess of 8% growth. As 2012 starts, business and HR leaders are gearing up for the changes they are planning to make to their talent management systems, structures, and processes. The triggers are many.

The nature of the workforce is changing as younger generations enter the workforce. Companies are cautious with their investments in a bid to keep control on liquidity; the macro-economic spoilsport of inflation is looming large, and the consumer, who is suddenly not looking at splurging like (s)he did before. Talent is more mobile than it ever was.Proper talent management will ensure for India its rightful place in the comity of nations. talent management is a future-focused activity, with organisations using it to develop their workforce to meet the strategic needs of the organisation. But it's also clear that there is a

focus on the development of employees considered to have 'high potential' or to be future senior managers/leaders

CONCLUSION

Good talent management and grooming leaders is the emerging imperative of the new economy. To meet its challenges companies need to crystallise methods to identify talent and "manage" it appropriately. Thereafter they need to instil the importance of values. Companies need to study the attributes of speed leaders and become adept at applying behavioural sciences. Given the radically changing levers of the economy, strategic investment in human resources is imperative.. If we are to stem the tide of "knowledge drain" and the rate of voluntary turnover for new hires our HR practice needs to reflect the values and beliefs of individual employees. We need to work to build a retention culture based on employee-centered development processes and policies focused on retaining older workers and attracting and retaining younger workers.*'Talent management is not a nice-to-have, it's essential to our organisation.'*

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Rural Healthcare Market:

A New Horizon for Entrepreneurs

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*Abstract***:**

Rural population of India contribute 68.84%(census 2011) with average economical growth rate of more than 7% in the decade since 1997, reducing poverty by about 10 percentage points(World Bank report released in 2011) .For healthcare service it depends on public healthcare institutions, but studies shows that the rural peoples prefer private hospitals than govt. with more trust for which a huge part of market is trapped by local doctors, quacks, pharmacist, path labs private clinics, nursing homes(mainly at district level) but all are in a sporadic manner, unorganized and person centric.

Purpose: Unfold the opportunities of rural healthcare market sector for entrepreneurs guide them to develop possible potential business model.

Objectives: Innovate an ideal profit generating entrepreneurial model of healthcare institutions to provide service to rural people with affordable price to improve their health status.

Methodology: Market research (by SWOT analysis) basing on various data and information from secondary reliable sources.

Executive Summary: In India there are number of corporate hospitals of various categories like multi-specialty, super-specialty and some are regional hospitals. But all these hospitals are mostly cater 30% of Indian population those lives in urban area and some of the semi-urban areas. In some cases a small apart of rural population also avail this facility but they are not actually the target population for corporate hospitals. Though in past few years the economical growth in this population, no corporate sector take any initiative to open any hospital which may be because of they consider rural areas as barren for commercial health care. The aim of this paper is to analyze the rural health care market and Explore/unfold the opportunities of rural healthcare market sector for entrepreneurs guide them to develop possible potential business model. Innovate an ideal profit generating entrepreneurial model of healthcare institutions to provide service to rural people with affordable price to improve their health status. The whole paper Market

research (by SWOT analysis) basing on various data and information from secondary reliable sources. Rural healthcare market is not barren but a having huge potential market. It may be a new horizon for entrepreneurs to start business in rural healthcare market and develop a self sustains profit generating "model health care institutions". Low investment for infrastructure, promotion and marketing along supportive Govt. of India's policy make it more feasibleIn spite of low economical condition and some genuine problems like shortage of health care professionals in rural area, above describe entrepreneurial model may excel with a ideal marketing strategy as the market is less competitive with a potential unmet need which made it supportive.

Introduction:

In India around 72.2% of population are present in rural area. There are 638000 numbers of villages are present with …….number of blocks and 628 numbers of districts. The healthcare fasciitis for these large population mainly provided by various public hospitals run by government (states and supported by central govt.).There are various level of public healthcare institutions. In India Number of corporate mostly situated in metro cities or capital city of states. Some 2nd tier cities also have little number of corporate hospitals. But all district head quarters have not such facilities. For which rural peoples are not get these services. In some cases when they need quality or higher health care services they need to go cities which is not only create a huge economical burden but also waste time and working hours.

The private hospitals of the cities also rural footfall but it is not enough. As there are number of corporate sectors enters in the market and the competition in urban health care market is very high. So all private hospitals try to attract the clients by so many ways. It was predicted that after few years this market becomes saturated these institutions may depends on rural market in future to cater more customers. Size of rural healthcare market is very large and the economical growth of this market is quite promising. This large market is now cover by the local doctors, pharmacists and quacks which create another un-organized market which is always away from the real market and known as parallel heath care market. The objectives of this paper are to briefly describe about this market and propose a conceptual business model for health care entrepreneurs.

Socio-economical and demographic features of Indian rural health care market: India is a country if large population. The wide variation of its geographical, demographical, cultural and socio-economical structure made its unique. Still a high percentage Indian population lives in rural areas in spite of urbanization. The demand of health care facilities is very high which is mainly cater by public hospitals and some by parallel market run by formal and informal practitioners. Though it is one of the largest markets in world but due to above factors the rural health care market still consider as a barren market by most of the major

corporate and private players. But the growing market competition in urban areas and growth of rural health care market demand along with economical growth of these areas in near future it may be a fertile market if a innovative market model plan and implemented.

Past, future and Current scenario Indian health care market: The Indian Healthcare market has grown from US$ 22.8 billion in the year 2005, at a CAGR of 16% .In 2011 it is around US$ 50.2 billion and Market is expected to grow to US$ 50.2 billion and US$ 78.6 billion by 2016.

This is mainly because of rise health care demand, economical growth of customers and the insurance sector growth. The fig.1 clearly shows the growth.

Fig.1

The rural health care market: The health care market of Indian rural are not estimated properly in past. The whole market mainly cover by public sector in past and But due to growth of demand of health care the rural health care market explore day by day. The following comparison of rural and urban health care need may clearly reflect the overall market structure.

% of hospitalised cases seeking care from private hospitals

Fig-2

The fig. -2 shows the how many number of cases hospitalised that means the share of the private sector in total number of beds in the country has gradually increased from 41 percent in 1983 to an estimated 78 percent in 2009 .Also the rural market demand also significantly increases and also equal to urban need.Unforunately all the health care provider s only focus on the urban sector.

Contributrion of rural and urban sector in outpatint health care market

 Fig-3

The above graphical presentation indicates that there is little difference between rural and urban health care market of outpatients. This market mainly occupy by some formal health care providers and mostly by informal health care providers which create a parallel health care market

The parallel market and factors promoting parallel market: Despite a strong infrastructural base of the public health care facilities in many Indian states, the majority of outpatient services, especially in the rural areas, are provided by private health care providers, most of whom practice modern allopath without any formal training. This section of medical practitioners is often identified as Rural Medical Practitioners (RMPs), "unqualified", "less than fully qualified (LTFQ)" providers, or simply "quacks". West Bengal is no exception, where, according to the National Family Health Survey (NFHS-II) conducted in 1995-96; about 60 percent of the households visited the private medical sector for outpatient care when they fell sick. Also along with these informal providers some formal provider either of govt. employees or retired health cares personnel's. We can call all of them as un-organized healthcare market.

New horizon for healthcare entrepreneurs: Indian healthcare entrepreneurs are now riding high over the wave of 'new ventures'. In last few years these entrepreneurs and organizations develop a lot and introduce number of projects which increase the sphere of competition. The positive and upward trend in our healthcare segment creates a significant change in the healthcare scenario. The corporate and private players are mainly concentrate on urban areas so that the market becomes saturated. For which some of them now focus on semi urban and non-metro areas. But no doubt this was not enough. So, they should think beyond and increase the existing spectrum of market. The new market is the next milestone health care industry .This mile stone is nothing but to extend the venture model to the rural sector which is still barren. The path of health care entrepreneurship in rural health sector is not so easy but quite promising.

In following few steps describe about the various dimensions of rural health care sector through SWOT analysis of the market.

SWOT analysis of rural health care market with reference to health care entrepreneurs:

STRENGTH:
- **Rural-Urban population distribution**
- **Current socio-economical growth pattern of rural people**
- **The demand –supply gap**
- **The monopoly of parallel and public sector& system failure**

WEAKNESS:
- **Large number of BPL population**
- **Healthcare seeking behavior of rural peoples**
-

OPPURTUNITIES:
- A Potential market
- Low infrastructure cost
- Favorable govt. policy
- Improve communication
- **Less competition**

THREATS:
- Human Resources (health are professionals)
- Free Healthcare by public sector
- Well establish health care parallel market
- Roads & electricity
- Investor or financial support

8. **Current socio-economic growth of rural area**: India's healthcare sector has been growing rapidly and is estimated to be worth $40 billion by 2012. Revenues from the healthcare sector account for 5.2 per cent of the GDP, making it the third largest growth segment in India.The economical growth of India and rural India both increases significantly. So the paying capacity for health and per capita expenditure per health increases. More important fact is that the entry of health insurance sector by govt. to every individual by RSBY scheme and private insurance provider's initiative towards this also create opportunity. So for the health care entrepreneurs those interested in rural health care sector it becomes strength.

9. **The demand and supply gap-** There is a need of over 6,800 more hospitals in rural areas of India to provide basic health facilities to people mentions the annual Economic Survey released recently. India has only 0.7 beds per 1,000 people - far below the global average of 2.6. India needs to add 2 million beds to the existing 1.1 million by 2027 to manage the increasing healthcare requirement of the population. All these factors have attracted healthcare entrepreneurs and stock holders, industry leaders and investors to hospital care delivery   by   leaps   and   bounds.

The initial statistics from ongoing studies indicate that there is a minor increase in the number of beds/1000.So the huge gap in between the demand of services and the supply of services create an unmet need and a strong demand of health care services in rural are. If corporate hospitals move into the rural market and cater this un met need then they must becomes the pioneers of the rural healthcare boom. The ease of service availability is the biggest achievement of this trend with multi-specialty hospitals succeeding in offering multiple services in one place. People no longer have to travel wide and far for different medical requirement. This move has also brought to the fore the cost effectiveness of the Indian healthcare industry in comparison with the other countries. The healthcare industry has also focused a lot on improving the quality of services provided. In fact the success rates of the Indian healthcare providers equals to or at times much better than its counterparts even in developed countries. The new trend in the healthcare industry has increased employment opportunities. There are more than 5 million people employed in this industry and the healthcare sector is the largest employer in the country second only to the education sector.

10. **The monopoly of public health care sector and parallel health care market and system failure:** The main players of the rural health care market are the public hospitals and the parallel market of informal and formal health care providers. The public health care sector in rural India almost collapse due to multiple factors .But due to its wide net work, free treatment model and now it little strengthen by govt. through NRHM it occupy the whole market. Along with this a large health care parallel market runs smoothly and becomes the only and one major player in the rural health care market. Due to lack of healthy competitive atmosphere they monopolized their service in term of quality, price and responsibility. This is the most important strength of new players to take advantage of the system failure of the existing market.

11. **Awareness among rural peoples:** Gradually health care consciousnesses among rural people increases significantly due to increase education, penetration of electronic and print media .So the health care seeking behavior of most of them change and they demand for quality care and also willing to pay. This new strength of the market well cater by parallel market.

- **Weakness:** The major and most genuine weaknessof the rural health care market is ability to pay. The high BPL population, low-middle class population prevalence is one of the major factor .Though the customers need these services but due to inability to pay they opted for public health care services which is almost free or quacks where treatment cost is low. **Opportunities:**

A Potential market-In spite of few weakness the rural health care market is potential enough due to its large size and high need of health care services

    Low infrastructure cost-Also the cost of infrastructure in rural areas is very less as the land price ,price for water and price of un skilled labor is very low compare to urban areas. So initial cost reduce to some extend which is a advantage for entrepreneurs.

- **Favorable govt. policy:** The govt. of India's policy regardingthe establishment of hospitals or healthcare services also favors for the new players. There is provision of finance, low interest, subsidiary in electric and water supply, low cost land lease etc. also promote the venture.

- **Improve communication: Earlier the lack of communication to rural areas creates a barrier for the initiative of any health acre facilities but now this is not a problem.**

- **Less competition:** The last but not least most favorable one is the competitive enviourment for the new players is in rural sector is very weak. The informal providers are not organized and the formal are not streamline .So one can take advantage of channelizing the customers with little managerial and marketing effort**.**

Threats: Like any sector in this sector also there are numbers of threats, but some of are very genuine. Which perhaps the main cause of public health care system may failure .So proper attention and strategy required to mange this threats and get rid from them. The major threats are **Human Resources (health care professionals**) unwillingness to work in rural area and difficulties in retaining the same for long period.

    Free Healthcare by public sector may stood as a threat as a threat as it is avail free of cost. So to provide pay-mode service may not be well accepted by people**.**

Well establish health care parallel market is another factor may create problem for new comers in this sector. Though this market is un-organized but the goodwill behind them acts as a barrier.

Roads & electricity: Irregularity of electricity supply in some areas and bad condition of roads may be one factor which affects the development.

Investor or financial support: As most of the financers still now not willing to finance for rural health care sector because as they perceive it is not a profit generating sector. So the new comers may face problem of financing.

Conclusion and discussion:

The above all discussion though not clearly reflects that rural health care entrepreneurship project is a feasible one. If we critically analyze the all SWOT then it becomes clearly forecast that the future of this type of projects is very promising and a profit generating self sustain project may establish. The model rural health care institutions of 100-150 in-patient capacity and few multi specialties outpatient department is an ideal model. With a proper marketing strategy this model becomes feasible. The model hospital may be run at district

head quarters, block or taluka level. The services provided by this are both secondary and tertiary care. The marketing strategy should be based and focused on strategy to pull patients and gradually increase the share in the market by pulling the same from the public hospital and parallel market. To manage the paying capacity rural people health insurance initiative and the health card facility along with third party sharing policy may be adopted. Retaining health care professional though quite difficult but some innovative strategies may help in this regard. At last we like to conclude that really the rural healthcare market may be a new horizon for entrepreneurs. The major players of the corporate healthcare and private healthcare providers think about it and step forward for new initiative in rural healthcare market.

Abbreviation: SWOT, BPL,NRHM

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Framing Marketing Strategy for Fiberglass Reinforced Plastic (FRP) Products

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Abstract:

The developmental activities supported by technological advancements taking place in the field of polymers in the recent years, have categorized them as environment and consumer friendly materials of 21st century. Research and analysis backed with imagination, intuition, excitement and satisfaction is called for in marketing of technologically advanced revolutionary products like Fibreglass Reinforced Plastics (FRP). The present consumer research aims to frame a marketing strategy for expansion in various applications of FRP products at residential and commercial levels. The study extends the results by using the sample of 400 respondents, 200 in each category from the state of Himachal Pradesh. The purpose of the research is to match the customer's knowledge, values and awareness with the entire FRP product knowledge and application. Consequently, after using SWOT analysis in the value decade, to frame and develop the marketing strategies by analyzing the consumer behavior based on research for comprehending awareness, knowledge and usage of FRP products in different applications.

Key words

Consumer research, Marketing strategy, SWOT analysis, Reinforced Fibreglass Plastic (FRP) products- technologically advanced- polymer based, residential and commercial usage, descriptive and exploratory analysis.

Development of 'green building' concept is gaining importance and spreading globally. This has resulted in development of organizations like LEED (Leadership in Energy and Environmental Design) and USGBC (U.S. Green Building Council, 2002) which have set objective and rating for the buildings constructed. Thereby, it is of paramount importance to match the building and structural objectives with the objectives of the society concerning the environment in which they exist, resulting in development of newer technologically, advanced, materials which are polymer based like Reinforced Fibreglass.

In the developed countries, companies of Fibreglass like Fibreglass Pilkington, U.K.; Nittobo, Japan; Compagn de St. Gobain Pont-a-Mousson, France; Bayer, Germany; Owens-Corning Fiberglass Corp. U.S.A; TBA Industrial Products ltd., United Kingdom;

Nuplex Industries, New Zealand and Australia ; and many more are playing an important role in the international scenario, in building the environment which is in harmony with nature. Kerrod et al (2002, p 257) stated "Fibreglass material is made by mixing glassfibres and plastic. It was developed in United States in the 1930s. It is flame resistant, does not rust and is tough enough to make car bodies or boats. It is also used to insulate buildings." It is worth mentioning here that Lord Pilkington's hard work and wise council for many years since 1949 made a significant contribution in the development and prosperity of this industry.

Many international researchers (Finger, 1972; Mc Garry, 1970) in the past have been stating importance on the role of Fibreglass Reinforced materials in building systems. Even today, the research works (Kurkjian&Matthewson, 2007;Ryvkin&Aboudi, 2007; Neto&Rovere 2007;Mouhmid et al, 2006; &Giraldi et al 2005) on the utility of these products is on full swing in various applications.

   Lot of technical and empirical research work both at international and national level is carried out on fibreglass as an upcoming revolutionary material. Fibre Reinforced Composites Conference (2007), have attributed advancement in Fibreglass technology for the overall development of various fields - infrastructural, structural, and industrial and so forth. The success of combination of resins and polymers with other locally available raw material is also researched upon. In India, NIIR – National Institute of Industrial Research, consisting of consultants and engineers, in recent years published many books on polymers and the resin materials. The book, ***The Complete Technology Book on Fibre Glass, Optical Glass and Reinforced Plastics, 2007***written by NIIR reviewed as, ***"Although many natural materials were used in the past by man, answering his instinctive urges to prevent heat loss from or entry into his dwellings, no material in modern technology has satisfied the all-around requirements as has fiber Glass. Fiber glass, Optical glass and reinforced plastics have important applications and uses in the making of various products."***

   An Energy, Environmental and Economic resource guide (Wilson, 2001, p.161), clearly states, "Expanded polystyrene, some polyisocyanurate and rigid mineral wool or fiberglass board do not deplete ozone." Masters &Ela (2008, p-243) also quoted "Fibreglass insulation …., also contains no CFCs" To analyze and apply the above concepts of 'green' technologies and the role that FRP products can play in their application in various sectors, it is essential to understand the consumer behavior. As Consumer Behaviour is the study of relationship between the people and the products, and how they can shape their products for maximum benefit to the consumer, the researcher visualizes the use of FRP products in many applications like construction, agriculture, horticulture, floriculture, transportation, food and preservation, architecture development and preservation of heritage etc. at both residential and commercial levels. Hence the researcher proposes to do a consumer research on Fibreglass Reinforced Plastic (FRP) products to see the level of awareness, preference and

usage of FRP products and how the increased application of its products would affect the life of the people.

The health, wealth, growth and development of FRP materials depends on the capacity to innovate its products that are continuously streamlined to meet the growing and everlasting needs, wants and desires of the consumers. The present consumers' requirement is of the materials which are more efficient, less time consuming, easy to maintain, reduce wastage, easy to handle and most importantly, the material that is the product which could satisfy the needs of the present consumer with its advanced properties. This is where polymers play a dominant and vital role. Polymers today have importance in manufacturing of various domestic and industrial products.One of the polymer based, composite **Fibreglass Reinforced Plastic(FRP or GRP),** Americans spell it as Fiberglass, a technologically advanced and a revolutionary material which offers many advantages over traditional materials; chief among these are - optical translucency, formability, high strength, light weight, flexibility in design parts, consolidation, high dielectric strength, dimensional stability, corrosion resistance and low tooling and maintenance costs. While not quite a household name, fibreglass has worked its way into a seemingly endless number of applications.

In fact it can be moulded in any shape and design as per the consumer requirement. "For specialty applications, fiberglass decorative architectural elements are fast growing the first choice among building owners and architects. Not only is the installed cost of fiberglass less than that of traditional materials, but composites are easier to install and maintain" (Bassett, 1996).

The growing significance of such materials resulted in the formation of FRP Institute in Chennai in 1999. FRP Institute, **Madras***(Regd. under Tamil Nadu Societies Act 1975, No.70/1999) a professional society for the advancement of composite material, in order to promote the development of composites and increase their industrial and technological base. The unique properties of FRP products make them acceptable material for the present times. Advantages of FRP products have been technically supported by enough scientific material. Moreover it can also be witnessed by its varied applications in the developed countries. But unfortunately in this region it has not shown as much progress as compared to its benefits. To find out why the gap exists and how it can be overcome, the researcher is conducting a systematic study on consumer behaviour.

Consumer research is the first step for framing of marketing strategy for various FRP products. The action taken has to be for the benefit of the consumers, and taken only after we answer the questions why we are doing so and understanding vividly the areas which will be significantly affected. This will in turn give us answers to question as to how to satisfy the consumers of FRP products in various fields and applications.

According to **Peter F Drucker** – the world's most influential Management thinker- "Marketing means such a perfect understanding of customers that a product or a service fits him totally and sells itself. Marketing would result in a customer who is ready to buy. All that what is to be needed then is to make the product available." As per the need of today those who are not able to recognize the changes in the environment will lose revenue opportunities and their cost will increase. When corporations embrace a more customer focused product development philosophy, they not only create satisfying products, but also understand how to position those products to create differentiation. This translates success in market place.

NEED OF THE STUDY

The present consumer behavior study is, based on inductive method, with respect to consumers of Himachal Pradesh. As during the present age newer materials for construction are being searched for, to evaluate the scope and usage of FRP products, in different spheres of activities as per the perception of the customers of this region, To keep updated with the latest technological developments and practices of fibreglass and to compare the same with the present usage of FRP products. To enhance and add to the current knowledge with authoritative analysis based on the secondary and primary information.

One of the objectives of the present study is to identify consumer related factors of Himachal Pradesh for the limited use or purchase of FRP products in spite of its extensive use globally and wide support of technical reports for its advantageous. To find the other related factors which also have an influence in creating the gap between the theoretical and practical use of FRP products? Since FRP products are more acceptable at international level practically and innovatively used in various applications and fields, the researcher is interested in getting this study published in an international journal on consumer research, as the scope of FRP Products is widely understood globally. In the present age of globalization, it might also interest the international manufactures and organizations dealing with FRP products to understand the markets in this region for expansion. Understanding the consumer issues, helps the industry of reinforced plastics to adapt strategies by taking the consumer into consideration. We also learn that consumers will sometimes be persuaded more by logical arguments, but at other times will be persuaded more by emotional or symbolic appeals. By understanding the consumer, we will be able to make a more informed decision as to which strategy to employ to the particular segment of customers.

The high growth rate of the Indian Industry has even increased the need for such consumer behavior studies to understand the factors which influence the behavior, purchase and usage patterns of the consumers In particular the challenges to the construction industry can also be faced by understanding the changing consumer's demands and needs. Moreover, the changing concepts in the construction industry have to be understood with the respect of

the innovative and technologically advanced materials used for construction and the benefits they offer to the present consumers.

On the other hand, "the last three decades have witnessed phenomenal progress in the field of synthetic and polymer science." Quote the editors of UGC- SAP National Seminar on Recent trends in Synthetic and Polymer Chemistry – II (RTSPC-2007), held in Himachal Pradesh University on March, 23-24, 2007. They further added that, "The field of polymer chemistry is one of the fastest growing and fascinating area of chemistry evidenced not only by the growing number of publications in various Journals and several National and International Symposia, also from the fact that polymers form a part of every walk of life." In fact it is difficult for mankind to survive without organic chemistry in today's world.

The scope of the use of newer polymer materials like FRP is accelerated further as evident from the study cited further. Cushman and Wakefield estimates (as cited in Dagar, 2007) the total real estate demand in India over five years from 2007 and predicts that is expected to grow to approximately 1,900 million square feet across the commercial ,retail, residential and hospitality segments. Changing demographics, world- wide growth of environment concern, globalization, product innovations and technology, rapid urbanization and easy available finance strength has a strong impact on the demand.Hence the need for such inductive studies based on the consumers of a particular place for the application of FRP products is even further strengthened.

RESEARCH DESIGN

The research design is framed with specifications of techniques, methods and procedures used for collecting customer information needed, keeping in pace with the changing trends in marketing, globalization and technology.

RESEARCH PROBLEM

The research study is conducted with a main objective to do an analysis of awareness and usage and preference of the present customers and predict the future market potential of various FRP products, with respect to the consumers of Himachal Pradesh. This cross sectional descriptive research made an attempt to understand the market from the consumers' point of view. It is an attempt to identify customer's viewpoint which can be used as a focal point for effective marketing and communicating strategies. For this the data contains responses and observations from the cross-section of a sample, representing the population. The present study of consumer behaviour aims to help firms and organizations, involved in investing, manufacturing, marketing and distribution of fibreglass reinforced plastics products and improve their marketing strategies

According to the purpose or application of FRP products we can classify the focus groups of consumers basically into two categories:

A.   Residential purpose or personal consumption
B.   Commercial purpose, Institutional, Government and Industrial purpose.

OBJECTIVES OF THE STUDY

1.   I
n the state of Himachal Pradesh the Industrial base is increasing, and due to political support the growth in the construction activities is increasing in the coming years. Various projects like hydro- electricity projects, cement plants etc. are coming up, in spite of the ban on forest products. As during the present age newer environment and consumer friendly materials for construction are being searched for, to evaluate the scope and usage of FRP products, in different spheres of activities, both for residential as well as commercial activities. Hence to identify the coming up market potential opportunities for various products of reinforced fibreglass.

2.   T
o find the level of awareness of application of different reinforced fibreglass products for various purposes as per the requirements. To keep updated with the latest technological developments and practices of fibreglass and to compare the same with the present usage of FRP products.

3.   T
o develop and enhance current knowledge by providing with authoritative analysis, on best application, new trends and innovative marketing strategies.

4.   T
o identify the consumer related factors of Himachal Pradesh for the limited use or purchase the FRP products in spite of its extensive use, globally supported by technical reports of its advantages.

5.   T
o find the other related factors which also have an influence in creating the gap between the theoretical and practical use of FRP Products?

6.   T
o examine the various marketing determinants for the various uses or applications of FRP Products keeping in mind the environment-, demographic, psychographic, cultural and geographical and climatic features of the state.

7.   T
o examine the marketing functions effectively and integrate all aspects of marketing to develop and maintain the relationship with the customers, which influence the decision making process of the consumers of H.P. regarding the various applications of FRP products.

SAMPLE OF THE STUDY

A.   *Sampling unit & Sample size*

The sampling unit is taken as per the following classification which is on the basis of the purpose of purchase:

1.   Residential Purpose   200 Questionnaires I

2.   Commercial Purpose-   200 Schedules

2.1   Commercial Establishments   100 Schedules

Hotels, Shops, Restaurants, Marriage and   Conference Halls, Motels, etc

2.2   Institutions 30 Schedules

    i)   Educational - Schools, Colleges &Universities

    ii)   Research centers,- ICRI, IARI

    iii)   Hospitals

    iv)   Religious institutions - Temples and Churches

    v)   Financial institutions Banks

 2.3. Government Departments   20 Schedules

    i)   PWD, CPWD

    ii)   Forest Department

    iii)   Agriculture, Horticulture, Floriculture

    iv)   Telecommunication Department

    v)   Electricity department

    Irrigation and water department

    Defence

2.4.   Industries   50 Schedules

    i)   Chemical Industry

    ii)   Pharmaceutical Industry

 iii)   Metal & Mining

 iv)   Paper and printing

 v)   Agriculture related & Food Processing

 vi)   Automobile and transport

 vii)   Electrical

 viii) Textiles

 ix)   Information Technology

B. *Sampling Procedure*

Qualitative, Sampling and Quantitative research is been used to make estimates for the population as a whole (nair, 2003, p. 77). Both primary and secondary data are been used in

this study. For quantitative research, the primary data have been collected by random sampling with the help of questionnaire prepared after review of the existing literature. In addition to this researcher's practical knowledge and experience regarding information and marketing of FRP products is also of immense value. A structured and undistinguished type of questionnaire is prepared which consisted of dichotomous, open – ended and close – ended   questions. For the residential purpose the questionnaire is given to the respondents and they were asked to fill it as per the knowledge they had regarding FRP products. Whereas for the commercial, government, institutional and industrial purpose the questionnaire is used as an interview schedule to be filled by the researcher through personal interview of either the purchase managers or proprietors or foremen depending on the type and size of the company.

 Secondary information is collected with the intensive library and internet search, for technical and scientific material. In addition to this practical knowledge and experience regarding information and marketing of FRP products was also of immense help.

DATA COLLECTION

The two data collection techniques (nair, 2003, p 36) used for this research study were:
1.   Communication technique
2.   Observation technique

1.   Communication technique

 The Primary data is collected by the method of survey with the help of structured questionnaires. This involved seeking answers (responses) by asking questions in person, that is some respondents filled up the questionnaire while face to face interaction with the researcher, whereas some took the questionnaire with them, to fill it up later.

The personal interview technique is advantageous because the researcher is able to collect a large amount of data which is required for the study. It is beneficial in this study because consumer researchof FRP products needed high degree of involvement of the researcher for arousal of interest and to increase support and participative behaviour of the respondents. This led the research study to be time consuming and costly because of the time and tough geographical terrain, the cost per each completed interview was very high.

2.   Observation technique

        This technique is used to observe past and present behaviour with the help of secondary sources. In the present age of desktop computers and information systems has opened way for accessing huge data and information, thus enabling the researcher for the analysis and interpretation of this information for the present study. This information is sought prior to the decision taken to organize collection of information from the primary sources and provided a valuable base for deriving the problem and hypothesis before the onset of the primary research. In addition to this it is also used simultaneously and after the

collection of the primary data, for the regularly updating of the latest information. The sources for collecting secondary data were as follows:

i.   Visited many websites of organizations related with FRP products like Pilkinton group, Nittobo, Architectural Fiberglass inc, Adtech, Owen Corning etc.

ii.   Searched the net for various marketing and consumer behaviour researches on present concepts, which were applicable for the marketing of different FRP products.

iii. Visited Asia's largest Exhibition for roofing, cladding and allied products on 26-28 April, 2007, at PragatiMaidan, New Delhi. Information was collected from different stalls displaying roofing systems, architectural cladding, façade engineering, metal building systems, skylight and domes, water-proofing insulation, tensile membranes, roofing machinery etc. It was organized by Unitech exhibitions private Ltd.

iv. Technical material and information regarding FRP products was searched from the library of Reliant Fibres, an SSI unit manufacturing and dealing with different FRP products in Himachal Pradesh.

v. In addition to this, gained insight from the published data, which had been collected from various books, journals, periodicals, newspaper, news bulletins, news prints, statistical and other published reports. Searched extensively the libraries of Himachal Pradesh University, Bahra University, ICFAI-INC and State Library of Shimla, for relevant material.

ANALYSES

A descriptive and exploratory analysis is used to find and interpret the results of the research. The study is a systematic collection, analysis and interpretation of information relevant to marketing decisions of various products of reinforced fibreglass plastic, which is based on value orientation that is the reflection on the customer satisfaction by highlighting the properties of FRP products which meet the requirements of the customers in different applications. The study aims to coordinate the technical research work of the scientists and engineers with the marketing investigations which are based on the needs and wants of the consumer The data collected were tabulated on the on Microsoft Excel and were interpreted and analyzed with the help of SPSS – the statistical package of social sciences. In the present study the data collected were analyzed and interpreted with the help of the mathematical methods too, like percentage, ranks, ranking ratios, product benefit and usage ratio and averages.

Exploratory analysis

Keeping in light the results of the study the analytical SWOT (Strength, weakness, opportunities and threats) analysis was done to comprehend the potential application of FRP products with respect to both external environment and internal environment, here created

by 'strength and weakness' of FRP products. Accordingly, recommended the feasible marketing strategies for application of FRP products in different customer segments.

The research work frames the marketing strategy for the expansion of application of various products of Fibreglass Reinforced Plastics in the development of the state. This in turn will be useful in developing the infrastructural and structural development of the region with latest technological advancements which are more consumer and environment friendly. Therefore focus is on the concepts and techniques, for developing marketing strategy based on consumer research, for promotion of FRP products in various applications.

RESULTS AND INTERPRETATION: FRP MARKETING STRATEGY

Strategy is the key of success in the context for the development of structural and infrastructural environment by enhancing the application of the revolutionary products like fiberglass. The presence of the towns turning into concrete jungles is the result of decisions being taken on subjective assessments and are made without regard to other conditions like, environment, climatic changes, future implications and health conditions. Ananth (1999, p. 56) writes, "Nowadays in the contemporary neighbourhood, it has become common to build without any reference to either the already existing structures or the natural environment. Hence some buildings stand out like sore thumbs, blatantly alien. This may seem like 'fun', 'progressive', and 'innovative', but the impact of something so alien can have very disturbing results on the occupants of such a building."

These structural and architectural decisions often produce unreliable results and do not lead to optimal solutions. Hence, seeing present situation it is clearly evident that the basic concept of consumer, marketing research and strategy formulation and implementation is lacking. Strategic planning and marketing of FRP products is concerned with the structural development which has the capability to adapt to the technologically advanced polymer material which is able to meet the changing consumers' structural needs. Thus, a two-fold advantage is provided that is, of fulfilling the requirement of the customers and protecting and maintaining the environment for the future generations.

Kotler (1991, p.33) defined Strategy planning as, "the managerial process of developing and maintaining a viable fit between the organization's objectives and resources and its changing marketing opportunities." It is a continuous process and consists of the following major steps for the planning of application of different FRP products:

1.   Analyzing the environment and resources and to identify future opportunities and possible threats (SWOT analysis) regarding the future application of Fibreglass products (these are traced out after the interpretation of the results of the research study).

2.   Determining the customer overall specific objectives and requirements and matching them with the properties of FRP products

> ➤ **Analysis of Environment:**

Opportunities and threats

1)   Political stability. For example in continuation to the previous government works , as reported in the leading newspaper of the region by (Sharma, 2008) regarding the industrial status in Baddi- Barottiwal belt , "But with the new government showing positive inclination towards improving infrastructure, the realtors see this industrial belt blinking on the realty radar."

2)   Cultural- Religious oriented, colourful, diverse hilly culture and secular minded. Although the people of the state are simple minded, the articles like 'Project Damned' (Pundir, 2008) and 'Green Protest" (Sood, 2008) reveal the increasing interest of the people of the state in preservation and prevention of further damage to the present eco-system of the state.

3)   Economical – According to the Chief Minister of the state "his government would accord top priority to the exploitation of the identified hydel potential since it was the single largest sector which could bring in revenue. ("Heritage status," 2008)". The benefits of electrically conducting polymers and copolymers according to Bakshi&Lal (2007) could help in the field of electrical conduction.

The construction industry is also at a boom, growing at a very high rate with more stress on II tier and III tire cities. In Indian scenario of the financial year (2008) in the Q3 revenue data real estate companies like Unitech, Parsvnath Developers and Omaxe profit, Steel companies like Tata Steel and SAIL and cement companies like ACC have shown good growth in their revenues (Agencies, 2008). State of Himachal Pradesh is at present, in the preliminary stages of industrial development. Some of the reasons which had stunted the industrial growth in the last few years as stated by (Sharma, 2008) are, "Poor roads, inadequate basic amenities and an overall neglect   of infrastructure had stunted the growth of Baddi-Barotiwal –Nalagarh belt for the several years." This is an example providing insight into the prevailing conditions of most important industrial belt of this region.

On the other hand, as far as telecommunication of the state is concerned Mr. Anil Kaushal CGMT HP telecom Circle expresses his views regarding telecom scenario ("BSNL," 2008), "BSNL believes in breaking barriers of bridges of distance by providing state-of-art technology in far flung areas bringing services at the doorsteps of the people in the remotest corner of Himachal Pradesh." By using Fibre optics for advancement in data connectivity and broadband the state proposes to expand intranet facilities for fast communication in today's competitive environment.

4)   Geographical- The state has vast geographically and climatically different regions. The climatic conditions vary with the altitude and direction of the slope at which the place is situated. Hence the types of FRP products applicable depend on the situation and site of the

place. Although the state on the whole is dominated by hills and mountains as it is situated in the Himalayan range.

"Despite the fact that the entire Dhauladhar Range in the Himachal Pradesh falls in the most sensitive earthquake prone areas, haphazard and unplanned construction of residential houses and other buildings is going on unchecked. In the past five years, Kangra district particularly Palampur and Dharmsala towns have turned into huge concrete jungles" (Sood, 2008). In fact if we see the scenario of the whole state, the situation is the same all over. The small towns are turning into concrete jungles with haphazard constructions and can prove to be very harmful for the people and for future planned development of the region.

5) Preservation and protection: Active campaigns for protection of environment and preservation of heritage culture like art, buildings, architecture and rare flora and fauna of the region. Some of the conventional materials do not merge with the environment of the mountains and hence has long term harmful effects on the environment. This is also harmful in implementation of the future development of the region.

6) Competitive environment: FRP products have a high competitive environment. The competitive products consist of:

a.   **Conventional construction materials.**

Wood: Ban on the felling of trees imposed in the state. This is for the further prevention of deforestation and preservation of the natural environment in the state.

Cement: "The decision of the state government to go head with five more cement plants in the state has attracted widespread resentment not only from environmentalist group but also from the general people."(Sood, 2008) has vividly written in his article named 'Green protest' for preventing the further damage to the fragile eco-system of the state.

Stone: The state has imposed restrictions on the mining of the stone in the state.

b.   **New constructional materials.**

Hence at present the need for eco and consumer friendly materials intensifies in the state of Himachal Pradesh. The polymer based materials like Fibreglass can prove to be of immense value in the developmental activities of the region in the coming years.

c.   The fast technological revolution, giving rise to the **fast changing and newer materials.** The ministry of New and Renewable Energy introduces schemes with programmes like development of solar cities and on power generation from Municipal and Urban waste. A press release (PTI, 2008) also revealed that, "The union ministry of new and renewable energy is in the process to introducing a rating system for buildings, based on energy efficiency installed in there…. The ministry wanted the system in place before the end of this year."

7) Tourism, entertainment and sports: As per the information of the news service ("Heritage status," 2008) "Chief Minister Prem Kumar Dhumal has said that all basic amenities and tourism promotional activities will be undertaken in the state capital so that the heritage

status of the erstwhile summer capital of the British can be maintained…. The government would implement the tourism slogan of 'Himachal for All Seasons and All Reasons' in letter and in spirit."

As per another press release (Tribune News services, 2008) states "The government will promote adventure and water sports as part of its policy to give boost to tourism in the state. This was stated by secretary (tourism) Manisha Nanda while presiding over a review meeting of tourism, today. She said the state had tremendous potential for adventure activities which would be exploited in the phased manner." Yet another press release (Bhatt, 2008) stated that the HP Committee of PHD Chamber of Commerce and Industry has "urged Himachal Pradesh government to adopt the public-private partnership (PPP) modes as a major step towards tourism development."
Fibreglass products can be of immense value to tourism industry. The need of improved infrastructure and 'products' offered by India's is well understood by (Thakur, 1997, p.47) by stating the fact, "India needs to develop tourism infrastructure including services, hotels of various price levels, local transportation, shopping centres, beaches, cultural attractions and the like.

Strengths and weakness with respect to FRP products:

Strengths
1. Many wide and diverse applications to meet varied requirements of the different customers.
2. No harmful effect on the ozone layer.
3. Light weight, hence making it an ideal material for the mountains and the hilly regions as its usage will subsequently reduce the transportation costs and also help in maintaining the isostatic balance of this earthquake prone region.
4. Preservation of historical and cultural richness of the region. The application of FRP products can massively be used in preservation of old heritage buildings in the region, and hence, indirectly be immensely resourceful material in promotion of tourism industry in the state.
6) FRP products can be used to maintain the natural and scenic beauty of the mountains, as these products can take the shape, colour and form of the natural environment. It can be used in combination with the forest/vegetation waste material which is abundantly found in this region like pine leaves, straw, grass and other leaves (Fibre Reinforced Composites Conference, 2007).
7) FRP tissues waterproofing property can be very useful for preventing ground and roof water seepages at crucial points.

8) For promotion and usage of solar energy. FRP is an ideal material for making structures for the equipment used for taping solar energy for example body of solar cooker.

9) FRP wool can be the best insulator for insulating the homes in the cold regions. It will save lots of other home heating sources, like, electricity, kerosene and wood.

10) FRP railing moulds are an economical and safe source for increasing the workable space in the mountains.

11) FRP gratings can in future prove to be an important material for the use of flooring, especially for the bathroom and kitchen floors.

12) The people's willingness to learn and increase their knowledge and awareness regarding different FRP products.

13) FRP products can be useful in any of the diverse climatic conditions. In this region with varied climatic conditions further intensifies the need for strong and climatically and weather resistant materials. Example, FRP wool is used for covering water pipes, to prevent them from breaking/ cracking in winters.

Weakness

1) Poor awareness (36.6%) and knowledge of FRP products among the people of this region.

2) Need for superior technologically advanced polymers with advantageous properties is lacking, among the maximum common simple people of this region.

3) At present limited application of various applications of FRP   products.

4) Maximum concentration on only one or two products. It is evident from the residential data that presently only 71% are using only one FRP product and 20% of the customers are using maximum two FRP products.

5) Lack of trained manpower that has complete knowledge of material which is polymer based - their modifications and applications, especially of FRP products.

6) The present use of methods of compromising on the quality of FRP products bring down the satisfaction level of customers.

7) FRP products have to be used cautiously as they are petroleum based, which is another limited resource. Hence the FRP products must be manufactured on priority bases where the benefits outweigh the cost.

LIMITATIONS OF THE STUDY

1) The time and expenditure were the strong limitation.

2)   T he respondents were slow to register and respond to Fibreglass   products. Arousal of interest in the respondents was an important factor during the collection of the data.

3) The respondents confused Reinforced Fibreglass Plastic Products with ordinary plastic products.

4) During the research period no major prior study on the same ground were found.

Future Researches

This Consumer research study has tried to understand the potential usage of FRP products in totality that is in various applications of development for this region, from the awareness, product knowledge and acceptance from customer point of view. In future, the researchers can be more specific regarding the specialty of the FRP product application and the relevant customers. As FRP products have diverse applications in almost each sphere of development, after it has increased in market share more detailed consumer researches could be of immense help to the promoters of FRP products. Some of the important relevant topics which could be studied in future are listed below:

1. After the introduction of various FRP products the product life cycle of different FRP products can be studied individually, on the basis of two major - parameters demand and time.
2. *2* After analysis of market share and market growth of various FRP products, these products can be compared on the BCG graph for framing various marketing strategies for different FRP products.
3. To study the demand of FRP medical instruments in various medical specialties.
4. To study the scope of combination the medical specialties and tele-connectivity together.
5. To study the scope of usage of FRP products in educational institutions of different stages, elementary, higher and professional education.
6. To study the scope of FRP products in tourism industry.
7. To study the need and frame strategies for various promotional of various FRP products and their applications in different industrial segments prevalent in the state.
8. To frame strategies for promotion to enhance the usage of various FRP products in construction industry, by improving both indoor and outdoor work environment in both customer segments residential and commercial.
9. To study the demand potential for FRP wool in thermal insulation and sound proofing especially at homes and offices.
10. To study the demand potential for FRP wool and other products in hydroelectric projects as insulators.
11. To study the potential of FRP gratings and floorings especially for the kitchen and bathroom areas.

12. To study the co relation between different levels of two variables - price and quality of FRP products on the sales in the region.
13. To study the scope of Fibreglass as an energy saving construction material by its enhanced usage in solar devices and Gobar Gas Plants.
14. To study the scope of fiberglass as the environment and consumer friendly material.
15. To study the co-relation between the development of Information technology and application of FRP products.
16. A study of what people like about the place and environment in which they work and How FRP products would contribute in meeting these needs of the consumers.

SUMMARY

Consumer behaviour research and analysis along with imagination, intuition, excitement and satisfaction is called for in the management and marketing of technologically revolutionarized products like polymers, particularly Reinforced Fibreglass plastics. The famous architect Lerrup (1977, p. 156) explained the complex interaction between man and environment in very simple words, "We design things and things design us." It clearly explains the concept of environment design position prevalent in today's world too.

Fibreglass products are looked upon by Nittobo as a part of their mission for spreading, "Technology today; tomorrow – an abundant society in harmony with nature." In the present times, in India especially, private sector plays a major role in achieving these objectives. As Phansalkar (2005, p. 20) states, "now much more than ever the economic fate of the country depends on the vision dynamism and sagacity of the private sector." Above all the following quotes of Dr. Venkataswamy have expressed deeply an important element for the success of any research project.

"Intelligence and capability are not enough.
There must be joy of doing something beautiful."
(As cited in Seshasayee, 2007)

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Employee Reward strategies in private sector manufacturing organizations of Vidarbha Region with reference to Steel and Cement Industry

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Abstract :

Employee reward play a vital role in employee motivation, employee productivity and employee performance. The impact of reward on employee performance is directly link with motivation. Vidarbha region is the eastern part of Maharashtra which consist of 11 districts mainly Nagpur, Chandrapur, Bhandara, Gondia, Gadchiroli, Wardha, Yavatmal, Wasim, Buldhana, Akola, Amravati. It is less economically prosperous compared to the rest of Maharashtra. The Vidarbha region is rich in forest and mineral resources. Although the western region of the Vidarbha is poor in natural resources in comparison with the eastern region. Among all the district Nagpur and Chandrapur is the industrial belt of Vidarbha Region where in Cement and Steel industries is located as the source of raw material like lime stone, iron ores, coal ,coke is available in huge amount. As Vidarbha is an industrial belt, the people across the county are migrant for purpose of employment. All type of community, religion find in Vidarbha. Hence author shown his interest to study the impact of reward on employee, employee motivation, and impact of performance on employee productivity. How the reward system work in Cement and Steel industry in Vidarbha region as the manufacturing unit of steel and cement contribute a lot in the economy of Vidarbha. For example Sun flag Iron & Steel caters to the demands of various core sector industries like Automobiles, Railways, Defence, Agriculture, Engineering Industry etc. Private sector means the business activities where private ownership and control exists. In India plan for coexistence of private sector and public sector industries have been formulated and implemented for the economic development of the country. Private sector is unlikely to invest large sum in the development of business. A private company can be formed with two members with a maximum limit to fifty members (excluding those who are in the employment of the company) A private company is required to have only two directors. A private company need not issue prospectus .It must make private arrangement to raise capital. Private company may issue any kind of share and even with disproportionate voting rights. A private company need not hold statutory meeting. In private company overall remuneration to the directors, managers is not a subsidiary of a public sector, may pay any remuneration. Quorum required in Board of directors meeting in a private company is two people. **Key words: Employee Rewards, Strategies, Private sector organizations, Vidarbha Region**

Introduction

Employee reward play a vital role in employee motivation, employee productivity and employee performance. The impact of reward on employee performance is directly link with motivation. Vidarbha region is the eastern part of Maharashtra which consist of 11 districts mainly Nagpur, Chandrapur, Bhandara, Gondia, Gadchiroli, Wardha, Yavatmal, Wasim, Buldhana, Akola, Amravati. It is less economically prosperous compared to the rest of Maharashtra. The Vidarbha region is rich in forest and mineral resources. Although the western region of the Vidarbha is poor in natural resources in comparison with the eastern region. Among all the district Nagpur and Chandrapur is the industrial belt of Vidarbha Region where in Cement and Steel industries is located as the source of raw material like lime stone, iron ores, coal ,coke is available in huge amount. As Vidarbha is an industrial belt, the people across the county are migrant for purpose of employment. All type of community, religion find in Vidarbha. Hence author shown his interest to study the impact of reward on employee, employee motivation, and impact of performance on employee productivity. How the reward system work in Cement and Steel industry in Vidarbha region as the manufacturing unit of steel and cement contribute a lot in the economy of Vidarbha. For example Sun flag Iron & Steel caters to the demands of various core sector industries like Automobiles, Railways, Defence, Agriculture, Engineering Industry etc.

Private sector means the business activities where private ownership and control exists. In India plan for coexistence of private sector and public sector industries have been formulated and implemented for the economic development of the country. Private sector is unlikely to invest large sum in the development of business. A private company can be formed with two members with a maximum limit to fifty members (excluding those who are in the employment of the company.)A private company is required to have only two directors. A private company need not issue prospectus .It must make private arrangement to raise capital. Private company may issue any kind of share and even with disproportionate voting rights. A private company need not hold statutory meeting. In private company overall remuneration to the directors, managers is not a subsidiary of a public sector, may pay any remuneration. Quorum required in Board of directors meeting in a private company is two people.

Employee Reward

Organizational Rewards are those that the employee earns as a result of his employment with the organization. Most organizations link their reward system to employee performance and commitment to the organization .Reward can be both extrinsic and intrinsic. Extrinsic Reward are tangible in nature and normally under the control of organization .Example of extrinsic rewards are a promotion or a bonus. Intrinsic rewards are intangible in nature are

internal to the individuals. Examples of intrinsic rewards are challenging assignment or informal recognition. The basic purpose of reward system is to improve employee morale and job satisfaction. This would result in improved performance and loyalty to the organization. A good reward system helps in identifying the best performer and rewarding them to increase their job satisfaction.

Rewards can also be classified into financial and non financial reward. Financial rewards are the rewards that employees receive in monetary terms. Financial rewards are tangible and extrinsic.

An employee reward system consists of an organization's integrated policies, processes and practices for rewarding its employees in accordance with their contribution, skill and competence and their market worth. It is developed within the framework of the organization's reward philosophy, strategies and policies, and contains arrangements in the form of processes, practices, structures and procedures which will provide and maintain appropriate types and levels of pay, benefits and other forms of reward.

The total rewards encompasses with following

- Flexible benefits
- Access to professional and career development
- A challenging role at work
- Freedom and autonomy at work
- Opportunity for personal growth
- Recognition of achievements
- Preferred office space
- Being able to raise matters of concern
- Being involved in decisions that affect the way work is done
- Preferred office equipment and mobile phone
- Flexible working hours
- Home or teleporting
- Secretarial support.

How motivation related to employee rewards?

One of the most concern of reward management is how high levels of performance cane be achieved by motivating people. The development of a performance culture is a typical aim of reward strategy. Motivation is concerned with what 'Moves' people to do something-what influences people to behave in certain ways. It affects the factors that affect the efforts that they put employee put into their work, their level of engagement and contribution and their discretionary behaviour. The process of motivation started from need arises, then that need will be create wants. The wants are desires to achieve or attain goal. And to achieve the

particular goal people wants to take action. If the goal is achieved, the need is satisfied and the behaviour is likely to be repeated the next time a similar need emerges.
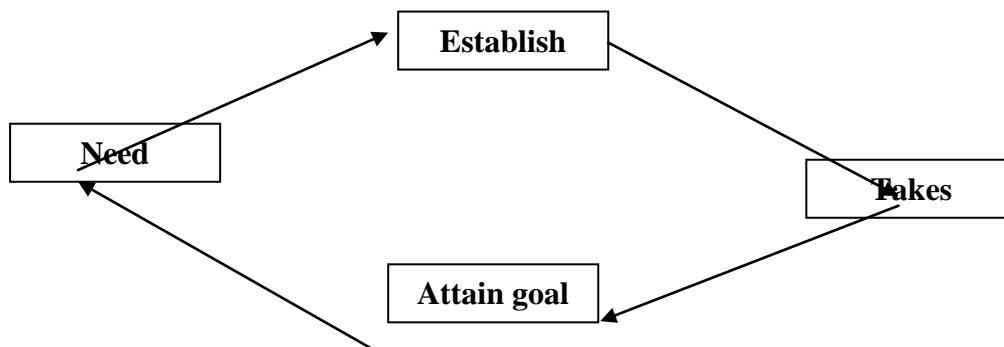
Figure-1-Model of Motivation

(Source:-This model taken from "The hand book of Employee reward management and practices" by Michael Armstrong)

Rewards provide recognition to people for employees achievement and contribution. If rewards are worthy and attainable and people know how they can attain them, they can act as motivators, Rewards can be either financial or non financial.

Table: 1 Motivation with respect to job in cement industry.

Sr. No.	TOP LEVEL			MIDDLE LEVEL			LOWER LEWEL		
	Good Benefits	Incentive for high Performance	Recognition Awards	Good Benefits	Incentive for high Performance	Recognition Awards	Good Benefits	Incentive for high Performance	Recognition Awards
Respondent	10	2	3	13	2	1	13	2	0
Percentage	66.67	13.33	20.00	86.67	13.33	6.67	86.67	13.33	0.00
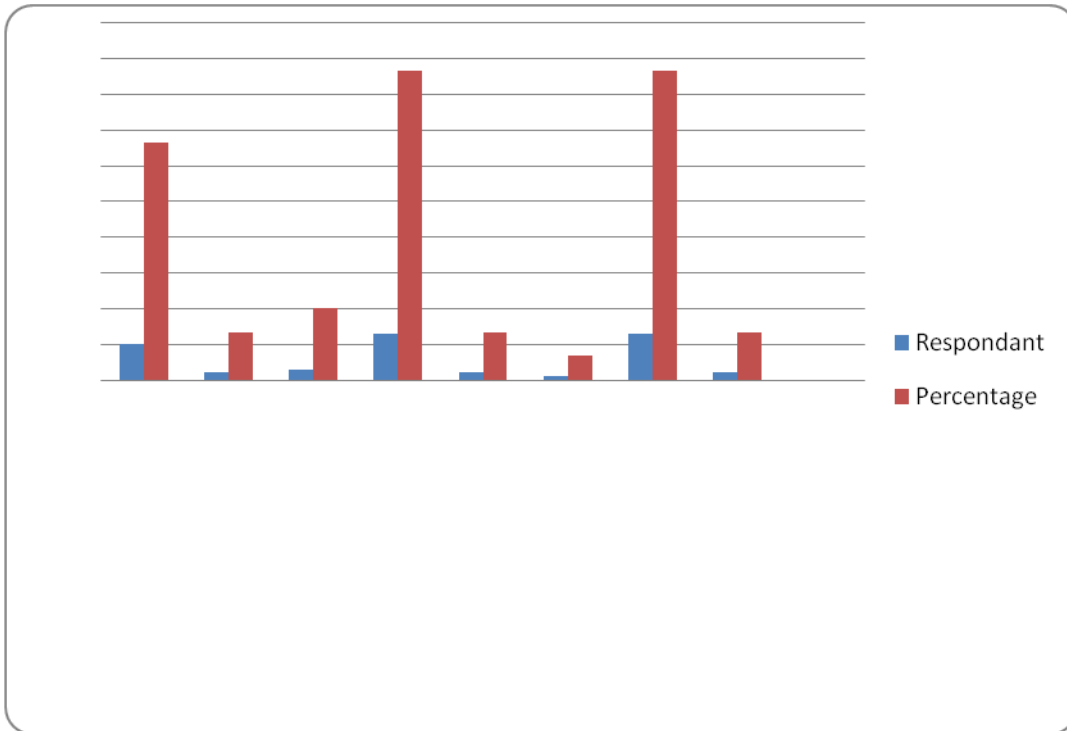
Graph:-1-Motivation with respect to job in Cement industry

To analyze the motivation factor, the data has been collected from two cement companies around 30 respondents has given their reply. The data collected from Top Level Management, Middle Level Management and Lower Level Management. The 15 respondents from each level have given their opinion that reward management is important role in motivation. The 87% employee in the lower level and middle level management are motivated with good benefits and 13 % employees are motivated with incentives for high performance and 6% employee are motivated with recognition awards. The 67% respondents in Top level management satisfied with Good Benefits, 13% respondents were satisfied with incentives for high performer and 20 % respondent satisfied with Recognition awards. Although all the factors like Good benefits, Incentives for high performance and Recognitions is a part of reward system.

Table-2-Motivation with respect to job in Steel industry

Sr. No.	TOP LEVEL			MIDDLE LEVEL			LOWER LEWEL		
	Good Benefits	Incentive for high Performance	Recognition Awards	Good Benefits	Incentive for high Performance	Recognition Awards	Good Benefits	Incentive for high Performance	Recognition Awards
Respondent	35	5	10	40	4	6	45	4	1
Percentage	70.00	10.00	20.00	80.00	8.00	12.00	90.00	8.00	2.00
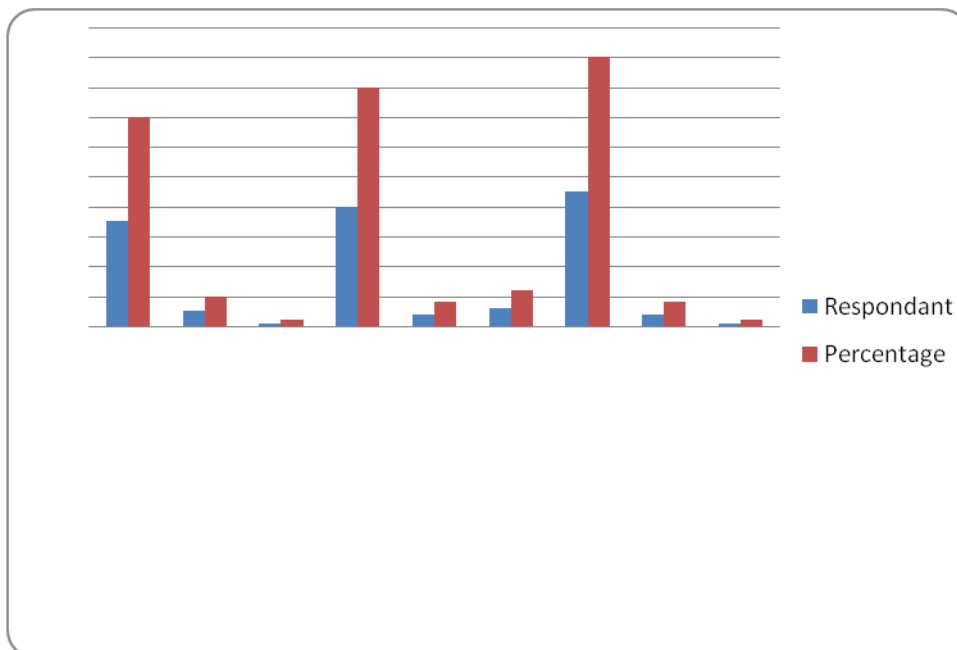
Graph-2:-Motivation with respect to job in steel industry

To analyze the motivation factor, the data has been collected from two cement companies around 50 respondents has given their reply. The data collected from Top Level Management, Middle Level Management and Lower Level Management. The 15 respondents from each level have given their opinion that reward management is important role in motivation. The 70% respondent in the Top Level Management is motivated with good benefits and 10 % respondents are motivated with incentives for high performance and 20% respondents are motivated with recognition awards. The 80% respondents in Middle

Level Management satisfied with Good Benefits, 8% respondents were satisfied with incentives for high performer and 12 % respondent satisfied with Recognition Awards. The 90% respondents in Lower Level Management satisfied with Good Benefits, 8% respondents were satisfied with incentives for high performer and 2 % respondent satisfied with Recognition Awards. Although all the factors like Good benefits, Incentives for high performance and Recognitions is a part of reward system. Hence reward system played very important role in satisfaction of employees which leads to motivation.

Components of Reward system

A reward system consists of financial rewards (fixed and variable pay) and employee benefits, which together comprises total remuneration. The system also incorporates non-financial rewards (recognition, praise, achievement, responsibility and personal growth) and, in many cases, performance management processes.
The main components of the system are:

Basic Pay

Base (or basic) pay is the level of pay (the fixed salary or wages) that constitutes the rate for the job. It may provide the platform for determining additional payments related to performance, competence or skill. It may also govern pension entitlement and life insurance. The basic level of pay for jobs reflects both internal and external relativities. The internal relativities may be measured by some form of job evaluation which places jobs in a hierarchy (although the trend now is to play down the notion of hierarchy in the new process-based organization). External relativities are assessed by tracking market rate. Alternatively, level of pay may be agreed through negotiation: collective bargaining with trade union or reaching individual agreements. The base rate for the job is sometimes regarded as the rate for a component or skilled person in that job. Such a rate may be varied in a skill-based or competence-based system according to the individual's skill or competencies.
Levels of pay may be based on long-standing structures whose origins are shrouded in the mists of time and which have been updated in response to movements in the market rates and inflation, through negotiations. In many organizations pay levels evolve-they are not planned or maintained systematically. Rates are fixed by managerial judgment of what is required to recruit and retain people .They may be adjusted in response to individuals or collective pressure for increases or upgrading. This evolutionary and ad hoc process can result in a chaotic and illogical pay structure which is inequitable, leads to inconsistent and unfair decisions and is difficult to understand, expensive to maintain and the cause of dissatisfaction and demotivation.
Base pay may be expressed as an annual, weekly or hourly rate and it may be adjusted to reflect increases in the cost of living or market rates by the organization unilaterally or by

agreement with a trade union. Performance skill –based or competence-related pay increases may be added to, or 'consolidated' into, the basic rate. Similarly, consolidated increase may be based on time in the grade. This is a fixed incremental pay system; often associated with a pay spine .But some companies pay non-consolidated performance-related cash bonuses. Pay spines: Pay spines consist of a series of incremental points extending from the lowest to the highest-paid covered by the structure. A pay spine increment may be standardized, say, 3 percent from top to bottom of the spine, or the increments may be wider at higher levels. Pay scales or ranges for different jobs grades may then be superimposed on the pay scales. If performance-related pay is introduced, individuals can be given accelerated increments.

Contingency Pay

Additional Financial rewards may be provided that are related to performance, competence, contribution, skill or experience. These are referred to as 'Contingency Pay'. Contingency payments may be added to base pay, i.e. 'consolidated'. If such payments are not consolidated (i.e. paid as cash bonuses) they are described as 'variable pay'.

Employee benefits

Employee benefits include pensions, sick pay, insurance cover, company cars and a number of other perks like Free or subsidized lunch, Medical facilities to the employees and his family, Paid Holidays/Vacation to the employee and his family, Retiral Benefits like PF and Gratuity, Employee Insurance, Maternity leave, Child care centers, Educational Allowances for Employees Children, Company Accommodation, Company Transportation Facilities ,Cafeteria and Rest Rooms, Study leave, Company sponsored Study, Club Membership, Recreational Facilities, Credit Cards, Business and Professional Membership, Tax Assistance, Other Assistance, Interest Free loans

Allowances

Allowances are paid in addition to basic pay for special circumstances (e.g. living in Landon) or features of employment (e.g. Working unsocial hours) .They may be determine unilaterally by the organization but they are often the subject of negotiation .The main types of allowances are locations allowances, overtime payments shift payments, working conditions allowances and stand-by or call-out allowances made to those who have to be available to come in to work when required.

Total Earning

Total earning (financial rewards) consist of the values of all cash payments (base pay, contingency pay and allowances, i.e. total earnings)

Total remuneration

Total remuneration consists of the financial rewards represented by total earnings plus the values of the benefits received by employees.

Job Evaluation

Job evaluation is a systematic process for defining the relative worth or size of jobs within an organization in order to establish internal relativities and provide the basis for designing an equitable grade structure, grading jobs in the structure and managing relativities. It does not determine the level of pay directly. Job evaluation can be analytical or non analytical .It is based on the analysis of jobs or roles, which leads to the production of jobs description or role profiles.

Market Rate Analysis

Market rate analysis is the process of identifying the rates of pay in the labour market for comparable jobs to inform decision on levels of pay within the organization and on pay structure. A policy decision may be made on how internal rates of pay should compare with external rates- an organization's market stance. For the market rate analysis data collected from different manufacturing industries of vidarbha region to study the reward system

Performance Management

Performance management processes define individual performance and contribution expectation, assess performance against those expectations, and provide for regular constructive feedback, and result in agreed plans for performance improvement, learning and personal development. They are a means of providing non-financial motivation and may also inform contingent pay decisions.

Impact of employee reward on performance in steel industry.

The performance of employee is also depends upon what reward people achieved in job. Hence good reward systems have a positive impact on employee performance.

Table-3:-The impact of reward in reference to performance in steel industry

Sr. No.	TOP LEVEL		MIDDLE LEVEL		LOWER LEWEL	
	Positive	Negative	Positive	Negative	Positive	Negative

Respondent	50	0	50	0	50	0
Percentage	100	0	100	0	100	0
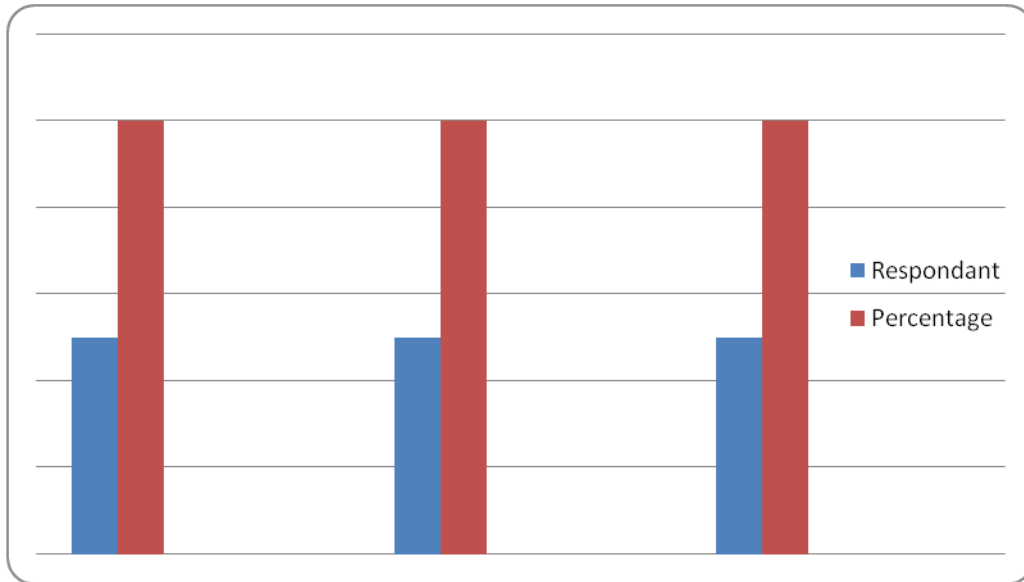
Graph-3: - Impact of employee reward on performance in steel industry

In all the levels of management from above table and graph, it is found those 100% respondents are in favor of positive impact of employee reward on performance. That means if the organization paid good rewards for the efforts what employee put for the organization should equitable.

Impact of employee reward on performance in Cement industry.

Table-4-The impact of reward in reference to performance in cement industry

Sr. No.	TOP LEVEL		MIDDLE LEVEL		LOWER LEWEL	
	Positive	Negative	Positive	Negative	Positive	Negative
Respondent	13	2	14	1	12	3
Percentage	86.67	13.33	93.33	6.67	80.00	20.00
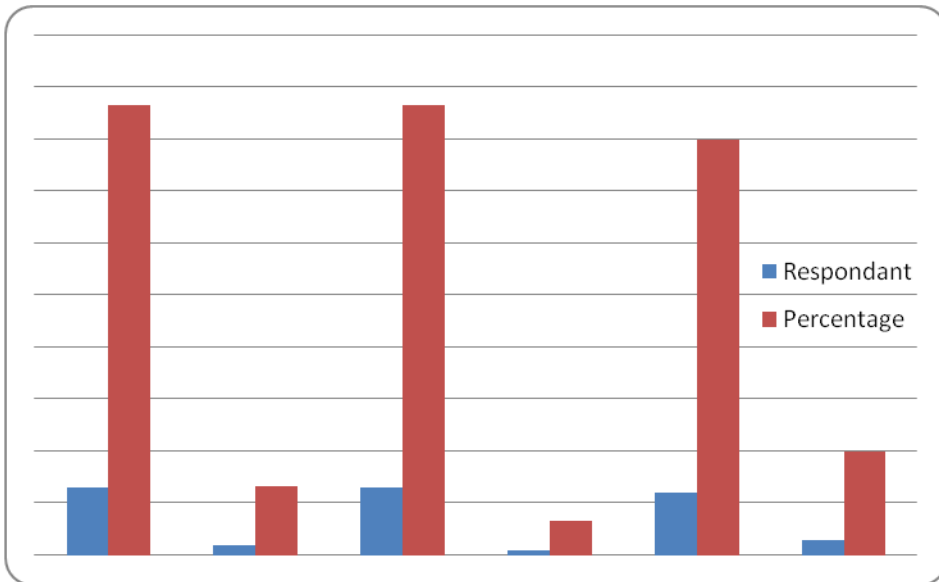
Graph-4: - Impact of employee reward on performance in cement industry

From the above graph and table ,In the Top Level Management 86% respondent are in favor of positive impact of employee reward on performance, 13 percent are against because there are also other factors that is not related to employee rewards but that contribute on employee performance.

Impact of employee rewards on productivity in cement industry

Employee reward is directly link with productivity of employee. When employee put their efforts for better performance which leads to productive output against assigned task, employee expect some motivational factor in the form of rewards may be financial or non financial.

Table-5-The impact of reward with respect to the productivity in cement industry.

Sr. No.	TOP LEVEL		MIDDLE LEVEL		LOWER LEWEL	
	Positive	Negative	Positive	Negative	Positive	Negative
Respondent	13	2	14	1	12	3
Percentage	86.67	13.33	93.33	6.67	80.00	20.00
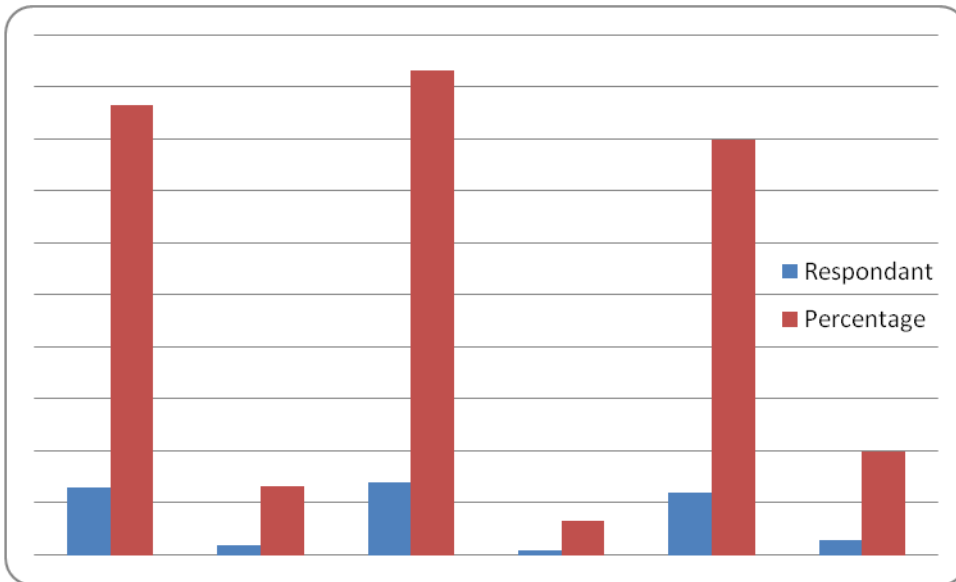
Graph-5: - Impact of employee reward on productivity in cement industry

From the above table and graphs, it concludes that in all the levels of management, 100% respondent is in favor of positive impact of employee reward on productivity in cement industry.

Hence it can be considered that employee expect some motivation from management for extra efforts that they show to perform better in the form of rewards irrespective of extrinsic or intrinsic reward. Therefore organization should take care of employee rewards to stay in competitive market, to show unique performance and productivity.

Impact of employee rewards on productivity in steel industry

Table-6-The impact of reward with respect to the productivity in steel industry.

Sr. No.	TOP LEVEL		MIDDLE LEVEL		LOWER LEWEL	
	Positive	Negative	Positive	Negative	Positive	Negative
Respondent	50	0	50	0	50	0
Percentage	100	0	100	0	100	0
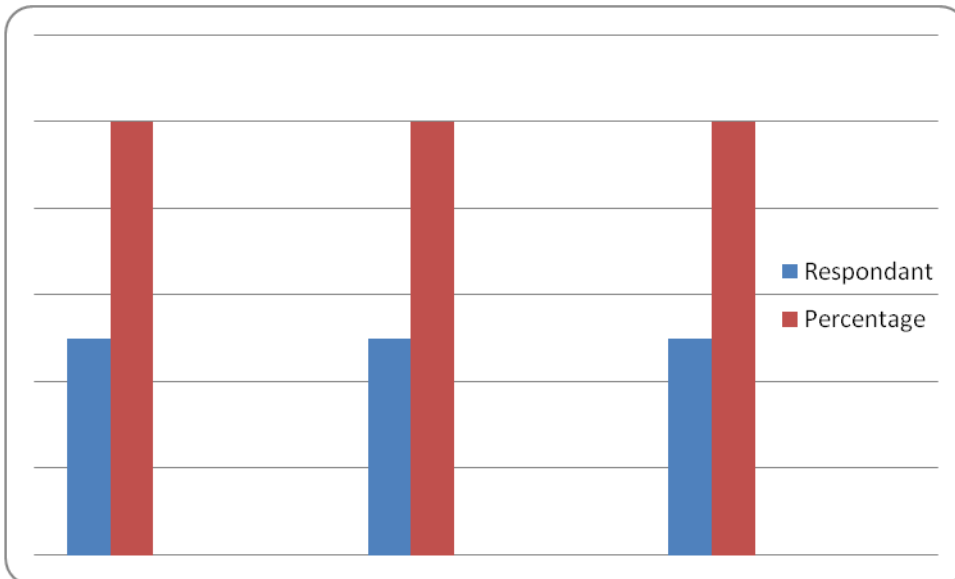
Graph-6: - Impact of employee reward on productivity in steel industry.

From the above graph and table, it is found that in all the levels of management ,100% respondent are agreed that there is positive impact of employee reward on productivity in steel industry.

Conclusion

The present research paper is "Employee Reward strategies in private sector manufacturing organizations of Vidarbha Region with reference to Steel and Cement Industry". To study all the factors of reward system the data has been collected with designed questionnaire and opinion was taken from Top, Middle and Lower level Management employee of Cement and Steel industry in Vidarbha Region mainly from Chandrapur, Nagpur and Bhandara. On the basis of study conducted the following conclusions are drawn:

- The employee's motivation depends upon the benefits what they are getting from the job. From the analysis it is being observed that they are motivated with good benefits. Some of the respondents are motivated by incentive for high performer and remaining respondents answered that they are motivated by recognition award. Above all the factors are related to reward system .Hence rewarding people for their job, services to organization is the motivation for the employee to do better in the job.

- It is being observed that 100% respondents are in the favor of rewarding the people in response to their performance on the job. The impact of reward is positive on performance with respect to the job. When the employee rewarded for his performance automatically they motivated to show his quality work. And it is the human tendency that if you are getting some thing more for services you are provided to the organization and it is rewarded, definitely the person show his keen interest to perform his task with responsibility and effectively with maximum output.

- It is being hypothetically proved that there is positive impact of reward with respect to productivity of employee. If the employees are rewarded for the productivity, obviously they are motivated to do perform their duty effectively with minimum error and maximum output .They feel good to work for the organization and if every thing goes well and employee satisfaction is on top, productivity goes up that results in profitability of organization.

- It is observed that reward system implemented effectively in large scale organization only. In the small scale industries there is no importance given for rewarding people for their efforts, performance.

- The retiral benefits like PF and gratuity is commonly provided in every organization. But other benefits, perks, allowances, reimbursement are not commonly paid in small scale industries.

- Luxurious facilities like car, car allowances, mobile phones, credit card facility, and club membership are provided to the Top level and Middle level management personnel.

- During personal interaction with various employees of the industries from top level, middle level and lower level, it was observed that the performance related payment is very uncommon in Vidarbha region manufacturing industries. They were not rewarded to employees on the basis of performance.

- For rewarding the employee, employer is more focused on Top and Middle Level Management rather than Lower Level Management.

- It was observed that no organization in the Vidarbha region provide study leave to their employee.

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"Taking Charge of your Financial Life"

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Abstract

As we seen that Financial Awareness is less in individuals compare to actually it is and which relate to savings and investment in various things. As the statutory protector of interest of investors in securities market, Charge of financial life endeavors to educate them, as "an educated investor is a protected investor". Apart from investor education, financial education is also considered important; financial education is an important life skill and we consider it as a second skill, which empowers people to make sound financial decisions and take responsibility for the same.

Keep in mind this research paper basically focused on life stage decision making with financial education right from the school age to retirement. This will give outreaching financial education and enrich efficient market which expects that Individual will push them and start enthusiasm and energy to take life stage decisions universally.

Keywords: **Educated Investor, Protected Investor, Second Skills, Life Stage Decision Efficient Market.**

1. *Curtain Raiser*

- Every effort is made to avoid errors and omission. Nevertheless any mistake, errors or discrepancy noted may be brought by personal experience only. It is said that an informed investor is an empowered investor. The world of money is simple and complex at the same time. It is simple for those who try to understand the situation at hand and take time to think before making a decision. It is complex for those who are not keen on doing the required homework.

- Financial education helps one understand critical concepts related to money matters. It also makes one aware of the road-blocks and pot-holes on the road to one's life's financial journey.

- Being able to plan your finances is one immediate benefit of financial education.

2. *Rational of the Study*

✓ To Critically Evaluate the Psychology of Individuals right from Children to Old Age.

✓ To Study & Understand the Investors Psychology vs. Various Investment Avenues.

3. INTRODUCTION

- Deterioration of personal finances

- Proliferation of new and complex financial products

3.1 The pressing need for financial education comes from two areas.

- Living beyond means,

- Credit card debt and Risky investments.

- Proliferation of new, and often complex, financial products that demand more financial expertise of consumers. Add to that the turbulent market conditions and changing tax laws.

For any situation one may be in, it is important to safeguard ones finances. One may come across many temptations. It is important to know the difference between what is good for one and what is not. Historically, there have been many schemes that offer mouth-watering propositions.

4. *SAVINGS TO INVESTING*

◆ Saving is what people usually do to meet short term goals. Your money is very safe in a savings account, and it is usually earning a small amount of interest. It's also easy for you to get to your money when you need.

◆ Investing means you're setting your money aside for longer – term goals. There's no guarantee that the money you invest will grow. In fact, it is normal for investments to rise and fall in value over time. But in the long run, investments can earn a lot more than you can usually make in a savings account

◆ For one, saving or investing money for your financial goals makes you less tempted to spend it. But the best reason for investing is that your money is actually making money for you. Any interest or investment gains get you that much closer to your financial goals. And you didn't have to do anything for it!

◆ Start saving early and you'll be prepared when you need it, whether you're saving for a home, a child's education, or your retirement. If you start saving in your 20s, you'll be off to a great start. If you don't, you'll play catch-up for the rest of your life

◆ Youngsters have an advantage that older people don't have time. When they understand this concept and use time in their favor, young people have a much better chance of pursuing their dreams and reaching their financial goals.

◆ Savings

    ◆ Short term

    ◆ Value remains stable

    ◆ Lower returns over long term

◆ Investing

    ◆ Long term

    ◆ Value moves up and down in short term

    ◆ Potentially higher returns over long term

The choice of investment options will depend upon personal circumstances as well as general market conditions. Based on those two factors, one would like to strike a balance between the following three:
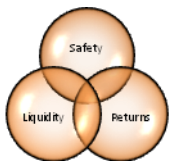
Safety: Will you get your principal amount back?
Liquidity: Will you get the money when you need without loss?
Growth: Will you get more than you invested? How much?
Many Indian kids have a habit of saving money in a piggy bank. If not, at least they have heard of the same.

4.1 CHILDREN

Having defined the goals may be a very important first step in the process of planning, but not enough. You need resources to reach you goals. What if the resources are not enough? Say, for example, you may want to buy books for your next class and you may also want to go for a picnic with your friends. The cost of books may be Rs. 300 and picnic may cost you Rs. 200. What if you are left only with Rs. 350 out of your pocket money and your parents have gone out of city for a week? You need to decide which goals to focus on first. That is known as the process of prioritization.

WIN WITH PRIORTIZATION	URGENT	NOT URGENT
IMPORTANT	Urgent and Important as	Important but not

	well. Action: Need to do Now	urgent Action: Plan to do it later
NOT IMPORTANT	Urgent but not Important Action: Do it if cash flows allow	Neither urgent nor Imp. Action: Ignore

Difference between Needs and Wants

- ◦ Needs are basic necessities one cannot wish away.

- ◦ Wants make life more comfortable, but can wait.

4.2 MIDDLE INCOME INDIVIDUALS
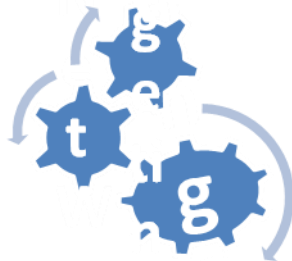
4.3 FINANCES FOR ENTREPRENEURS

Retirement is one of the biggest needs of any employee. However, some employed persons also have a dream of becoming entrepreneurs. This transition from being salaried employee to self-employment or entrepreneurship is difficult without proper financial plan.

- Understand financial needs of self and business

- Save money in job before jumping in self employment

- Borrow from close relatives/ friends on strict business terms, if required

- Start groundwork while still in job

- Apply for loans from organizations designed to fund SMEs.

The biggest difference in a salaried person's income stream and that of an entrepreneur is that salary is regular while business income tends to be sporadic. There are times when there is a surge of business activity, hence huge cash inflows and other times when there is low or no income stream.
Entrepreneurs should be prepared for this in the initial days when they are just setting up or changing from job to self employment.

4.4 RETIREMENT

Retirement plan
- Earn a satisfying income post-retirement

- Enjoy a comfortable life post-retirement

You have successfully passed through many phases of life, overcome many hurdles and seen ups and downs. Now it's the time to enter a new phase of life – retirement.
Retirement means that the regular income – the salary – stops, but life continues and so do the expenses.
A retirement plan helps earn satisfying income post-retirement such that you can enjoy a comfortable life
The four simple steps to arrive at retirement plan are:
Step 1: Decide how much income you require to live comfortably in your post-retirement years
Step 2: Calculate the amount to be received in lump sum at the time of retirement
Step 3: Select the right retirement plan
Step 4: Start investing very early to enjoy the power of compounding

5. STEPS FOR BUDGET PLANNING

- **Step 1**:- Calculate your income: This should include income from all sources, including your paycheck and interest from any investment

- **Step 2**:- Determine your bill for essentials: List out your essential expenses, which may include rent, grocery, clothing, telephone and electricity bills and fuel and car maintenance. Calculate the amount spent on each.

- **Step 3**:- Note down your total debts, including interest payments on the same.

- **Step 4**:- Determine your bill for non-essentials: Your list of non essentials may include vacations, gifts and trips to restaurants. Calculate the amount spent on each.

- **Step 5**:- Calculate your savings: This is done by subtracting the figure obtained by adding steps 2, 3 and 4 from the figure obtained in step 1.

6. THE FINANCIAL PLANNING PROCESS?

6.1 IDENTIFY GOALS

Goals can be short term (up to 3 years), medium term (3 to 5 years) or long term (upwards of 5 years)

- Each goal *must* have a target amount and a target date

- Goals without amounts and dates are likely to be missed!

- Understand the risk taking ability

- Income & Expenditure and Assets & Liabilities play a very important role in an individual's risk taking ability

- High income does not necessarily mean high risk appetite if the person also has large amount of liabilities

- Low income used judiciously to build assets, can increase risk appetite

- For two colleges going students will the risk taking ability be same if one's father is the richest businessman in town and the other's father has expired 5 years back and their family is dependent on the investments made by his father.

Preparing plan is simple; implementing it regularly is the real challenge
- Where is the money invested – in which asset class – determines the potential returns the investor can expect

- Avoiding risky investments may lead to compromising of goals

7. ASSET ALLOCATION

Asset allocation is a technique for investing your money into various investment options that would suit your requirements.

Each investment option or broadly each asset class has its own risk and return characteristics.
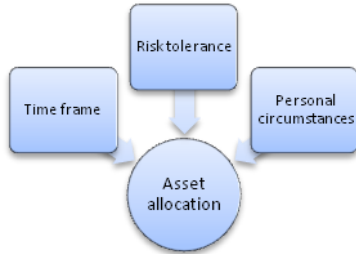
A self-portrait helps you know where exactly you stand financially. A self-portrait comprises of knowing the details of:

While one has to take account of the assets and liabilities as it is in the present; the goals, income and expenses pertain to the future. One needs to assume the rate at which the three change in value. You need to assume at what rate do you think your long term income will grow as well as the rate at which you think the value of goals and the expenses change. Remember the discussion about time value of money and inflation earlier!

7.1 SELF PORTRAIT- Life Stage Decisions

Investment needed to create retirement fund

The steps are:

1. Know the three ages: current age, retirement age and life expectancy

2. Identify current level of regular expenses and estimate the expenses at the time of retirement

3. Adjust the same for inflation

4. Find out the amount required to earn as much as the level of expenses
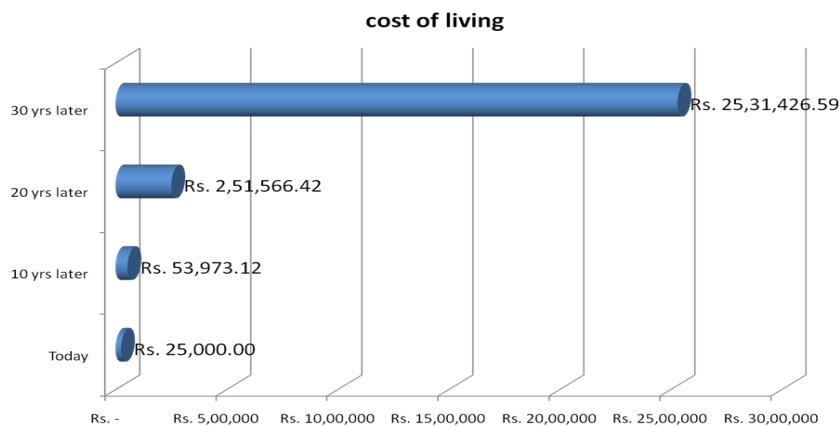
The above figure shows that if a individual person is presently earning rs. 25000 per month and if we consider the inflation rate is 8% constant then the calculation of every 10 years depict with the necessary minimum earning every month every 10 years span of time.

Traditional Formula- Income-Expenditure-Savings= Cash in Hand

Today's Era- Income-Savings-Expenditure= Cash in Hand
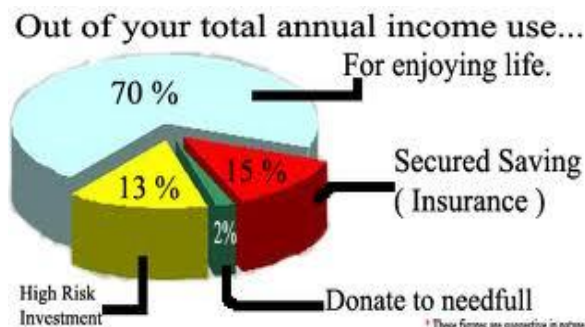
Budgets may go off track at times due to some sudden unforeseen incident. However, by having budgets, we know where we should have been and where we are, so the corrective measures can be directed in that direction.

8. RISK AND RETURN

"High risk high returns" does not mean by taking high risks one is assured of high returns; it only means that the possibility of high returns exists. Conversely low risk low returns means that if one takes low risks….one should be satisfied with low returns!

- Risk and investing go hand in hand

- Risk increases as the expected potential return increases

- Even "no-risk" products such as savings accounts and government bonds carry the risk of earning less than the inflation rate

- It is crucial to manage your risk

The phrase "high risk high returns" must be changed to "high risk high potential returns"

8.1 INFLATION EFFECTS ON INDIVIDUALS

ASSET PRICE	2002	2011	INFLATION RATE	2020
Sugar(1 Kg)	Rs. 16.40	Rs. 36.00	9%	Rs. 79.02
Cooking Oil(5 lit)	Rs. 290.00	Rs. 500.00	6%	Rs. 862.07
Gold (10 gms)	Rs. 4,474.00	Rs. 28,004.00	20%	Rs. 1,20,034.48
Silver (1kg)	Rs. 7,868.00	Rs. 58,842.00	25%	Rs. 4,40,058.59
Rice (1kg)	Rs. 14.00	Rs. 45.00	14%	Rs. 144.64
Petrol (1lit)	Rs. 33.46	Rs. 68.00	8%	Rs. 138.19
Diesel (1 liter)	Rs. 19.88	Rs. 45.99	10%	Rs. 106.39

Time Value of Money
It Grows!

8.2 THE POWER OF COMPOUNDING

Understand how interest is earned on interest and how this effect will keep accumulating over longer period of time.

Compound Interest: Principle + (1+Rate/time) ^n

Amount Rs. 50,000 @ 10%		
YEAR	COMPOUND INTEREST	SIMPLE INTEREST
1	Rs. 55,000.00	Rs. 55,000.00
2	Rs. 60,500.00	Rs. 60,000.00
3	Rs. 66,550.00	Rs. 65,000.00
4	Rs. 73,205.00	Rs. 70,000.00
5	Rs. 80,525.50	Rs. 75,000.00
20	Rs. 3,36,375.00	Rs. 1,50,000.00
25	Rs. 5,41,735.30	Rs. 1,75,000.00
30	Rs. 8,72,470.11	Rs. 2,00,000.00

See how the gap between simple and compound interest widens as time goes.

8.3 *SAVINGS AND INVESTMENT RELATED PRODUCTS*

- Bank deposits / FD

- Government schemes

- Bonds / debentures / Company fixed deposits

- Mutual funds

- Equity share

- Real Estate

8.4 *Efficient Market- SMALL SAVINGS SCHEMES*

S.N.	Scheme	Years	Min. Amt	Max. Amt	ROI	Tax Benefit	Interest
1	Savings Bank	Nil	Rs. 500	No limit	4% to 6%	Nil	Yes
2	Post Office RD	5 Years	Rs. 10	No limit	7.50%	Nil	Quarterly
3	PO MIS	6 Years	1500	4.5 L	8%	Nil	Monthly
4	NSC	6 Years	100	NL	8%	80 C	Semi Ann.
5	KVP	8.7 yrs	100	NL	8.41%	Nil	Annual
6	SCSS	NA	1000	15 L	9%	80 C	Quarterly
7	PPF	15 Yrs	500	1 lac	8.6%	80 C	Annual
8	Bond	6 Yrs	1000	NL	8%	Nil	Annual
9	ELSS	3 Yrs	500	NL	D	80 C	NA

8.5 *Comparative Analysis of Investment Avenues*

Helps one maintain his/her standard of living post retirement

SR.NO.	SECURITIES	Return - Current	Return - Capital	Risk	Liquidity	Tax Breaks	Convenience	Denomination
1	Equity	L	H	H	H	N	H	L
2	NCD	H	L	L	L	N	H	M
3	MF- Equity schemes	L	H	H	H	N	H	M
4	MF- Debt	M	L	L	H	N	H	M

	schemes							
5	Bank Deposits	M	N	L	H	N	H	L
6	PPF	M	N	L	N	Y	M	L
7	LIC Policies	L	N	L	N	Y	L	M
8	Res. House	L	H	M	L	N	L	H
9	Gold / Silver	N	H	L	H	N	H	M
		1	**2**	**3**	**4**	**5**	**6**	**7**

9. *CONCLUSIONS & SUGGESTIONS*

- Evaluate risk of every investment

- Decide the investment based on needs

- Do not invest in any scheme that you do not understand

- Do not invest on trust. Have everything backed up by documents

- Take into account tax implication of every income

- Do not blindly follow market tips and rumors

- Anything that appears unnaturally high or low will have some "catch" disguised

- Do not follow schemes where you may protect the interest but lose the principal

- Invest with knowledge after understanding the product well

- Maintain a household budget

- Understand and estimate your current spending patterns

- Make sure you have access to everything

- Understand everything and why it is important

- Gradually share with your partner some financial responsibility

- Discuss contingency plans.

9.1 *THE TEN COMMANDMENTS OF INVESTING:*

- Establish clear and reasonable goals before investing

- All investments carry risk. As expected / potential return increases, so does the risk.

- Diversify to reduce risk. Diversification is a proven strategy to reduce the risk associated with single instruments

- Select appropriate asset mix of debt, equity and cash equivalents

- Recognize limits of your knowledge. Avoid investments you do not understand

- Do your homework. There is no substitute. Be sure to know where you are investing and what is the likely financial impact

- It is what you get in hands after the taxes that matters

- Avoid investing on basis of hot tips and rumors

- Don't follow advice you do not understand

- Say "NO" if you are not convinced. You have right to ask questions before signing the cheque

- Don't take risks you cannot afford or are not comfortable with.

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TELEMEDICINE: High Tech to High Touch

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Abstract:

OBJECTIVE- Aim of this study is to show that the field of Telemedicine for healthcare is multidimensional, which discusses about modernizing health system methods and technologies to increase the quality, safety, timeliness and efficiency of health service in developed and developing countries.

RATIONALE-India's current population has been estimated to be 1.22 billion according to Census 2012 with approximately 72.2% comprising of rural population. Out of which 75% are underserved. Hence, use of telemedicine in health can increasingly be used as a solution to address challenges of having less resources and meeting the expectation for improved quality of health care services particularly in far flanged rural areas. Moreover, it may further help in eliminating duplication of prescriptions and errors as well as may aid in identifying less expensive generic drugs.

INTRODUCTION- Telemedicine is the practice of medical care using audio, visual and data communications; this includes medical care delivery, consultation, diagnosis, treatment, education and the transfer of medical data. The importance of telemedicine in health has increasingly been recognized by government agencies, health practitioners, private sectors, academic and NGOs across the world. A number of telemedicine initiatives have sprung up from metropolitan area to remote areas and increasingly in both developed and developing countries...

METHODOLOGY- this study is based on secondary literature review of various works that have been done in the field of telemedicine.

DISCUSSION - Telemedicine has more than 400 platforms in India with the major implementing agencies like ISRO, dep't of information technology, ministry of communication and IT, ministry of health and family welfare, state government and medical institutions are working relentlessly on this. ISRO's telemedicine network is established so far has under it 245 hospitals, 205 districts / rural hospital, 40 super specialty hospitals and 2, 50,000 patients has been treated (acc to pub med indexed MEDLINE).

CONCLUSION- Though telemedicine has potential global reach still there are some issues which need to be addressed as formulation of an integrated ICST health policy and strategy, establishment of legal and regulatory framework and e Health as a growth industry. Because the field is very new, acceptance and implementation will be complicated hence to raise awareness and promote involvement of stakeholders awareness activities should accompany some innovation program

INTRODUCTION:

India, with its diverse landmass and huge population, is an ideal setting for telemedicine. Telemedicine activities were started in 1999. The Indian Space Research Organization has been deploying a SATCOM-based telemedicine network across the country since that year. Various government agencies-Department of Information Technology and Ministry of Health & Family Welfare, state governments, premier medical and technical institutions of

India-have taken initiatives with the aim to provide quality healthcare facilities to the rural and remote parts of the country.

The Government of India has planned and implemented various national-level projects and also extended telemedicine services to South Asian and African countries. Efforts are taking place in the field of medical e-learning by establishing digital medical libraries. Some institutions that are actively involved in telemedicine activities have started curriculum and noncurriculum telemedicine training programs. To support telemedicine activities within the country, the Department of Information Technology has defined the Standards for Telemedicine Systems and the Ministry of Health & Family Welfare has constituted the National Telemedicine Task Force. There are various government and private telemedicine solution providers and a few societies and associations actively engaged to create awareness about telemedicine within the country. With its large medical and IT manpower and expertise in these areas, India holds great promise and has emerged as a leader in the field of telemedicine.

OBJECTIVE:

- Analysis of specialised literature in the field of telemedicine.
- Economic evaluation of telemedicine networks.
- Factors which may further be used to study effectiveness of telemedicine.
- Study quality and evidence of benefit in recent assessments of telemedicine

METODOLOGY

This study is the analysis of telecommunication in the field of medicine with specific reference to telemedicine. This paper based on secondary literature review of various works that have been done in the field of telemedicine like journal of telemedicine and telecare and telemedicine and e-health.

DISCUSSION

There have been many developments in the field of telemedicine since pioneering work such as the transtelephonic transmission of electrocardiography signals of Einthoven in 1902 or the use of closed circuit television by Wittson et al. In 1955. This scientific literature has emerged providing us a clear understanding of present , past experiences and future trends.

Telemedicine has more than 400 platforms in India with the major implementing agencies like ISRO, deptt of information technology, ministry of communication and IT, ministry of health and family welfare, state government and medical institutions are working relentlessly on this. ISRO's telemedicine network is established so far has under it 245 hospitals, 205

districts / rural hospital, 40 super specialty hospitals and 2, 50,000 patients has been treated (acc to pub med _ indexed MEDLINE). Various institutes in India have the feature such as All India Institute of Medical Sciences at New Delhi, Post Graduate Institute of Medical Education and Research (Nehru Hospital) at Chandigarh and Sanjay Gandhi Post Graduate Institute of Medical Sciences at Lucknow, Uttar Pradesh. The state government has initiated the telemedicine project by establishing first link of telemedicine centre at SRG hospital in jhalawar with SMS at jaipur. This project filled the gap and provided much needed relief to patients in rural areas. Telemedicine facility will be started in all the 32 districts hospital, 6 mobile units by June 2012 with all connected to SMS. District hospitals would be covered in the project first phase. Second phase includes all the community & PHC. ISRO will also provide satellite services to the state government free of cost during the first 5 years of the project.

Moser et al focussed on the comprehensive telemedicine literature and found out that there is a significant co-relation between telemedicine publication per capita and HDI and GNP per capita .the two journals which included the inclusion criteria for the study done by George demiris and Donghua Tao in 2004 were :- journal of telemedicine and telecare (JIT) , telemedicine journal and e-health(JTE).

The total of 1321 articles published by the two journales was analysed. The lack of clinical trials limits the application of evidence based medicine in the domain of telemedicine.

Number of studies classified from 1998 to 2004 as clinical trials in various journals.

Year	Journal of telemedicine and telecare	Telemedicine journal and e-health	Total
1996	4	0	4
1997	4	2	6
1998	4	2	6
1999	7	1	8
2000	4	2	6
2001	10	3	13
2012	6	1	7
2003	5	3	8
2004(one quater)	3	1	4
Total	47	15	62

Source: George et al in 2004

These clinical trials will constitute the scientific evidence for any hypothesis about the merit of telemedicine. Advances in telecommunication and robotics have allowed robotically mediated telesurgery to be demonstrated and some people believed that robotic will revolutionize the field of telemedicine. It was introduced in 1987.while some people believe that telemedicine will play a great role in disease surveillance and emergency response to bio terror attacking only one study indexed by the MeSH termed as bio-terrorism. Telemedicine alters the process of care delivery and introduces new technology with differed social mechanisms in the context of teleconsultation. Thus there is need to examine the effect of telemedicine in the patient safety and the extent to which it introduces new errors or allow for the occurrence of familiar.

CURRENT SCENARIO
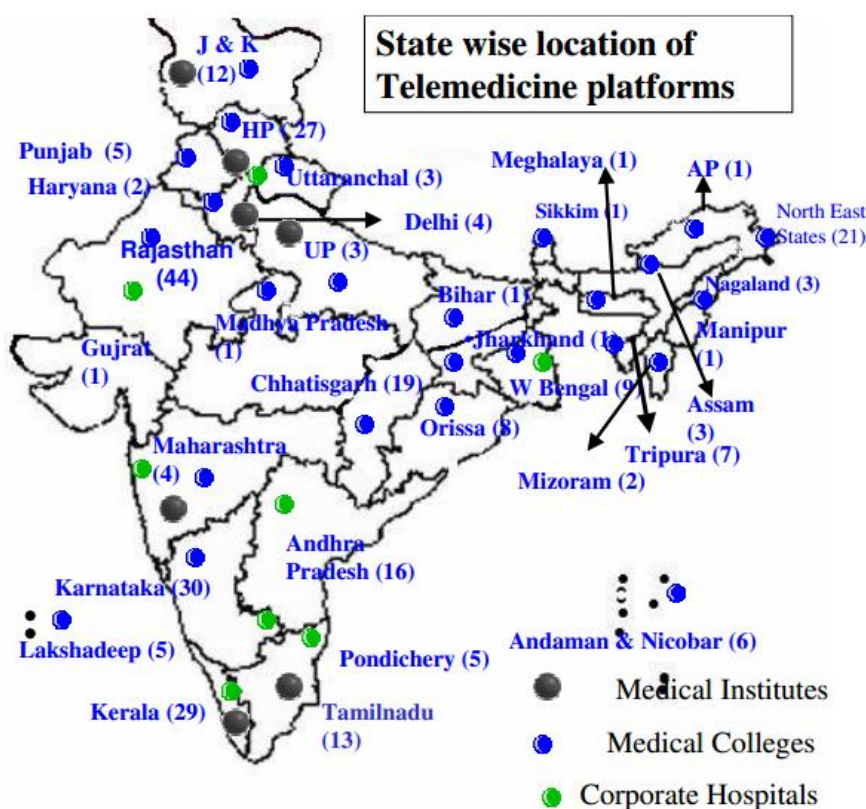
BENEFITS OF TELEMEDICINE

Telemedicine can be extremely beneficial for people living in isolated communities and remote regions and is currently being applied in virtually all medical domains. Patients who live in such areas can be seen by a doctor or specialist, who can provide an accurate and complete examination, while the patient may not have to travel or wait the normal distances or times like those from conventional hospital or GP visits. Recent developments in mobile collaboration technology with the use of hand-held mobile devices allow healthcare professionals in multiple locations the ability to view, discuss and assess patient issues as if they were in the same room.

Possible impacts of telemedicine network according to different stake holders and effects

	Accessibility	Acceptability	Quality	Organization	Cost/benefit
For patient	Access to care	Confidence	Quality of care Quality of life	Better organizational intervention	Lower transfer cost
For physicians	Access to data via computerised medical chart	Utilization	Quality of practise	Training collaboration	Lower displacement cost
For hospital	Better offer of hospital services	Development	Reputation	Increased efficiency of net work effect. Further co-ordination with other institutes.	Have hospitalization and costs.
For the state	Better regional access	Support for the spread of telemedicine	Quality of public services	Management of health care systems	Cost control

Source : Myraim le goff-.pronost et al

Telemedicine can be used as a teaching tool, by which experienced medical staff can observe, show and instruct medical staff in another location, more effective or faster examination techniques. It improved access to healthcare for patients in remote locations. "Telemedicine has been shown to reduce the cost of healthcare and increase efficiency through better management of chronic diseases, shared health professional staffing, reduced

travel times, and fewer or shorter hospital stays." Several studies have documented increased patient satisfaction of telemedicine over the past fifteen years.

The first interactive telemedicine system, operating over standard telephone lines, for remotely diagnosing and treating patients requiring cardiac resuscitation (defibrillation) was developed and marketed by MedPhone Corporation in 1989 under the leadership of its president and founder, S.Eric Wachtel. A year later the company introduced a mobile cellular version, the MDphone. Twelve hospitals in the U.S. served as receiving and treatment centres.

Telemonitoring is a medical practice that involves remotely monitoring patients who are not at the same location as the health care provider. In general, a patient will have a number of monitoring devices at home, and the results of these devices will be transmitted via telephone to the health care provider. Telemonitoring is a convenient way for patients to avoid travel and to perform some of the more basic work of healthcare for themselves.

In addition to objective technological monitoring, most telemonitoring programs include subjective questioning regarding the patient's health and comfort. This questioning can take place automatically over the phone, or telemonitoring software can help keep the patient in touch with the health care provider. The provider can then make decisions about the patient's treatment based on a combination of subjective and objective information similar to what would be revealed during an on-site appointment.

Some of the more common things that telemonitoring devices keep track of include blood pressure, heart rate, weight, blood glucose, and hemoglobin. Telemonitoring is capable of providing information about any vital signs, as long as the patient has the necessary monitoring equipment at his or her location. Depending on the severity of the patient's condition, the provider may check these statistics on a daily or weekly basis to determine the best course of treatment.

TYPE OF TECHNOLOGY

Two different kinds of technology make up most of the telemedicine applications in use today. The first, called store and forward, is used to transfer digital images from one location to another. A digital image is taken using a digital camera, 'stored' and then sent ('forwarded') by a computer to another location. This is typically used for nonemergent situations, when a diagnosis or consultation may be made in the next 24-48 hours and sent back. Teleradiology, telepathology and teledermatology are a few examples.

The other widely used technology, the two-way interactive television (IATV), is used when a 'face-to-face' consultation is necessary. The patient and sometimes their provider or more commonly a nurse practitioner or telemedicine coordinator (or any combination of the three), are at the originating site. The specialist is at the referral site, most often at an urban medical center. Videoconferencing equipment at both locations allow a 'real-time' consultation to

take place.Almost all specialties of medicine have been found to be conducive to this kind of consultation including psychiatry, internal medicine, rehabilitation, cardiology, pediatrics, obstetrics and gynecology and neurology)

INFRASTRUCTURE:

  The telemedicine centers could be broadly classified into the following classes:

Primary Telemedicine Center (PTC)

Secondary Telemedicine Center (STC)

Tertiary Telemedicine Center (TTC

TELEMEDICINE IN DEVELOPING COUNTRIES

 Despite suggestions that telemedicine will offer great hope in developing countries there is only limited published evidence to support this claim. One good example of telemedicine which has proven feasible and useful in developing countries is the service founded and operated by the Swinfen Charitable Trust (SCT). Since 1999, this service has provided free medical advice to doctors and other health professionals working in about 20 countries including Bangladesh, Bolivia, Ethiopia, Iraq, Nepal, and the Solomon Islands. Technological requirements for the service include a standard digital camera and a computer with   access   to   e-mail   via   the   Internet Referrals to the SCT are made by sending an E-mail direct to a single email address. All e-mails sent to this address are managed 24 h per day by administrators based in the UK (London) and Australia (Brisbane). E-mail messages sent to the SCT may include attachments such as digital photographs to support the cases being presented. Depending on the cases referred, e-mail referrals are directed to an appropriate specialist registered on a database set up by the Trust. The SCT is supported by an international contingent of about 180 volunteer specialists representing more than 60 different specialist fields. Since the service began in 1999, more than 1000 cases have been dealt with via e-mail. The considerable growth in the service has prompted the development of automatic message handling software (AutoRouter) to manage some of the administrative tasks associated with the coordination and monitoring of referrals.

 The AutoRouter is particularly useful for ensuring that dialogue between the referring doctor and the specialist is routed appropriately, and for alerting the administrators when a response   is   not   received   within   a   reasonable   period   of   time.

Retinopathy   screening   via   e-mail

Telemedicine can also be valuable for the screening of chronic health conditions such as diabetes and related complications such as diabetic retinopathy (DR). DR is a leading cause

of vision impairment and blindness in all people who have diabetes. This specific microvascular complication is asymptomatic in its early stages. Routine eye screening, accurate diagnosis and intervention can reduce the risk and the progression of DR A common problem in most countries is that specialist ophthalmology services are generally located in the capital cities and major regional towns. This limits access for those people with diabetes who live in rural and remote communities, especially indigenous communities who have a higher prevalence of diabetes and related to diabetes complications

A number of studies on diabetic adults in rural and remote communites have been undertaken using store and forward techniques and a non-mydriatic digital retinal camera.. The results have shown that this technique is applicable to retinal screening and assessment that in turn facilitates access to appropriate eye care services for rural and remote people with diabetes

Teleradiology

Teleradiology is the electronic transfer of radiographic images from one location to another. Teleradiology may be used to provide radiology services to an underserved community, but can also be used to provide specialist medical opinions regarding the treatment and management of patients in these communities. One study found that when Computed Tomography (CT) scans of brain-injured patients were reviewed by a neurosurgeon via telemedicine, unwarranted patient transfers to a tertiary centre were reduced by 21% and adverse events, such as hypoxia and hypotension during transfer, were reduced by 24%. The latter resulting from appropriate advice from the neurosurgeon prior to the transfer.

Teleradiology   via   e-mail

Teleradiology can be implemented by attaching a digital camera image to an e-mail. The image is obtained by photographing an X-ray film on a light box. In a South African study the accuracy of this form of telemedicine was measured. The results of this study showed that in 94% of cases the reports made via telemedicine were comparable to the reports made on   the   original   film.
Dedicated teleradiology systems Dedicated teleradiology systems can be purchased from numerous vendors. These systems vary in cost, complexity and image quality. A teleradiology system consists of the following components:l Image acquisition modalities. l Image server-that compresses and transmits images l Telecommunication network-this could be a Local Area Network (LAN) or a broadband internet connection l Receiving station-that receives images transmitted from an images server and displays them on a coupled display station or serves archived images for multiple networked display stations

Web-based *teleradiology*

The main advantage of web-based teleradiology is that dedicated image display software does not need to be installed on the reviewer's computer; instead images are displayed inside a standard web browser, e.g., Microsoft's Internet Explorer. Web-based teleradiology is increasingly being used by dedicated teleradiology service providers. These groups are not affiliated to one particular hospital but provide radiological reporting services for multiple institutions, often providing after hours-service to an institution from radiologists located in other times-zones. There are reports of external teleradiology service providers who are used to service hospitals in the United States (US) particularly for the review of emergency cases.

CT scans are performed in the US and the images are then transmitted to a US-board-certified radiologist working in Bangalore, India for reporting. The resultant radiologist's report is transferred back to the referring doctor in the US. For CT head scans reported via this teleradiology service, the final radiologist's report was available in less than 40 minutes, which included an image transmission time of 6 min.

Logistical factors

There are a number of important logistical factors to be considered when developing a telemedicine service. An overriding imperative is to focus on the clinical problem first with careful consideration given to the significant organisational changes which are associated with the introduction of a new method of service delivery. Expensive mistakes have been made. Even the most advanced equipment will lie idle if it cannot be integrated effectively and efficiently into the routine work flow of clinicians. In addition, for telemedicine to be effective it is important that all sites involved are adequately resourced in terms of staff, equipment, telecommunications, technical support and training.

For those contemplating the development of a telemedicine service the following principles described by Yellowlees are useful:

Telemedicine applications and sites should be selected pragmatically, rather than philosophically

• In developing a telemedicine service, identify telemedicine champions who are keen and prepared to participate in the service.

• Give these clinicians all the support they require and consider gradual development of the service as the enthusiasm grows.

• Clinician drivers and telemedicine users must own the systems

• Acknowledge the importance of the clinical staff driving the telemedicine service and involve them in as much of the planning of the organisational aspects of the service as possible.

• Give clinicians ownership of the telemedicine service.

Telemedicine management and support should follow best-practice business principles

• Do not introduce another layer of management or a special project team to 'manage' the telemedicine service. These teams tend to lack clinical expertise and telemedicine experience and focus on policy before practice.

• Telemedicine services should be treated like all other health services and influenced by the normal management structure.

The technology should be as user-friendly as possible

• Ensure that the telemedicine equipment is easily accessible and clinician-friendly.

• If equipment is difficult to access or to operate, clinicians are less inclined to be involved.

Telemedicine users must be well trained and supported, both technically and professionally

• Training is very important. Routine training should be provided and adequate technical support should be available at all times to ensure that clinicians are able to deliver services without concerns for technical complications.

• Telemedicine applications should be evaluated and sustained in a clinically appropriate and user-friendly manner. Evaluation is very important for all telemedicine services to ensure that the effectiveness of the programme is being measured.

• Aspects should include feasibility, clinical effectiveness (diagnostic accuracy), user satisfaction, and cost-effectiveness.

POLICY INITIATIVES

• National Health Information Infrastructure m& Standardization (www.mit.gov.in)

– Undertook initiative, in a project mode, for defining "The   framework for Information Technology Infrastructure for Health

(ITIH)" to efficiently address information needs of different stakeholders in the healthcare sector

– Prepared documents   "Recommended Guidelines & Standards   for Practice of Telemedicine in India" to standardize services of different Telemedicine centers

• National Broadband Policy (Telecom Regulatory Authority of India)

• Dedicated Satellite for Education (EDUSAT) & health (HEALTHSAT)

• Revision of Medical Curriculum in process

• National Telemedicine Task Force, Ministry of Health & FW, Govt. of India

CURRENT EFFORTS

In India, telemedicine programs are actively supported by:

Department of Information Technology (DIT)

Indian Space Research Organization

NEC Telemedicine program for North-Eastern states

Apollo Hospitals

Asia Heart Foundation

State governments

Telemedicine technology also supported by some other private organizations

DIT as a facilitator with the long-term objective of effective utilization / incorporation of Information Technology (IT) in all major sectors, has taken the following leads in Telemedicine:

Development of Technology Initiation of pilot schemes-Selected Specialty, e.g., Oncology, Tropical Diseases and General telemedicine system covering all specialties Standardization Framework for building IT Infrastructure in health

The telemedicine software system has also been developed by the Centre for Development of Advanced Computing, C-DAC which supports Tele-Cardiology, Tele-Radiology and Tele-Pathology etc. It uses ISDN, VSAT, POTS and is used to connect the three premier Medical Institutes of the country (viz. All India Institute of Medical Sciences (AIIMS), New Delhi,

Sanjay Gandhi Post Graduate Institute of Medical Sciences (SGPGIMS), Lucknow and Post Graduate Institute of Medical Education and Research (PGIMER), Chandigarh). Now it is being connected to include Medical centres in Rohtak, Shimla and Cuttack The telemedicine system has been installed in the School of Tropical Medicine (STM), Kolkata and two District Hospitals. In West Bengal, two hospitals where telemedicine centres have been established are the First Coronary Care Unit inaugurated in Siliguri District Hospital, Siliguri, West Bengal on 24 June, 2001 and Bankura Sammilani Hospital, Bankura, West Bengal inaugurated on 21 July, 2001. Apart from the project at STM, the Second Telemedicine Project has been implemented by Webel ECS at two Referral Centres (Nil Ratan Sircar Medical College and Hospital (NRS MC and H), Kolkata and Burdwan MC and H, Burdwan) and four Nodal Centres (Midnapore (W) District Hospital, Behrampur District Hospital, Suri District Hospital and Purulia District Hospital). The Project uses a 512 kbps leased line and West Bengal State Wide Area Network (WBSWAN) (2 Mbps fiber optic link) as the backbone.(19)

In the past three years, ISRO's telemedicine network has expanded to connect 45 remote and rural hospitals and 15 superspecialty hospitals. The remote / rural nodes include the offshore islands of Andaman and Nicobar and Lakshadweep, the mountainous and hilly regions of Jammu and Kashmir including Kargil and Leh, Medical College hospitals in Orissa and some of the rural / district hospitals in the mainland states.(19)

The Telemedicine project is a "NonProfitable" project sponsored by Rabindranath Tagore International Institute of Cardiac Sciences (RTIICS) Calcutta, Narayana Hrudayalaya (NH) Bangalore, Hewlett Packard, Indian Space Research Organisation (ISRO) and the state governments of the seven North Eastern states of India. The Rabindranath Institute at Kolkata and Narayana Hrudayalaya at Bangalore will be the main Telemedicine linking hub for the seven states. The specialists at both the institutions will offer their services for this project entirely free of charge. A 100 bedded hospital will be identified in each of these seven states and the hospitals will be selected based on distance from the state capital and the lack of a coronary care unit.

In the past two years, the pilot project on Telemedicine in Karnataka has already provided more than 10,000 teleconsultations. In the operational phase, the Karnataka Telemedicine Project is expected to bring multi-specialty healthcare to a significant section of the rural population of Karnataka. This network would serve as a model for the utilization of 'HEALTHSAT,' which is proposed for launch in the future.

CHALLENGES

Perspective of medical practitioners: Doctors are not fully convinced and familiar with e-medicine.

Patients' fear and unfamiliarity: There is a lack of confidence in patients about the outcome of e-Medicine.

Financial unavailability: The technology and communication costs being too high, sometimes make Telemedicine financially unfeasible.

Lack of basic amenities: In India, nearly 40% of population lives below the poverty level. Basic amenities like transportation, electricity, telecommunication, safe drinking water, primary health services, etc. are missing. No technological advancement can change anything when a person has nothing to change.

Literacy rate and diversity in languages: Only 65.38% of India's population is literate with only 2% being well-versed in English.

Technical constraints: e-medicine supported by various types of software and hardware still needs to mature. For correct diagnosis and pacing of data, we require advanced biological sensors and more bandwidth support.

Quality aspect: "Quality is the essence" and every one wants it but this can sometimes create problems. In case of healthcare, there is no proper governing body to form guidelines in this respect and motivate the organizations to follow-it is solely left to organizations on how they take it.

Government Support: The government has limitations and so do private enterprises. Any technology in its primary stage needs care and support. Only the government has the resources and the power to help it survive and grow. There is no such initiative taken by the government to develop it.

CONCLUSION

It does not require too much of a stretch of imagination to realize that telemedicine will soon be just another way to see a health professional. Remote monitoring has the potential to make every minute count by gathering clinical data from many patients simultaneously. However, information may be lost due to a software glitch or hardware meltdown. Therefore, relying too heavily on a computer system to prevent errors in healthcare data may be problematic. There has to be a smart balance between total dependence on computer solutions and the use of human intelligence. Striking that balance may make all the difference in saving someone's life. In 2008, the potential of telemedicine, tele-health and e-health is still left to our imaginations.Time alone will tell that Telemedicine is a "forward step in a backward direction" or to paraphrase Neil Armstrong "one small step for IT but one giant leap for Healthcare".

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Lifestyle Diseases and Their Prevention

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ABSTRACT - In today's world, Industrialization and prosperity have been accompanied by increase in the incidence of life style diseases.Poor lifestyle choices including physical inactivity, adverse nutrition and tobacco use are strongly associated with heart disease, diabetes, respiratory disease and cancer. These four diseases are responsible for over 50% of mortality worldwide. According to the World Health Organization (WHO), India will incur an accumulated loss of $236.6 billion by 2015 on account of unhealthy lifestyles and 8 out of 10 deaths occur due to non communicable diseases. What's worse, around 80% of these deaths will occur in low and middle-income countries like India which is also crippled by an ever increasing burden of infectious diseases, poor maternal and perinatal conditions and nutritional deficiencies. We are aiming at the promising approaches to combat the lifestyle diseases. First, approach isidentifying the key factors that determine disease, identifying viable preventive interventions, evaluating the impact of preventive interventions on social welfare and on health equity. Second, approach is to improve the awareness about the facilities for testing diabetes and hypertension at the CHC and PHC level and a well-balanced vegetarian diet.

KEYWORDS: - lifestyle diseases, global burden, causes, prevention.

1. Introduction

As India experiences a rapid health transition, the mismatch between health care needs and resources is widened by an expanded list of health conditions that vie for attention from policy-makers and public health action while posting competing claims for clinical care. The complexities are compounded when policy has to prioritize on the basis of disease burdens, cost-effectiveness, and equity while the delivery systems have to simultaneously cope with the transformative pressures of economic restructuring and health care reforms. Lifestyle diseases are diseases that appear to become ever more widespread as countries become more industrialized. Lifestyle diseases are different from other diseases because they are potentially preventable, and can be lowered with changes in diet, lifestyle and environment. The challenges of providing acute and chronic care for NCDs in such settings are immense, yet the imperatives of proper planning and performance for delivering such care become increasingly urgent as health transition rapidly rewrites a new agenda for health care in the India**.** Developing countries have not only the double burden of communicable and chronic disease, but many also experience the simultaneous challenge of health-system reform. Without universal access to care, well-integrated health services, and strong leadership in public health, response to the above challenges will be inefficient.With rapid changes in the economic, social, and demographic situation, people in this Region are living longer. Increasing consumption of tobacco, an unhealthy diet, physical inactivity and adoption of other unhealthy lifestyles are important determinants of NCDs.Based on current trends, by 2020, these diseases are expected to account for 73% of deaths and 60% of the disease

burden. The projected cumulative loss of national income for India due to non-communicable disease mortality for 2006-2015 will be USD237 billion. Universal access to preventive and curative intervention is crucial. Early detection of hypertension and other risk factors reduces cardiovascular disease mortality 35-60%.Further, multi-drug regimens for patients can reduce the risk of CVD and stroke. Early detection and treatment of cancers account for a 30-80% reduction in mortality. While two-third of working women suffer from lifestyle diseases, 53 per cent of them skip meals and go for junk food due to work pressure and deadlines

2. DISCUSSION

Health transition, whereby NCDs become the dominant contributor to the burdenof disease, is principally due to a combination of demographic and lifestyle changes thatresult from socio-economic development. Demographic transition is characterized by adecline in mortality, followed by a drop in fertility. As industrialisation and urbanisation occur, there is a decline in the mortality attributable to infectious diseases and nutritional disorders. As more individuals survive to enter the middle ages, the years of exposure to the risk factors ofchronic disease increase. Simultaneously, urbanisation, industrialisation, and globalisation are often accompanied by several undesirable lifestyle alterations in the form of a diet rich in saturated fat, salt, and excess calories, decreased physical activity, addictions like tobacco and alcohol, and augmentation of psychosocial stress. Thus, the dose and duration of risk factor exposure both increase, resulting in large numbers manifesting lifestyle related diseases and their consequences. In India, the scenario is quite worse. It is said that, the possibility of an Indian suffering from a lifestyle disease is four per cent greater than people from other nationalities. Changing lifestyle is mainly responsible for an increase in the number of people suffering from hypertension, stress and other heart ailments. Today's 24x7 world order leaves little room for entertainment, social life, exercise and regular eating and sleeping patterns. Time is being converted into money and personal priorities take back seats as corporate interests and personal ambitions take centre stage. Only when our body starts showing signs of fatigue and inability, we look at our daily routine and think how the same impacts our personal lives. Doctors term these diseases as 'affluent society diseases', which are mainly caused due to reduced physical activity and consumption of fast food and alcohol. Since factors like heredity, sex, age cannot be avoided; one must manage one's lifestyle to avoid being at risk of different lifestyle dominated diseases.Increasing migration of people from rural areas to urban areas along with adoption of sedentary lifestyles, poor dietary choices and stress has led to the spate of lifestyle diseases in India. Today, there are 51 million diabetics in India and the number is set to rise to 73.5 million by 2025. Similarly there are 25 million people with heart disease in India and 15 million die of this disease every year. While the number of cardiac patients is decreasing in the world, 60% of heart patients in the world will be Indians. With more than 1.1 billion adults overweight worldwide, and 312 million of them obese, diabetes is expected to double from 171 million to 366 million cases over the period 2000–2030.

2.1 Lifestyle Disorders in India causing death

The alarm is that 75 per cent of all adult deaths in the Pacific are due to NCDs, with the majority coming from the economically active age bracket, and that many more times this number suffer severe side effects that undermine their capacity to contribute further to economic development'. NCDs cause a substantial drain on economic potential by adversely affecting the four main factors of economic growth: labour supply, productivity, investment, and education. The crisis could also undermine the region's achievement of the 2015 Millennium Development Goal (MDG) health targets. Desk jobs tend to encourage a sedentary lifestyle. Working on computers for very long hours, something that is almost inevitable these days is known to trigger cervical spondylitis, carpel tunnel syndrome, and eyestrain. Sedentary lifestyle coupled with an excessive intake of food, especially junk foods that have high glycaemic indices, leads to obesity and increased cholesterol levels. This produces fatty changes in the liver and blood vessels, consequently increasing the blood pressure and reducing the blood circulation to all the vital organs. Syndrome X, also known as metabolic syndrome or insulin resistance syndrome, is a condition caused due to sedentary lifestyle where due to a decrease in the basal metabolic rate of the body, the cells of the body resist the action of insulin, not allowing glucose to pass into them. Obesity is a silent killer that can ultimately give rise to diseases like diabetes, cardiovascular diseases, arthritis, high blood pressure, hormonal imbalances, chronic fatigue, and many other illnesses.

Workers with stringent deadlines to meet and difficult targets to achieve tend to become Type A personalities and their anxieties and insecurities cause them to develop mood disorders and conditions such as biliousness, headache, hyperacidity, peptic ulcers and irritable bowel syndrome. Unfortunately, such people seek temporary relief by popping in antacids regularly leading to drug-induced diseases in the long run. Also, the need to look presentable all the time often has people abusing drugs and cosmetics that further add to the damage. Excessive physical and mental stress causes the body to secrete a substance called cortisone that triggers the release of glucose in the blood. This can lead to type 2 diabetes.

2.2 Types of life style disorders and their burden:-

2.21 Cardiovascular disease: - Cardiovascular diseases are, and will continue to be for some time, the number one cause of death world-wide. According to the WHO, an estimated 17 million people died from CVDs in 2005 accounting for 30% of all global deaths.

About 80% of these deaths took place in low and middle income countries, such as India, occurring almost equally in men and women.

Cardiovascular diseases include:
• Coronary heart disease (CHD, heart attacks),
• Cerebrovascular disease,
• raised blood pressure (hypertension),
• Peripheral artery disease,
• Rheumatic heart disease,
• Congenital heart disease,

"India will bear 60% of the world's heart disease burden in the next two years [2008-2010]. In addition, researchers have determined that compared to people in other developed countries, the average age of patients with heart disease is lower among Indian people and Indians are more likely to have types of heart disease that lead to worse outcomes."

2.22Diabetes: Over 220 million people worldwide have diabetes. In 2005, an estimated 1.1 million people died from diabetes (the actual number is much higher because people may live for years with diabetes and their cause of death is often recorded as heart disease or kidney failure brought on by their diabetes.) Nearly 80% of diabetes deaths occur in low- and middleincome countries.   About half of diabetes deaths occur in people under the age of 70 years; 55% of diabetes deaths are in women. The WHO projects that diabetes deaths will double between 2005 and 2030.As India grapples with a major public health problem and a home to an estimated 50.8 million diabetic population, the largest in the world.

2.23 Heart Risk

- India No.1 in cardiac patients: 10% population affected.
- Heart Diseases to be single greatest 'killer' in India by 2015 (WHO).
- 50 million people in India suffer from heart problems. Number expected to double by 2010.
- Highest growth among young executives: 1 of 8 is under 40 years.
- Heart attacks among executives at 10 years ahead of global average age: Prevention needs to start in early 20s.
- Prevalence of CAD up from 17.5% to 35% among corporate executives in past decade: two-fold rise
- Heart attacks kill one in every 10 Indians

2.24 Obesity/ Diabetes

- 31 percent of urban Indians are either overweight or obese
- Obesity can, in fact, triple the risk of heart disease.
- India has one of the highest numbers of diabetic patients in the world, as many as 30 million, and growing by the day.

2.25 Stress/ Hypertension/Lipids

- Hypertension & Stress, especially from work, account for more than 50% of heart ailments
- 100 million people in India have high blood pressure
- Two out of three employees in India are victim of stress

- Over 40% of urban Indians have high lipid levels (cholesterol and triglycerides) that are the major risk factors for heart disease

2.26 SMOKING

 For example, smoking and tobacco use are risks for cancer—the risk of smokers getting lung cancer is ten to forty times that of nonsmokers. However, not all smokers will develop lung cancer at the same exposure levels, as measured by number of cigarettes smoked and the duration of smoking. There is an individual difference in susceptibility, attributable in part to genetic differences or to environmental exposures to substances such as asbestos, which increases the risk further.

3. PREVENTION

Towards a balanced pattern of health developmentin developing countries four principles are proposed:

3.1. **Accept the role of government in stemming the tide of NCD**: It must first be accepted that the public sector needs to intervene in order to limit the size of the epidemic. An epidemic of this nature cannot be averted purely by personal behaviour change or by market forces; it cannot be left to the private sector or regarded as "lifestyle diseases" whose treatment is a "private good". A number of areas of market failure require that governments intervene actively to protect the health of the population. Firstly, the harm of NCD is not limited to the person with the disease, but there are external effects on other members of society. For example, second-hand tobacco
smoke and harmful use of alcohol cause disease and suffering in others: cardiovascular and respiratory disease, violence, and injury from drinking and driving. Secondly, information about dangers of NCD and remedies is often insufficient or asymmetric: many of the risk behaviors are subject to distorting marketing practices in commodities that range from fast food to tobacco. And repeated studies indicate that populations even in countries with a high burden of NCDs are often unaware of the diseases or of their risk factors. Thirdly, with regard to the dangers of NCD, people act in a time inconsistent manner especially in the case of children and adolescents faced with addictive behaviors such as tobacco use, taking up the risk under the influence of misinformation from the suppliers and under the mistaken belief of invulnerability, only later facing the reality and consequences of addiction. Tobacco addiction, for instance, is usually initiated in adolescence, at a time when health risks are seriously underestimated, and there is evidence that even adult smokers are not fully informed about the health risks of their smoking. In contrast, there is strong evidence of a reduction in smoking prevalence following a media campaign on the dangers of smoking. These areas of market failure and the inequitable burdens on the poor justify and require that governments intervene, for example, through appropriate regulation and pricing.

3.2. **Invest proportionately to burden of disease**:   Current development investment is centered on historical patterns and based on an erroneous under-estimate of the links between the NCD epidemic on poverty. Current patterns of investment also assign less value to the health problems of adults and of the near-poor. One solution of this imbalance is to value more strongly the health of adults in the developing world. This is one area where development agencies can see a quick impact for their investment since a range of cost-effective interventions exist that can have an impact in the short or medium term. Such a people-centered investment plan would recognize that adults, who are the engines of the economy of the country, are dying and being disabled prematurely as a result of the early onset of NCD. Adults in near-poverty are risking impoverishment from chronic diseases, whether these diseases are infectious or non-infectious in origin. A development policy that values the health of adults appropriately would reap immediate benefits from the prevention of NCD and from the reduction of premature death.

3.3. **Seek co-benefits and common causes**: The determinants of health lie often outside the health sector, and the formulation of intersectoral policies requires the search for cobenefits and common causes. Nowhere is this synergy more topical than in the area of sustainable development and climate change. As well as facilitating progress towards MDGs, there are a number of interventions that could simultaneously alleviate a large proportion of the NCD burden and reduce climate change. This includes the example of improved stoves to reduce indoor air pollution described above. Beyond the MDG link, sustainable transport systems and urban planning that encourages physical activity will provide environmental, health and social benefits. Obesity itself is increasingly recognized to have an environmental cost as fossil fuel energy is required to supply the extra food calories to maintain excess body fat and, compared with a normal population distribution of body mass index, a population with 40% obese requires 19% more food energy for its total energy expenditure. The alignment between NCDs and the climate change agenda means that taking action on NCDs can offer wins for both health and environmental drivers of development.

3.4.Seek common systems of delivery: There are a lot of resources already in the system that could be used more efficiently. The systems for HIV and TB care, and for maternal health, have already built an infrastructure for primary care. The addition of NCD care in these systems would reduce the overhead of a new system and take advantage of the common management of chronic conditions. Many governments and households are already spending large amounts on the care of advanced NCD. There is an opportunity to examine whether theseresources are being spent cost-effectively. There is discussion of "diagonal" strengthening of health systems such that the gains being made by vertical Programmes for AIDS, TB, and malariaare retained, but that the synergies of joint actions are magnified. NCDs in developing countries would be a natural addition to this agenda, given that in many low and middle income countries, NCDs are already (or soon will be) the greatest burden on the health system.

3.5 NRHM PROJECT

The National Rural Health Mission (NRHM) in collaboration with the Education Department is launching a series of projects to fight lifestyle diseases, including one that will distribute bicycles for school children. Volleyball will be especially promoted, with the government going in for panchayat-level, taluk-level and district-level volleyball championships. Physical exercises or yoga will be made mandatory in schools to prevent children becoming sedentary. As per the integrated plan of action against lifestyle diseases, school grounds will be let open to the public for a specific time in the morning as well as evening to encourage walking and jogging among people. The panchayats will invest in health by creating walkways and parks for the public and encourage activities of the youth clubs to improve the health of the youth. They will take measures to reduce the public intake of junk food and materials such as pan masalas and other intoxicating materials, especially near the schools.

3.51 Strengthen human resources capacity, improve training of physicians, nurses and other health personnel and establish a continuing education programme at all levels of the health-care system, with a special focus on primary health care. t. Different settings may be considered for action, for example, schools, workplaces, households and local communities.

3.52 The evaluation of different strategies for early detection and screening of non communicable diseases in different populations, with an emphasis on cancers, diabetes and hypertension.

3.53 Strengthen the capacity of health systems for prevention, to make prevention and Control of noncommunicable diseases an integral part of primary health-care programmes and to ensure that health institutions are adequately organized in order to meet the serious challenges raised by noncommunicable diseases, thereby implicitly focusing in particular on primary healthcare.

3.6 Programmes for the prevention and control of NCDs need to adopt a '**life span approach',** attempt to reduce risk at stage of life through appropriate public health interventions. They also need to be variably integrated into different levels of health care (Primary, secondary, and tertiary). The principal functions of such a programme would be: (a) to provide information and an enabling environment for increasing awareness and adoption of health living habits by the community; (b) early detection of persons with risk factors and cost-effective interventions for reducing risk; (c) early detection of persons with clinical disease and cost-effective care to prevent complications; (d) acute care, utilizing low cost, high yield technologies; (e) secondary prevention to reduce, risk of the recurrent events; and (f) rehabilitation and palliative care, in cases where disease has resulted in complications or is incurable.

Many of these activities can be performed in primary care settings (e.g. health education, blood pressure checks, tobacco cessation, chest pain algorithms, oral cancer screening). Some would need to be strengthened in secondary care (e.g. management of some cancers, treatment of left ventricular dysfunction). In settings of tertiary care,

Technology needs to be utilized cost-effectively to provide advanced care as per clearly defined guidelines.

4. CONCLUSION

The burden of modern lifestyle diseases is enormous when the costs of investigation, diagnosis, treatment and primary and secondary prevention are included. A healthy lifestyle must be adopted to combat these diseases with a proper balanced diet, physical activity and by giving due respect to biological clock.

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Social Marketing in Healthcare Sector: To Reach the Unreached

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Abstract:

Social marketing is the systematic application of marketing, along with other concepts and techniques, to achieve specific behavioral goals for a social good. which usually applied to promote merit goods, or to make a society avoid demerit goods and thus to promote society's well being as a whole, but indirectly it can be is effectively use to promote a business by creating goodwill for the organization which is a valuable asset for any organization especially for health care providers.

Purpose: To explore the various dimensions of social marketing in health care sector and reach the unreached population for a deeper penetration with comparison to existing health care marketing strategy.

Objectives: To develops a model marketing strategy by integrating commercial marketing principles with social marketing for healthcare sector which is cost effective and having higher penetration to the market.

Methodology: Review of various principles of Social marketing and some evidence based marketing campaign based on social marketing in health care sector. Critically analyzing the effectiveness (Outcome) with compare to other marketing strategy.

Result: Social marketing is cost effective and higher reach than other marketing strategies in health care sector. Beside the purpose of marketing for the parent organization it also create goodwill for the organization which is difficult to achieve by other means of marketing.

Conclusion: Integration of commercial marketing with social marketing and formulating a new marketing strategy create a new equation in the era of commercial marketing and reduce the gap between the customer and service provider in health sector .So it should be given more emphasis.

Introduction:

Marketing refers to a careful planning and execution of of a strategy to promote a product or service so that it easily reach to the target customer .The success of an product or service of an organization completely depends on the marketing policy of the same. So marketing always get priority in all sectors and all industries. Considering to the health care sector the marketing policy is not prevalence because of the govt. policy that direct marketing of health care like commercial marketing not ethical and

one should not violate this In early 1990 when the private health care sectors are not organized enough the marketing is only limited to some sign boards or bill boards. Mostly these providers are depends word of mouth publicity as these are individual centric. After entry of corporate and large private players to this sector a well organized sector evolved. Gradually the number of players in this sector increases and lead to a competitive market. All the market players felt a need to reach their target customer and take the help of various Medias from where the marketing strategy of healthcare develop. But the govt. policy streamlines the mode of marketing for why they restricted to providing information. As this only providing the information is not enough to place their services in a better position so that alternative new marketing strategies develop. The new strategies mainly based on commercial marketing principles but in an indirect way. But unfortunately unable to full fill the need for which concept of social marketing develop to reach the unreached and compensates the lacuna of commercial marketing.

In   public health sector marketing policies is quite different as its objectives are far different from both commercial and modified commercial marketing. In earlier times public health sector mainly various health care programs like polio eradication, malaria control etc use the traditional IEC to reach the target population. In later it strongly felt that the failure a program or less effectiveness is due to lack of effective communication channel or failure of traditional IEC. After involvement of various management professional in this sector there is a transition from traditional marketing through IEC to differently rapped commercial marketing strategy. The marketing gradually known as the social marketing .A great thing about the social marketing is that it effectively able to reach the society and population which the social marketing not able to reach. The following few paragraphs of the paper try to unfold the different dimensions of social marketing and its significant to health care market. Here after the term health care market refers to both hospitals and public health.

Various dimensions of social marketing:

To define the various dimensions of social marketing on sentence is enough i.e.Marketing Social Change. It is the application of proven concepts and techniques which various dimensions drawn from the commercial sector to promote changes in diverse socially important behaviors (By Andersion)such as drug use, smoking, sexual behavior etc initially. Later it proved that this marketing approach has an immense potential to affect major social problems. By "proven techniques" According to Andersion these dimensions on which the while concept based on are,

1. The behavioral theory applicable components

2. Persuasion psychology

3.Marketing science

Along with these 3 major concepts there are other sub-components like human reactions to messages and message delivery. The "marketing mix" and "four Ps" of marketing like place, price, product, and promotion also consider in social marketing planning and implementation. The beehavioural theory use to influence behaviour that

affects health strategic marketing of messages that aim to change the behaviour of target audiences using the four Ps.

The Social marketing and Healthcare:The health communications field has been rapidly changing over the past two decades. It has evolved from a one-dimensional reliance on public service announcements to a more sophisticated approach which draws from successful techniques used by commercial marketers, termed "social marketing." Rather than dictating the way that information is to be conveyed from the top-down, public health professionals are learning to listen to the needs and desires of the target audience themselves, and building the program from there. This focus on the "consumer" involves in-depth research and constant re-evaluation of every aspect of the program. In fact, research and evaluation together form the very cornerstone of the social marketing process.

Social marketing uses commercial marketing strategies to change individual and organizational behavior and policies. It has been effective on a population level across a wide range of public health and health care domains. There is limited evidence of the effectiveness of social marketing in changing health care consumer behavior through its impact on patient-provider interaction or provider behavior. Social marketers need to identify translatable strategies (e.g., competition analysis, branding, and tailored messages) that can be applied to health care provider and consumer behavior. Social marketing use some potential strategies to change provider and consumer behavior. Some of them are 1.*Counter-marketing* is a rapidly growing social marketing strategy that has been effective in tobacco control and may be effective in countering pharmaceutical marketing using specific message strategies. 2.*Informed decision making* is a useful strategy when there is medical uncertainty, such as in prostate cancer screening and treatment. Pharmaceutical industry marketing practices offer valuable lessons for developing competing messages to reach providers and consumers. Social marketing proved it as an effective population-based behavior change strategy that can be applied in individual clinical settings and as a complement to reinforce messages communicated on a population level. There is a need for more research on message strategies that work in health care and population-level effectiveness studies

Need of healthcare marketing to go social.

It is quite debatably and confusing why healthcare needs social marketing. The few sentences in favor of this are 1.Trust has been shattered .2.Customers (health care seekers) have changed attention deficit 2.fragmented niche interest 3.Feeling time Starved. 4. Distrust full of advertising.5.Irritated by customization and media options. 6. Also they are becomes more empowered by search options, expressions of self and others and sharing the value globally.7.Peoplle normally turn to peer groups rather than commercial ads. In situations like when risk is higher, they need filtration of information and when the time for search is not available.

47%	Believes what a person like me use or say
13%	Think advertiser and marketer are credible
56%	Of Aged 35-65 wants to share experiences about companies with others
63%	Of aged 25- 35 wants to share experience about companies with others
91%	Customer chose to avail services or products from the company on which they trust.
77%	Refuses to buy or get service from company whom they distrust

Source:2009,Edelman trust barometer

It indicates from the table clearly that trust drives transaction. So marketing strategy should be based on trust. In such cases the social marketing has greater impact than commercial. It shows that in traditional commercial based or commercial type of marketing strategy a part of population excluded and not perceives as trusted source of information. So that it should be given more emphasis to reach the maximum population. The social marketing can effectively reach the some part of excluded group along with the existing.

Applying social marketing to healthcare sector:

Health behaviors are widely influence by social marketing. It uses a wide range of health communication strategies based on mass media. It also use mediated (for example, through a healthcare provider), interpersonal, and other modes of communication; and marketing methods such as message placement (for example, in clinics), promotion, dissemination, and community level outreach. Social marketing encompasses all of these strategies.Thecommunication channels for health information have changed greatly in recent years. One-way dissemination of information has given way to a multimodal transactional model of communication. Social marketers face challenges such as increased numbers and types of health issues competing for the public's attention; limitations on people's time; and increased numbers and types of communication channels, including the internet. A multimodal approach is the most effective way to reach audiences about health issues.

Basic elements or stages of social marketing.

The six basic stages are:

1. Developing plans and strategies using behavioural theory;

2. Selecting communication channels and materials based on the required behavioural change and knowledge of the target audience;

3. Developing and pretesting materials, typically using qualitative methods; implementing the communication programme or "campaign"

4. Assessing effectiveness in terms of exposure and awareness of the audience, reactions to messages, and behavioural outcomes (such as improved diet or not smoking)

5. Refining the materials for future communications.

6.Feeds back into the first to create a continuous loop of planning, implementation, and improvement.

To reach the unreached by Target customer segmentation/Target whole population:

Target customer or total population is one of the key decisions in social marketing that guides the planning of most health communications is whether to deliver messages to a general audience or whether to "segment" into target audiences. Audience segmentation is usually based on sociodemographic, cultural, and behavioural characteristics that may be associated with the intended behaviour change.The broadest approach to customer segmentation is targeted communications, in which information about population groups is used to prepare messages that draw attention to a generic message but are targeted using a person's name (for example, marketing by mass mail). This form of segmentation is used commercially to aim products at specific customer profiles (for example, upper middle income women who have children and live in suburban areas). It has been used effectively in health promotion to develop socially desirable images and prevention messages.Tailored" communications are a more specific, individualised form of segmentation. Tailoring can generate highly customised messages on a large scale. Over the past 10-15 years, tailored health communications have been used widely for public health issues. Such communications have been defined as "any combination of information and behavior change strategies intended to reach one specific person, based on characteristics that are unique to that person, related to the outcome of interest, and derived from an individual assessment."7 Because tailored materials consider specific cognitive and behavioural patterns as well as individual demographic characteristics, they are more precise than targeted materials but are more limited in population reach and may be more expensive to develop and implement.

Media trends and adapting commercial marketing: Commercially flavored social marketing: As digital sources of health information continue to proliferate, people with low income and low education will find it more difficult to access health information.

This "digital divide" affects a large proportion of people.Thus, creating effective health messages and rapidly identifying and adapting them to appropriate audiences (which are themselves rapidly changing) is essential to achieving the Goal. As a result social marketers have adapted commercial marketing for health purposes. The social marketing start to uses commercial marketing principles. Mainly it try to analyzing target customer, identifying the objectives of targeted behavior changes, tailoring messages. It also pickup strategies like branding—to promote the adoption and maintenance of health behaviours. Key trends include the recognition that messages on health behavior vary along a continuum from prevention to promotion and maintenance, as reflected by theories like "transtheoretical model" the need for unified message strategies and methods of measuring reactions and outcomes and competition between health messages and messages that promote unhealthy behaviour from product marketers and others.

Aim of social marketing: Prevention versus promotion

Social marketing messages can aim to prevent risky health behaviour through education or the promotion of behavioural alternatives. Some are focus on to prevent, whereas the others for Disease Control and Prevention. Cocktail of both may be tried in some genuine cases to get maximum benefit.

Conceptual framework of social marketing:

Marketing initiatives

⬇

Select social marketing strategy

⬇

Phase of exposure to message

⬇

Repetition of exposure

⬇
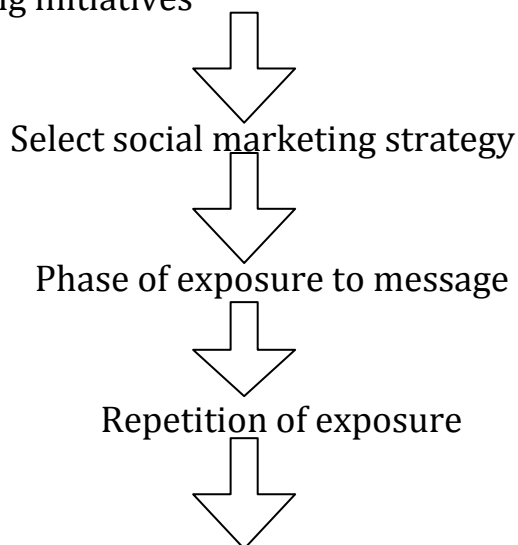
Required out come by behavioral change or modification

In above conceptual frame work 4 Ps of marketing well focused along with some additional Ps to get maximum benefit in health care marketing. These Ps are Product, Place , Price, Promotion and public ,partnership, policy and purse string.Product

Product: The social marketing "product" is not necessarily a physical offering. A continuum of products exists, ranging from tangible, physical products (e.g., condoms), to services (e.g., medical exams), practices (e.g., breastfeeding, ORT or eating a heart-healthy diet) and finally, more intangible ideas (e.g., environmental protection). In

order to have a viable product, people must first perceive that they have a genuine problem, and that the product offering is a good solution for that problem. The role of research here is to discover the consumers' perceptions of the problem and the product, and to determine how important they feel it is to take action against the problem.

Price: It refers to what the consumer must do in order to obtain the social marketing product. This cost may be monetary, or it may instead require the consumer to give up intangibles, such as time or effort, or to risk embarrassment and disapproval. If the costs outweigh the benefits for an individual, the perceived value of the offering will be low and it will be unlikely to be adopted. However, if the benefits are perceived as greater than their costs, chances of trial and adoption of the product is much greater.

In setting the price, particularly for a physical product, such as contraceptives, there are many issues to consider. If the product is priced too low, or provided free of charge, the consumer may perceive it as being low in quality. On the other hand, if the price is too high, some will not be able to afford it. Social marketers must balance these considerations, and often end up charging at least a nominal fee to increase perceptions of quality and to confer a sense of "dignity" to the transaction. These perceptions of costs and benefits can be determined through research, and used in positioning the product.

Place: Describes the way that the product reaches the consumer. For a tangible product, this refers to the distribution system--including the warehouse, trucks, sales force, retail outlets where it is sold, or places where it is given out for free. For an intangible product, place is less clear-cut, but refers to decisions about the channels through which consumers are reached with information or training. This may include doctors' offices, shopping malls, mass media vehicles or in-home demonstrations. Another element of place is deciding how to ensure accessibility of the offering and quality of the service delivery. By determining the activities and habits of the target audience, as well as their experience and satisfaction with the existing delivery system, researchers can pinpoint the most ideal means of distribution for the offering.

Promotion: This element is often mistakenly thought of as comprising the whole of social marketing. However, as can be seen by the previous discussion, it is only one piece. Promotion consists of the integrated use of advertising, public relations, promotions, media advocacy, personal selling and entertainment vehicles. The focus is on creating and sustaining demand for the product. Public service announcements or paid ads are one way, but there are other methods such as coupons, media events, editorials, "Tupperware"-style parties or in-store displays. Research is crucial to determine the most effective and efficient vehicles to reach the target audience and increase demand. The primary research findings themselves can also be used to gain publicity for the program at media events and in news stories.

"P's" specially to social marketing:

Publics: Social marketers often have many different audiences that their program has to address in order to be successful. "Publics" refers to both the external and internal groups involved in the program. External publics include the target audience, secondary audiences, policymakers, and gatekeepers, while the internal publics are those who are involved in some way with either approval or implementation of the program.

Partnership: Social and health issues are often so complex that one agency can't make a dent by itself. You need to team up with other organizations in the community to really be effective. You need to figure out which organizations have similar goals to yours--not necessarily the same goals--and identify ways you can work together.

Policy: Social marketing programs can do well in motivating individual behavior change, but that is difficult to sustain unless the environment they're in supports that change for the long run. Often, policy change is needed, and media advocacy programs can be an effective complement to a social marketing program.

Purse Strings: Most organizations that develop social marketing programs operate through funds provided by sources such as foundations, governmental grants or donations.

Some recommendation for an effective social marketing:

Some scientific research indicates that certain proven strategies can enhance social marketing efforts. Healthcare marketers are striving to improve their social media efforts. There are a lot of varying strategies espoused, making it difficult to know which ones are most effective. Social networking is certainly not a proven scientific endeavor. There are some basic competencies required, but it also involves some degree of art, intuition and luck. Few suggestion are given bellow

1. Experiment with different strategies to discover what works. Conduct your own research. Try different things and learn what is most effective for your hospital.

2. Audience size is important. Certainly you want a quality audience but quantity is very important. Hospitals need engaged followers but also need a large number of them.

3. Find and target your influencers. Among your fans/followers there are key influencers. Usually it's those who were early adopters of social media.   Extra attention and care should be given to them.

4. Bigger and louder works – to a point. It's possible to yell over the social media clutter but only for a limited time.   If you yell too much, you will be tuned out.

5. Personalize the conversation with your audience.   Make it personal and authentic. Everyone likes hearing his or her name. And to be the center of attention. Know that! And use it to your advantage.

6. Avoid link fatigue. Don't wear your audience out with too many links. Your audience will grow tired and lose interest.

7. Make your brand cool. I know that's somewhat difficult for hospitals but find ways to help your audience improve their reputations and status by being associated with your brand.

8. Avoid information voids. Rumors and misperceptions form when there is a lack of information. Always get out in front of every potential crisis.

9. Don't talk too much about yourself. Take it easy on yourself. No one wants to be engaged in conversation with someone who talks about himself all the time. How boring is that!

10.   Use call-to action. As is true with every type of marketing, you ultimately want your audience to take action. Compel your audience to do so. And make it easy for them to do so.

Conclusion: Healthcare marketers are still learning when and how to do social marketing effectively and some time also wondering. we are learning more and more every day.   Trial and error and experimentation will teach us a lot. But learning from those who have experience and who are avid students of social media can certainly improve our learning curve. That's why tips listed here are so very helpful.Social marketing is cost effective and higher reach than other marketing strategies in health caresector. Beside the purpose of marketing for the parent organization it also create goodwill for the organization which is difficult to achieve by other means of marketing.Integration of commercial marketing with social marketing and formulating a new marketing strategy create a new equation in the era of commercial marketing and reduce the gap between the customer and service provider in health sector.

Keywords: Holistic marketing, counter marketing,

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Health Information Technology and Dynamic Capabilities

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Abstract:

Background: Health Information Technology (HIT) purports to increase quality and efficiency in healthcare organisations. However, healthcare organizations are situated in constantly changing environments. They need dynamic capabilities to implement Hit effectively.

Purposes: This study builds on the dynamic capabilities perspective and generates propositions about implementing HIT in dynamic environments. Specifically, to identify the - (1) the necessary resources and capabilities for organizations to implement HIT; (2) the organizational capabilities and benefits that can be enhanced by HIT ; and (3) the comparison between three distinct forms of HIT.

Approach: This study aims to identify dynamic capabilities that are associated with (1) electronic medical records, (2) telemedicine, and (3) social media. In addition it discusses the benefits of these HITs for improving the dynamic capabilities of healthcare organizations.

Propositions/Findings: This study generates three sets of propositions that can be tested empirically. First, how organization size and human resources affects successful implementation of HIT. In addition, three technology - specific factors – hospital type, medical specialty, and socially desirable technical features- may affect the implementation of HIT.

Practical Implications: To cope up with constantly changing environmental pressures, health administrators need to deploy, modify, and/or acquire organization resources skillfully .Practitioners need to identify dynamic capabilities to support specific forms of HIT and understand how HIT enables health care organizations in turn. The concept of evolutionary fitness in the dynamic capabilities perspective may be developed to measure HIT implementation.

INTRODUCTION

In the information society it is important to develop and apply technologies in such a way that we empower citizens to play a full role. An essential part of the information society, healthcare services are needed by citizens and should be provided efficiently and made accessible to all.

Health information technology conceptualization broadens the scope of healthcare delivery system. It is expected to contribute to development of new ways of delivering health services and to impact on the organization and structure of the health care delivery system. It is not only a technological improvement, it is a reengineering of health care processes and is of consideration of the socio-technical aspects of design and development of applications.

Reducing healthcare expenditures well as offering quality health care treatment is becoming a priority globally. Technology and automation have the potential to reduce these costs.

Health care organization have had to adapt to many changes in the world around them, from advances in diagnostic and therapeutic procedure to the emergence of administrative innovations such as managed care and the invention of new information technologies. Organizations need to evaluate the potential and implications of new internet technologies, adapt them to local needs and conditions, minimize the risk associated with new product and service deployment, and plan to demonstrate the value of their efforts.

The discussion recognizes that health care organizations come in many forms –community based health facilities, managed care organizations(MCOs) and health maintenance organizations(HMOs), integrated delivery networks (IDNs), and non acute facilities- each of which may adopt the internet for different applications, whether management and administration, communication among health care professionals, consumer education, or patient management. The specific factors that facilitate or impede internet applications will differ from one organization to the other ,but the discussion that follows is broadly applicable because it identifies common challenges faced by a variety of health care organizations as they attempt to implement a range of applications serving different type of end user The internet could enable profound changes in the nature and structure of the health care industry and industry and, ultimately the delivery of health care services .The health care organizations is and will continue to be –diverse, with individual organizations facing different environmental pressure, pursuing different missions ,and cultivating different cultures, but the information technology appears capable of supporting at least a handful of common strategic interests. It could for example, help organization to do the following:

Improve the efficiency and effectiveness of processes that customers use to judge organizational performance (e.g, scheduling an appointment) or processes that form the core of the organizations business (e.g, medical management);

Develop partnership with related organizations in an effort to leverage respective strength (e.g , MCOs partnering with pharmaceutical companies to develop disease management

programme) Reach consumers directly to solidify brand names and eliminate intermediaries (disintermediation);

Improve, differentiate, and deliver new services to key customers; and Improve organizational decision making.

RESOURCES AND CAPABITLITIES REQUIRED TO IMPLEMENT H.I.T

Information Technology (IT) is seen as an enabler of change in healthcare organizations of Healthcare IT. It includes both computer hardware and software that are required for storage but technology adoption decisions are complex because of uncertainty of benefits and rate of change of technology. It requires high quality resources and capabilities for successful implementation, retrieval, and sharing of information, data and knowledge for communication and decision making. Health IT is used to manage medical information in such a way that it protects patient's privacy and ensures a secured exchange of health records between consumers, professionals, insurers and other health team members. Health IT can include electronic health records, personal records, email communications, e-prescribing systems, clinical alerts, computerized decision support systems and other technologies that store, protect, retrieve and transfer clinical, administrative and financial information electronically within healthcare systems. Health IT adoption is intended to prevent medical errors , reduce healthcare costs, improve administrative efficiency, reduce paper work, expand access to affordable care and improve healthcare quality.

Technology management and operations capability is a core readiness factor for HIT implementation. A model of effective technology management has been presented – Technology management to build capacity and create sustainability. It calls for implementation of continuous cycle of technology improvement. Instead of applying resources to technology in short and intense bursts or on a project to project basis, this model calls for organizations to build and maintain significant technology management capacity , then use this capacity in continuous sustained effort to keep technology systems moving forward in line with clinic business processes.

Successful technology operations are supported with sound technology management structures, clear lines of responsibility and attentive support of clinic leadership. Sound technology leadership also provides direction for staff, vendors and outside consultants in implementing organization's vision and how technology can support that vision. Technology management structures can provide means to evaluate staff , vendors , consultants and managers and hold them accountable. Absence of strong technology management structures and processes increase the risk of failure of mission- critical systems and strains clinical processes that these systems support.

Under the model proposed in Technology management to build capacity and create sustainability-

- Clinical models are tightly integrated with technology and information systems , making it essential executive level technology manager has broad organisational perspective including knowledge of both technology and operations;
- Sustained investments are made in technology management, planning and training.
- Communication and coordination are valued- leaders from all disciplines are consulted when identifying issues , needs and priorities
- Clinics provide appropriate support to their users with managed resources whether staff based, consultant based or both
- Technology staff , vendors and consultants are supervised , evaluated and held accountable by the management
- Technology projects are structured, budgeted , managed and evaluated by management.

Highly functioning technology management structures position clinic to be proactive in their use of technology rather than addressing needs on a crisis by crisis basis. In this manner clinical operations are more easily supported and technology investments are maximized.

Building Technology Management Capabilities

Use and management of existing systems is often a key indicator of an organization's readiness to absorb more complex and sophisticated technology tools.

Resources for technological self assessment-

Item	Context
Technology maturity and capability	First step to building technology capacity is to understand organisation's strengths and weaknesses. A self assessment of technology maturity and capability will identify strengths and weaknesses, allowing clinic to focus capacity building efforts on the area's most needed.
EHR readiness assessment	Implementing EHR is seen not merely as a technology project but change in the way care is delivered. Readiness assessment to identify strengths, weaknesses and gaps, in advance , will accelerate benefit realisation process and provide a measure of risk mitigation against many ways implementation can fail.
HIT Self Assessment	It is another resource to assess strengths and weaknesses in three key organisational dimensions that impact technology enabled quality improvement.

Resources for improving technology leadership-

Item	Context
Technology leadership and management role	Because technology and clinic operations are so tightly integrated, central technology leadership and management role needs to be filled by an executive level leader with significant knowledge of both. Responsibilities of this role include technology planning processes, seeking multidisciplinary input, negotiating priorities, allocating resources and overseeing operations.
Executive-level Strategic technology	This team is a forum where strategic

team	technologic issues can be discussed and decisions negotiated that reflect the whole need of the organisation. The multidisciplinary make up of the team makes it effective as tool for communicating technologic issues and decisions between line staff and decision makers.

Resources for managing and sustaining technology systems-

Item	Context
Annual technology planning process	This process is timed to inform development of the budget. It details projects, partnerships and expenditures to be made in next budget year.
IT Policies and procedures	These are cornerstone for effective technology management, used to translate organisation's values, priorities and resources that are clearly communicated and enforceable. These are one tool used by management to implement aspects of their strategic vision in daily operations. These are regularly updated to match changes in technology and environment.
User support systems	Support services can be provided by IT staff or consultants, so it is important to provide guidelines for service providers so that they are provided in a way consistent with organisation's priorities.
Technology roles and responsibilities	Their usefulness in writing job descriptions and avoiding misinterpretations, role descriptions allow supervisors to evaluate staff against organisational expectations. They allow role-based technological capabilities and skill sets to be defined, informing the development

	of training plans and staff evaluation tools.
Tactical technology team	It is a forum for coordination and communication between those responsible for providing user supports, managing technology projects, and performing system maintenance tasks.
System documentation and guidelines	Documentation of systems and guidelines capture details and thus are asset to organisation i.e. knowledge and information stays within the organisation.

Resources for maximizing use of information systems-

Item	Context
Information Systems roles and responsibilities	Avoids misinterpretation and eases staff evaluation against organisation's expectations
Information system documentation	Captures key information about how HIS is set up and used, procedural and process flow documentation protects the organisation against staff turnover. Also, should be changed when systems change.
Reporting and queries	Reporting is a tool to analyse raw data and provide unbiased information to organisation and facilitate informed decision making.
Training plans and methods	Basic computer and internet skills , addressing ongoing training need with minimal impact on daily operations

Resources for managing a system selection process-

Item	Context
Project charter	It gives original intent for which the project was launched, helping to

	realign team . Outlines roles and responsibilities of members, budget expectations, known and potential project risks and risk mitigation strategies.
Project team composition	Correct mix of operations staff, leader and external experts.
Current state documentation	Detailed information of existing IT infrastructure, systems, management technology and information systems.
Needs Assessment	Expectations of the organisation from the new system to be implemented.
Future state documentation	Features, functions, costs and outcomes expected from new system and also new capabilities required for them to operate.
Requirements development	Following general needs assessment, detailed needs assessment is crucial to selection of appropriate system.
Vendor evaluation	Vendors must present their solutions in accordance with requirements, patient population and service characteristics of service centre.
Vendor selection	Post evaluation
Specification development	To ensure that special requirements will be met in a specific manner, specifications need to be developed and attached to the contract.

Risk management and contracting-

Item	Context
Technology vendor licensing and contracting	Vendors usually place one sided agreements and blame organizations for software failure. organizations should know legal protections and issues to insist upon

	before entering into transactions.
Contract negotiations	Trying drafting agreements based on organisations demand and pushing vendors to follow it.
Managing a vendor relation based on Contract agreement	Agreement is a formal framework of relationship between vendor and organisation and hard fought terms must be enforced.

Implementing a new system-

Item	Context
System implementation overview	During contracting and implementation process, centres should verify milestones based on testing and acceptance of various modules, features and interfaces.
Planning the implementation process and preparing the organisation	Preparation of project charter and communication.
Application testing	Thorough testing of system by simulating real life situations. It involves Unit testing to the whole Integrated testing.
System documentation	Systems are configurable. Documentation of how the system works, rationale, decisions made or calculations involved in setting up system preserves knowledge for the organisations.
Process redesign	It is often helpful to sketch out current and proposed future processes, identifying data flows and process outputs and staff members involved. These are helpful in providing training and give a clearer picture of how the new system will fit into operations.

EFFECT OF TELEMEDICINE IN IMPROVING EFFICIENCY-

Telemedicine enable efficient use of physicians and experts resources that are scarce today. In case of an emergency, a lot of time is spent currently in transporting the patient to the hospital and getting accurate information across to the physician. Telemedicine will enable the patients and physicians to connect instantly and access accurate data in real time. Regular consultation sessions could take place at a nearby telemedicine kiosk over video conferencing technology, with the review of medical data from patient records stored in a secure and virtual information repository. Follow-up care for recuperating patients could be done via the same telemedicine network without the need for either party to move from one point to another.

Telemedicine enables time saving facilities like access specialized health care services to the underserved rural and semi urban areas and access of specialist without physical referral. Telemedicine also eliminates costs relating to physicians fees and travel costs. It also results in early detection of disease and reduced burden of morbidity.

COST BENEFIT ANALYSIS OF ELECTRONIC MEDICAL RECORDS

Electronic medical record system improve the quality of patient care and decrease medical errors, A U.S based study shows the cost benefit of electronic medical record system. Purpose of the study was to estimate the net financial benefits or cost of implementing electronic medical records systems.

The study concluded that implementation of an electronic medical record system can result in a positive financial return on investment to the health care organization. The magnitude of the return is sensitive to several key factors.

Costs

There are two category of costs associated with electronic medical records implementation: system costs and induced costs. System costs include the cost of the software and hardware, training, implementation and ongoing maintenance and support. Induced costs are those involved in the transition from a paper to electronic system, such as temporary decrease in provider productivity after implementation.

Benefits

Financial benefits included averted costs and increased revenues. benefits were divided into three categories : payer-independent benefits, benefits under capitated reimbursement, and benefits under fee for service reimbursement. Benefits under capitated reimbursement accrue to the practice and health care organizations primarily from averted costs as a result of decreased utilization. Clinical decisions support alerts and reminders can decrease utilization by reducing adverse drug events, offerings alternatives to expensive medications, and reducing the use of laboratory, and radiology tests. By using an electronic medical record system that either supplies or prompts for certain required fields , billing error losses can be reduced. Computerizing the encounter form could decrease these errors. Other potential areas of savings were

1. Savings in malpractice premium costs.

2. Storage and supply costs.

3. Generic drug substitution.

4. Increased providers productivity.

5. Decreased staffing requirements.

6. Increased reimbursement from more accurate evaluation and management coding.

7 Decreased claims denials from inadequate medical necessity documentation.

Also not all the benefits of electronic medical records are measured in financial terms
Other benefits include:

1.Improved quality of care.

2. Reduced medical errors.

3. Better access to information.

Inference

The medical record system is a key component of a strategic goal of clinical system integration to allow providers to move between sites in the network to deliver seamless care at the most appropriate location. Also apart from the perspective of the health care organizations to aid in making

the decisions about implementation of an electronic medical record. It may also be worthwhile to take the societal perspective , which would include benefits to payers and patients. For example, despite the trend away from global risk capitation payers are moving towards patient cost-sharing approaches, such as differential co-payments , high deductible options, and health savings accounts. With these types of arrangements, patients may prefer to seek care providers who use electronic medical record system to control costs and improve quality of care.

SOCIAL MEDIA AND HEALTHCARE

Social media has invaded health care from at least three fronts: innovative startups, patient communities and medical centres. The social media has nurtured dozens of startups with creative concepts to revolutionize health care: tools from vertical search and social networks to health content aggregators and wellness tools.

Patient communities are flourishing in an environment rich with social networks, both through mainline social communities and condition-specific communities. Meanwhile, hospitals and academic medical centres are diving into the social media mix with more than 300 YouTube channels and 500 Twitter accounts. Hospitals are moving from experimentation (Twittering from the OR to Flipcam videos) to strategic use of social media to enhance brand loyalty and recruit new patients. They are taking on monitoring and monetization of social media.

At the same time, health care organizations find challenges in adopting social media. Hospitals and medical practices are risk adverse and generally cautious about new technology trends without clear value. There are questions about whether social media use by hospital employees is a waste of time, or even worse, presents risks of violating HIPAA or leaking proprietary information. Hospital IT departments are concerned about security risks, such as the use of tinyurl.com, which can mask malicious Web sites. Privacy concerns, particularly the vulnerability of social media accounts, are also cited as a reason to avoid social media.

Current Trends in Social Media

- Current trends to watch in social media in health care include:
- Managing a conversation;
- Engaging e-patients;
- Convergence with personal health records; and
- Social media for providers.

An important distinction in this two-way conversation is between medical advice and medical information. Hospitals and providers need to walk a fine line between giving specific medical advice in the relatively public forums of social media and providing more generalized medical information.

At the same time, there are ways to create a conversation with health care consumers. Sites like Medhelp.org have provided this kind of information using medical experts to answer patient-submitted questions in general terms. For instance, promoting wellness is a win-win; medical information relevant to many is provided without specific medical advice for a patient's medical condition.

The rise of e-patients creates many opportunities for engagement. E- patients can also provide feedback for improvement of such websites and processes.

Social Media for Providers

Finally, a relatively untapped resource is the use of social media among medical professionals. If anything, there have been negative stories about abuses and misuses of social media by health professionals and ethical questions of connecting with patients online.

Currently, few health care professionals see the value in social networking with other physicians, or they are not convinced that the benefits are worth the time. Although well over 90% of physicians use the Internet for continuing education, medical reference and e-mail with colleagues and a majority of doctors have a smart phone, taking the leap into online communities is less common.

Future Evolution of Social Media

Social media is here to stay in health care, but it will evolve quickly. Patient engagement will continue to characterize this change. Organizations will use social media tactically within their overall marketing and communications efforts -- videos and mobile technology will likely dominate these approaches.

Online patient communities will expand and will become a rich source of information for others. Physicians and other health care providers will discover social media, which will have the potential of progressing medical research.

There may be regular news reports of privacy violations, dangerous misinformation and fraud promoted via social media, but these reports are not likely to stop a wave of innovation and conversation.

CONCLUSION

Improvements in quality and efficiency of health center care using health IT could help achieve two important objectives:

(i)Improving healthcare outcomes for vulnerable populations, thereby reducing health disparities, and

(ii)Decreasing overall system costs associated with caring for

low-income populations.

Achieving such goals may necessitate policy interventions, To cope with constantly changing environmental pressures, health administrators need to deploy, modify, and/or acquire organizational resources skillfully. Practitioners need to identify dynamic capabilities to support specific forms of HIT and understand how HIT enables health care organizations in turn. The concept of evolutionary fitness in the dynamic capabilities perspective may be developed to measure HIT implementation.

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SIX SIGMA-EFFECTIVE TOOL FOR MANAGERS

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Abstract:

The objective of this paper is to contribute a clear understanding of SIX SIGMA which is helpful to the organizations to achieve the success in terms of quality. Consequently, a good design methodology for implementation of Six Sigma in manufacturing products as well as that of services is needed. The objectives are achieved by implementation of Six Sigma approach to quality improvement project in automotive industry. The applied Six Sigma approach includes team works through several phases: Define, Measure, Analyze, Improve, and Control (DMAIC). Systematic application of Six Sigma DMAIC tools and methodology for an general manufacturing unit results with several achievements such are reduction of tools expenses, cost of poor quality and labours expenses. Also, Six sigma provide measurable indicators and adequate data for analytical analysis. This paper is of the value to researcher in the field of quality management and quality improvement, as well as to professionals in the manufacturing industry, wherever the quality improvement is an issue.

Keywords: *Total Quality Management (TQM), SIX SIGMA, DMAIC , and Quality*

1. Introduction

The Six Sigma is a statistical term that measures how far a given process deviates from perfection. Six Sigma is named after the process that has six standard deviations on each side of the specification window. It is a disciplined, data-driven approach and methodology for eliminating defects[1]. The central idea behind Six Sigma is that if you can measure how many "defects" you have in a process, you can systematically figure out how to eliminate them and get as close to "zero defects" as possible. Six Sigma starts with the application of statistical methods for translating information from customers into specifications for products or services being developed or produced. Six Sigma is the business strategy and a philosophy of one working smarter not harder. One sigma gives a precision of 68.27%., two sigma, of 95.45% and three sigma of 99.73%, whereas Six Sigma gives a precision of 99.9997%.To achieve Six Sigma Quality, a process must produce no more that 3.4 defects per million opportunities. An opportunity is defined as a chance for nonconformance, or not meeting the required specifications. This means one needs to be nearly flawless in executing key processes. The process and culture is conditioned for zero defects rather than being one

that accepts that it is inevitable, and acceptable, that mistakes will occur. Hence Six Sigma delivers substantial cost reductions, enhanced efficiencies, sustainable improvements and increased stakeholder value.
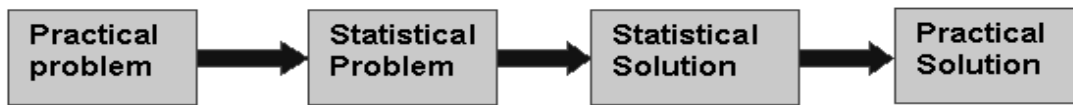
Figure 1: Understanding Six Sigma

2. *Research:*

There is increasing demand for high-quality products and highly capable business processes by large organizations has left no choice industries to consider the introduction of Six Sigma business strategy. Failure to meet can jeopardize industries well-being and survival. Also if industries fail to provide the quality products and services, their is risk losing customers who will opt for one their competitors. Based on the results of the study, it is then aims to identify the critical factors which contribute to the successful implementation of Six Sigma[2]. The main objective of Six Sigma initiative is to aggressively attack costs of a quality. Overall costs of quality are, usually, divided in tangible and intangible part. The tangible or visible part of costs of quality, e.g. inspection and warranty costs, scrap, rework and reject, can be approximated with only 10–15 % of overall costs of quality. Remaining 85-90 % of quality costs are usually intangible and, therefore, overlooked and neglected in companies quality costs analyses[3]. Hence Six Sigma as a tool deals with identification and reduction of production cost in the processes[8].
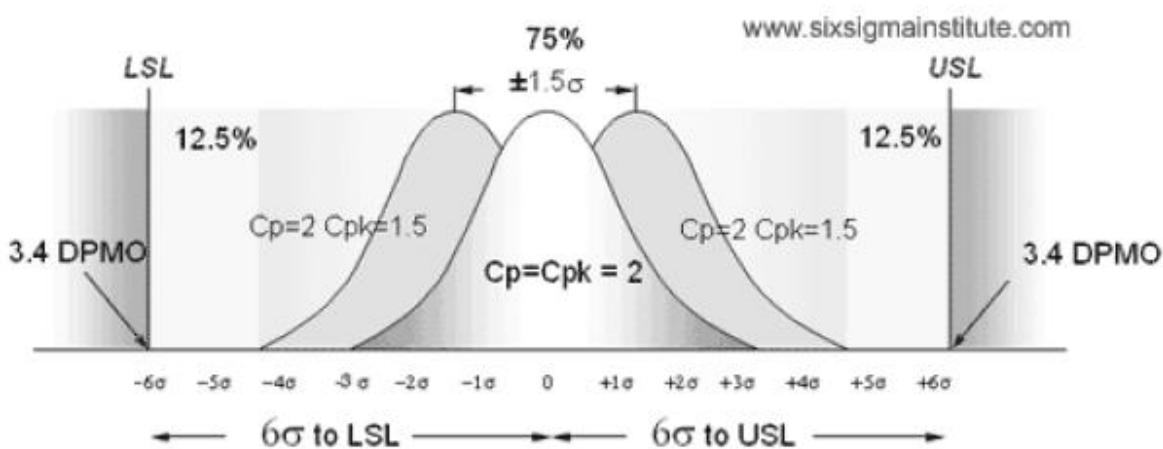
Figure 2: Minimizing defects/variations using Six Sigma limits

3. Six Sigma Methodology:

In this project the Six Sigma approach, based on team, works through the structured DMAIC methodology (**Define, Measure, Analyse, Improve, and Control** phases).DMAIC is a highly data-driven, fact-based application of the scientific method of inquiry that emphasizes discernment and implementation of the so-called **"voice of the customer" (VOC)** as related to processes, products and services that create value both for the producer and the consumer.
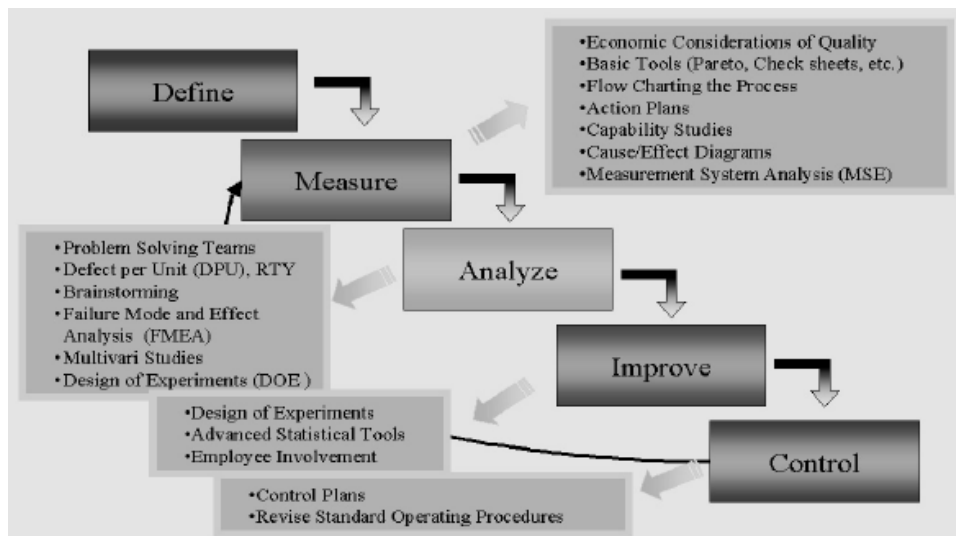
Figure 3: DMAIC Methodology for running Six-Sigma process

3.1 Define phase:

The main objectives of define phase is to enable teams to identify and/or validate their improvement project, illustrate their business processes, define customers requirements, and prepare them to be an effective project team. This phase defines the goals and boundaries of an improvement study in terms of customer requirements or business requirements and the process delivering these requirements.

The main activities of define phase are to

a) Define the project boundary by SIPOC (Supplier, Input, Process, Output, Customer) analysis

b) Prepare Critical to Quality (CTQ) specification table.
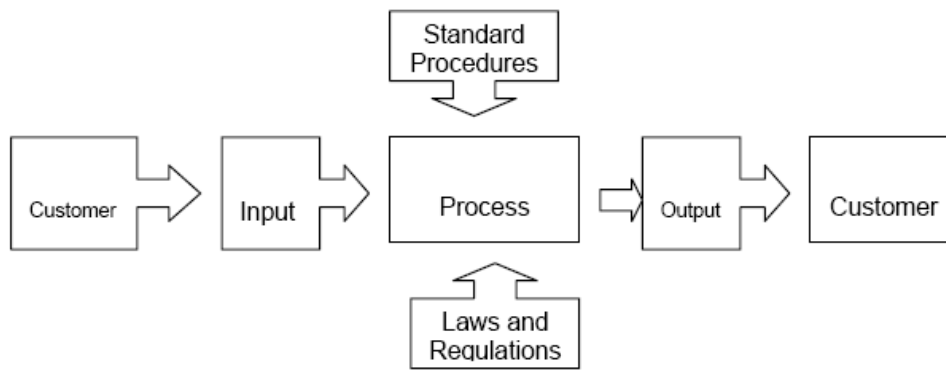
Figure 4: SIPOC for processes

3.2 Measurement Phase:

The Measure phase of a Six Sigma study deals with the following

i) Data collection plan and identification of stratification factors. The various data collection methods adopted are conducting Surveys, Face-to-Face Interviews, Focus groups, Mystery Shopping, Customer Feedback, Automatic Data Capture, Manual Data Capture,etc.

ii) Collection of information on cycle time such as calculating parameters eg Mean, Mode, Median, Std Dev, etc

iii) Analysis of cycle time data for Sigma level estimation.

(DPMO=(no of Defects)/(No of Units X No of Opportunities) X 100000)

iv) Initial Process analysis based on the stratification factors

3.3 Analyze Phase:

The main objective of Analyse phase is to identify problem's root cause through process and data analysis. The various steps adopted are a) Pareto Charts b) Value Analysis c) Root Cause Validation. The seven basic tools used is described in table1:

Sr No	Tool	Objective
01	Stratification	What Data?
02	Check-sheet	How easiness in collecting data?
03	Pareto Diagram	What are our priority data?
04	Histogram	How do the Data Vary?
05	Cause & Effect	What are the Causes?

	Diagram	
06	Scatter Diagram	What is the apparent relationship between cause & effect?
07	Graphs & Charts	How does it vary with time?

3.4 Improvement Phase:

The main objective of Improvement phase is to identify, evaluate and select the right improvement solutions. To develop a change management approach to assist the organization in adapting to the changes introduced through solution implementation. The main activities carried are i) Generate Solution, ii)Determine Solution Impacts(Benefits), iii) Evaluate & select Solutions, iv) Develop and present storyboard v) Communicate Solutions to all stake holders
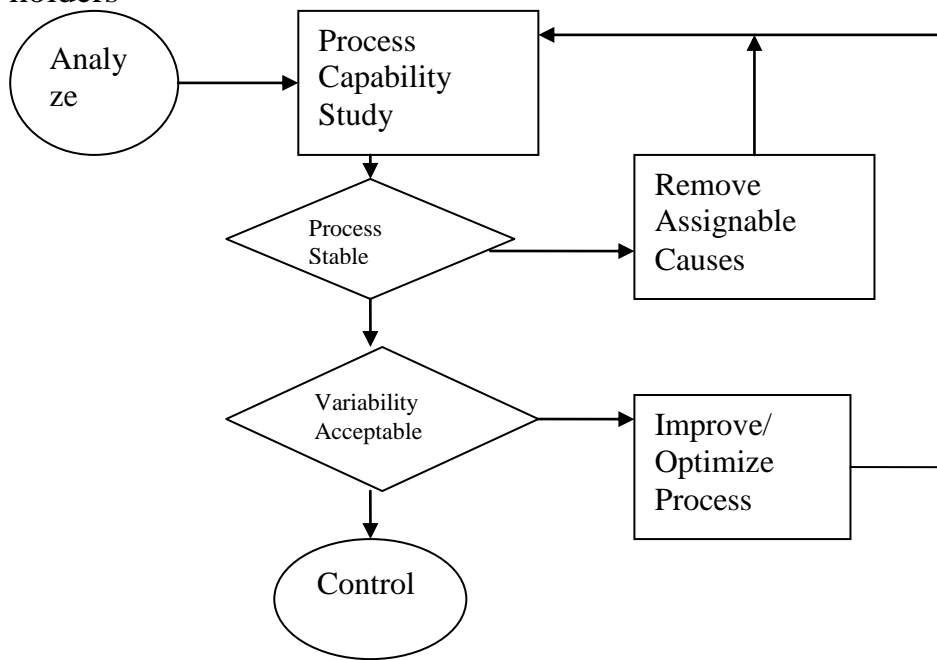
3.5 Control Phase:

The goal of any quality activity is to meet the needs of the customer. Statistical process control(SPC) consists of a set of tools and activities that contribute to this goal through following objectives:

i) Process capability ii) Monitor Processes iii) Changed & corrective action iv) Statistical Valid solutions v) when & when not to take actions vi) Variations vii) improve product viii) continuous improvement
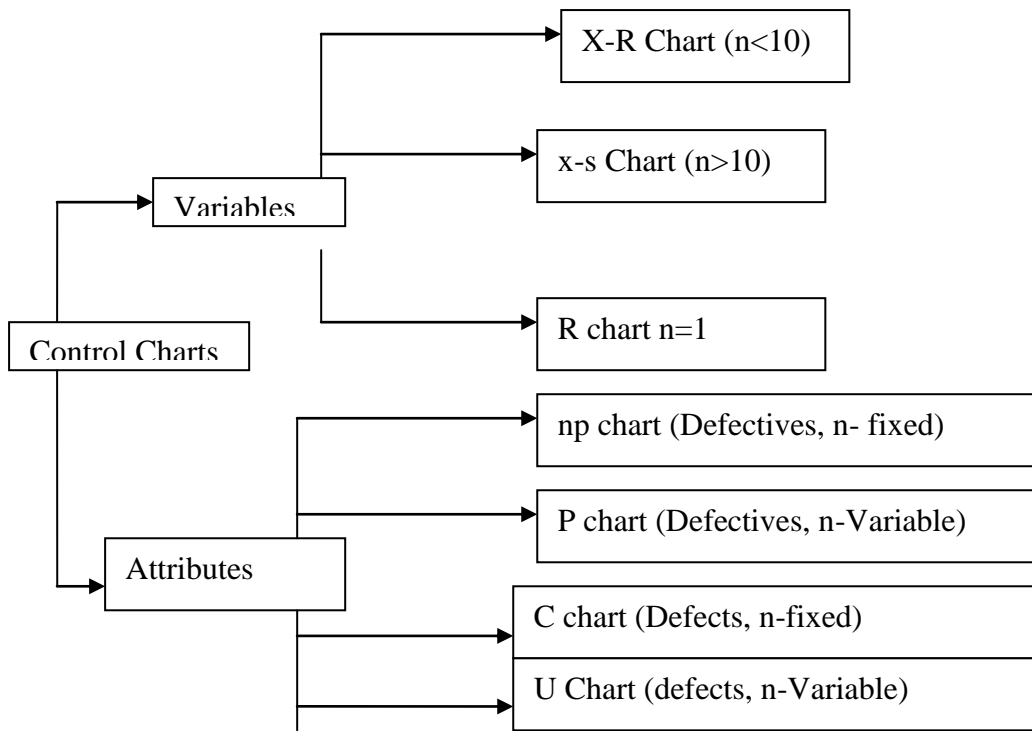
4. Survey & Applications:

Six Sigma has saved Fortune 500 companies over $400 billion since 1987. Of the top500 public companies in the United States, 53 percent have deployed Six Sigma to some degree. The various surveys in table 2 implicate the utility of six sigma in border sense.

Sr No	Organisation	Project	Result
01	Beoing	Project Cycle Time	91% reduction
02	Motorola	Complexity analysis & Resource allocations, Quantitative risk management via uncertainty modeling	
03	General Electric	DFSS	
04	IDX	Schedule variance reduction for customers	50% reduction
05	Raytheon	CMMI process	Accomplished CMMI Level
06	Lockheed Martin IS&S	Six Sigma and Technology Change Management	

07	Northrop Grumman MS	CMMI appraisal time	reductions to 5-6 days
		program integrated	
08	Wipro	Server optimization, service improvement, product performance, engineering processes	40% productivity increase 60% field defect reduction 12% schedule adherence

Note: the "program integrated" row appears above row 07 in the image.

5. Discussions & Conclusion:

Six sigma is an effective way to find out where are the greatest process needs and which are the softest points of the process. Also, Six Sigma provide measurable indicators and adequate data for analytical analysis. Besides the appropriate methodology implementation, it is also essentially to develop an infrastructure that will initiate and support Six Sigma projects and initiatives [3].Definitely, Six Sigma is a powerful methodology that can, properly implemented, result with significance savings and improvements.

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Transformational leadership exhibited by Lord Rama-An Insight

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Abstract:

Introduction:

This paper endeavors to explore the various facets of the transformational leadership style exhibited by Lord Rama in Ramayana.

Objectives:

This paper specifically attempts to investigate and describe the transformational leadership style demonstrated by Lord Rama spanning across all the four dimensions of Inspirational Motivation, Idealised Influence, Intellectual Stimulation and Individualized Consideration as developed by Bass and Avolio. This work also tries to draw a line between Gamesmanship and Leadership behaviors.

Methods:

This paper is based on the qualitative research methodology of Hermeneutics, which is an interpretation of Classical Literature and Religious Text, The Valmiki Ramayana.

It also takes into account other secondary data sources including review of concerned literature and relevant publications in various sources.

Discussion:

The Transformational Leadership has been so greatly portrayed by Sri Rama that it has become an ideal to transform millions of Indians and the world community even today. According to Burns, there are two types of political leadership-Transactional and Transformational. The more traditional transactional leadership involves an exchange relationship between leaders and followers, but transformational leadership is based more on leader's shifting the values, beliefs and needs of their followers. Transformational leaders are able to articulate a vision for the transformation of their followers.

Conclusion:

This paper ultimately wants to project Lord Rama's unique transformational style with a faith that this will be a guiding light not only for Indian leaders but transcending all boundaries, this style will triumph globally.

Keywords:

Transformational Leadership, Hermeneutics, Valmiki Ramayana, Inspirational

Introduction

"Yavat sthasyanti girayah saritah cha mahitale

Tavad Ramayana katna lokesu procarisyati"

As long as the mountains and the mighty rivers flourish on the surface of earth, so long the legend of Rama will flourish in this world – Valmiki Ramayana Book 1(Balakanda),Chapter 2(verse 36).

This paper endeavours to explore the various facets and facades of the transformational leadership style exhibited by Lord Rama in Ramayana.

"The goal of transformational leadership is to transform people and organisation in a literal sense- to change them in mind and heart; enlarge vision;clarify purposes;make behaviour congruent with beliefs, principles or values and bring about changes that are permanent,self perpetuity and momentum building."

– Steven Covey (Author of seven habits of highly successful people) Our paper guided by Valmiki Ramayana and with inputs from the genesis of transformational leadership will characterise Rama as the possessor of the virtual effectiveness of influence portrayed through a depictive analysis of his traits in the illuminative perspective of the global scenario.

Objective

This paper specifically attempts to investigate and describe the transformational leadership style demonstrated by lord Rama, spelling across all the four dimensions of this specific style i.e (1) Inspirational motivation (2) Idealised influence (3) Intellectual stimulation (4) Individualised consideration as described by the proponents of this theory Bass and Avolio. This work also tries to distinguish comprehensively between gamesmanship and leadership behaviours and also tries to evaluate the depictive discrimination between transactional and transformational leadership.

We hope to portray through our work implicit characteristics of Lord Rama enhancing and transforming the management practices throughout the cosmos. We wil also try to delve deep into analysing the managerial effectiveness which relates to work motivation , dharmik management , control and vigilance, decision-making , humanism and equality through the lenses of Valmiki Ramayana.

Methodology

This paper is based on the Qualitative Research methodology of Hermeneutics, which is an interpretation of Classical literature and Religious texts , The Valmiki Ramayana. Hermeneutics is described and applied in many other fields of research in social sciences such as philosophy ,law, sociology,international relations and management. Valmiki Ramayana , the referential inspiration, from where we derived the conclusive approaches to this literature is vast and prevalent with eternal relations which stimulate transformational leadership . We have extracted and explored verses mostly from Ayodhya Kanda ,Yuddha Kanda & Kishkinda Kandha of Valmiki Ramayana. It is actually beyond the scope of this

paper to explore and investigate all the seven books of Valmiki Ramayana as it appears to be a vast ocean of tremendous wisdom .

It also takes into account several other secondary data sources including review of concerned literature and relevant publications in various national, international journals, religious texts and other materials including various sites of importance on the internet.

Discussion

AN INSIGHT INTO THE FOUNDATION OF OUR PAPER – TRANSFORMATIONAL LEADERSHIP

James Mc Gregor Burns, in his book leadership identified two types of political leadership : transactional and transformational leadership. Transactional leaderhip occurs when one person takes the intiative in making contact with others for the purpose of an exchange of something valued i.e. "leaders approach followers with an eye toward exchanging". Transformational leadership , on the other hand is based more on leaders' shifting the values , believes , needs of their followers ; it implies on some type of relationship which is beyond compliance. According to Burns , "the result of transformational leadership is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents."

THE COMPONENTS OF TRANSFORMATIONAL LEADERSHIP

Avolio notes that transformational leaders are characterised by (1) Idealised learning (2) Inspiring leadership (3) Intellectual stimulation (4) Individual consideration. Thus, represents a cluster of interrelated styles aimed at the following :-

a) Changing situation for better.

b) Developing followers into leaders.

c) Overhauling organisation to provide them with new strategic directions.

d) Inspiring people by providing and energising vision and high for moral and ethical conduct.

An Attempt To Indentify The Dividing Line Between Transactional And Transformational Leadership

Transactional leaders have a modus operandi specifically in the following dimensions:-

1. Contingent Rewards – Here, the contracts the exchange of rewards for effort, performance and accomplishments.

2. Management by exception (Active) – The leader watches and searches deviations from rules and standards to take a corrective action.

3. Management by exception (passive) – Here, the leader intervenes only if certain predefined standards are not met.

4. Laissez-Faire – The leader abdicates responsibilities and avoids making conclusive decisions.

In contrast, transformational leaders work through a perfect blend of the following characteristics:-

a) Charisma or Idealised influence:- He provides vision and a sense of mission, installs and infuses pride , gains respect and trust.

b) Inspirational Motivation:- The leader communicates high expectations ; uses symbols to focus efforts ; expreses important purposes in simple ways.

c) Intellectual Stimulation:- The leader promotes the power of intellect , he develops a rationale thinking ; a logical approach to problem-solving and triggers intelligence behaviour.

d) Individualised Consideration:- The leader gives personal attention ; treats each employee individually , coaches and advises.

INSPIRATIONAL DYNAMICS FROM THE VALMIKI RAMAYANA

In the Sanskrit literature, Valmiki Ramayana is known as the "Adikavya" or the first poem and the author Sri Valmiki muni is known as the Adikavi or the first poet . The epic consists of 24000 verses subdivided into six expanded kandas (sections). The prominent being Bala kanda, Ayodhya kanda,Kishkinda Kanda & Aryanya kanda . The popularity of this scripture is so highly established that the verses of these were sung in every royal court and around villages throughout India.Even 200 years ago, the british missionaries in india were astonished to find Indians discussing and quoting from the Ramayana in every day conversation.

The Ramayana has been proved to be the source of spiritual , cultural, political , sociological, moral, and artistic inspiration for ages for the people of India and many other countries.

The Ramayana has enriched the national literature of these countries , and also provided themes for every form of their art such as dance, drama, music , painting and sculpture

(Subramanium 2003), Valmiki Ramayana became the source for many other popular versions of Ramayana such as Adhyatma Ramayana(Sanskrit), Tulsidas Ramayana(hindi), Kamba Ramayana(tamil), Ezhuttachan Ramayana(Malayalam) and many other versions of Ramayana in all the languages of the states in India as well as in south east asian languages such as bermeese, Cambodian, thai ,javaneese, Khotanese Laotian, Malay, Indonesian and Tagalong. Ramayana is called Ramakian in Thailand, Serat rama in Indonesia, Hikayat seri Rama in Malaysia, Yampwe in Myanmar and the Maharadiya lawana in the Phillipines.

Valmiki Ramayana narrates the journey of virtue to annihilate vice. Sri rama is the hero and aayana(journey) is his journey and adventures (Rao and Murthi 2009). The Valmiki Ramayana contains enriched wisdom and lessons in all aspects of human life. The four

pillars of lessons being those in dharma(righteousness), artha (economic development), kama(fulfilment of desires) and moksha (liberation). The Valmiki Ramayana is the standard history of Sri Rama , which may be portrayed as the veda(knowledge) by itself. The Valmiki Ramayana is actually a verse depicting the life of the seven avatara(incarnation) of Maha Vishnu, lord Rama who is the goal of Vedas who descended on earth as the son of king Dasharatha.It is the majestic epic,expounding dharma by the way of depicting the great heroic life of the ideal person Sri Rama. The idealism is so great that it manifested in several forms as an ideal king, ideal son, ideal brother, ideal husband, ideal friend and even as an ideal enemy. Sometimes, we really feel shortage of any kind of expressions to adequately describe him- 'The maryada purushottam' –Lord Rama. The life of this ideal man described in Valmiki Ramayana is a moral and social incentive to all men to strive to become embodiments of dharma. The beauties of Valmiki Ramayana extends so much beyond human dscription that unless one has read the entire book, it is difficult to describe its greatness as only those who have tasted honey knows its sweetness as sweetness cannot be described in words.

DERIVING LESSONS FROM THE EPIC- VALMIKI RAMAYANA

1. Work motivation in Valmiki Ramayana

Motivation is a process that begins from needs through drives for some specific incentives (Fred luthans) ; the psychological process that give behaviour purpose and direction (Kreitner, 1995); a predisposition to behave ina purposive manner to achieve specific , unmet needs (Buford et al, 1995) ; an eternal rive to satisfy and unsatisfied need and the win to achieve (Bedeian ,1993). For the purpose of this paper motivation is customised and operationally defined as an inherent inner force that produces a tremendous drive in the individuals to achieve personal goals, accomplish organisational targets and fulfil the inner desires. Motivation represents the outcome of several behavourial inputs such as perception, attitude and learning, and it is an important concept receiving considerable attention from academicians, researchers, practising managers and students. It is rightly said that for attending high level of productivity and empowering quality in any system it is imperative to understand the motivational factors responsible to improve the morale of the individuals and that of a group(Mc Gregor 1960).

Valmiki Ramayana , on the other hand,looks at the intellect aspect of the human beings and divides people in an altogether different way into intellectual elite(Mahat) , mediocre(Madhayam), and ordinary (jaghanaya).According to Sri Rama , the intellectual elite are to be appointed in the prime posts , which require decision-making and planning. The mediocre are to be appointed in regular jobs which require implementation of jobs and the ordinary people are to be given the tasks for doing that jobs which requires more of annual work and less of intelligence, an analogy of which can be drawn with business level gradings that is, top-management , middle level officers and worker class, which can be also

associated with white collar and blue collared gradings. According to him, for attending peace and prosperity everyone has to be assigned with the work as per their ability and worth or else it will lead to premium chaos in the organisation. Similarly, there has been descriptions of three types of employees and servants in opening part of Yudha kanda(book 6).

An analogy can be drawn here with the three types of personality as said by lord Krishna in the Bhagvad Gita. The bhagvad gita provides the guna(quality) theory to aid the understanding of the mental make-up of the manager or an employee. It is sometimes referred to as the tridimensional personality theory to explain differences across individual leaders they are- sattva(awareness), rajas(dynamism) and tamas(inertness). Gunas are the fundamental constituents of each and every being.

The manager should respect the elders ,old people,wise and guests and should respectfully honour wealth confer honours on these people. The king and here the managers should regularly pay the salary to their subordinates because if it is not paid in time they become dissatisfied and they make irrepairable damage to the kingdom i.e. the organisation. Sri rama also advised his brother Bharatha, to be respectful to preceptors, sons of noble family, persons with wide range of knowledge,persons without enviousness and who have ensights and hold high esteem to gods, ancestors, dependents, teachers ,elders, doctors and brahmanas(The intelligentia class). This in our present day management terms can be termed as knowledge management. It is really astonishing that these techniques were known to the rulers of that time what we are presently relearning.

To win the confidence among the ministers, that is, the advisors and the departmental heads the manager should pay proper attention and should be respectful to them. In Valmiki Ramayana, on several occasions we find some of the important determinants of motivational theory that leads to the efficient performance of the subordinates. Here in, the principle of scientific management originally propounded by taylor with subsequently was proved to be inadequate by mayo's work , stress upon the fact that the sociological factors are more important to increase human efforts and productivity rather than scientific principles of Taylor. Surprisingly, it is seen in Valmiki Ramayana that several thousands of years before Mayo's work, the stress is laid upon the acquisition of scale and knowledge by the managers to clearly appreciate the cause and effect of human behaviours , and the ability to call for a sustainable increased productive efforts from their workers. According to Sri Rama, the motivation level should be such that the counsel of the ministers, nobles, officers , that is the subordinates and managers should genuinely love the king or the administrator and even they should feel proud to sacrificially lay down their lives for the cause of their master. The manaers in order to motivate the people need something beyond skills, knowledge and ability pursuits. That something more is virtually impossible to define though it most certainly can be experienced. It is a compound of many factors such as mutual trust and

confidence, a strong sense of common purpose , acknowledgemnt and maintainence of standarsds and most importantly , belongingness. To foster these factors,Sri Rama had asked bhartha to share the fruit of achievement among the people and thus creating the essence of 'we' feeling or collectivist perspectives, which was identified to be an Indian cultural characteristic by Hofstede in his famous study of cultural dimensions(Hofstede's cultural dimensions,1983)

2. Dharmik management

The word dharma in Sanskrit is derived from the root word dhri-meaning to hold and sustain. Dharma is what defines managers gives them strength, the body of character, the flame of attitude and the skeleton of values. Sri Rama is the very embodiment of dharma(Ramo Vigrahavan Dharmaha).Honesty, justice, straightforwardness and sincerity are only expressions of dharma. Truth (satyam) and non-violence(ahimsa) are the highest dharma. Dharmic management considers each organisation or kingdom as a single living entity where the hands of the people work according to dharma. Dharma in Indian consent is almost synonymous with integrity. According to dharmik management a soulless management has no life. The motivational theories developed by western philosophers like Nietzche, Freud, McClelland, Karl Marx have considered 'Will to Power', Sex(Eros), Achievement and Money as the motivational factors. All these factors fall in the broad group of artha (Economic pursuit) and kama (Sense gratification) of Indian philosophy.

Indian management system recognises four goals of life, that is, Dharma, Artha,Karma and Moksha. Here, Dharma stands for rectitude; Artha means economic pursuits,Kama for desire or need fulfilment and Moksha for emancipation. Dharmic management theory recognises two more motivational factors, that is, Dharma and Moksha than the Western philosophers. Sri Rama himself has asked to enjoy Dharma, Kama and Artha but he has also laid stress upon its proper and proportional use in appropriate time.

Ancient Indian wisdom for managers

The Karma Yoga in the Indian context has recognised work and workplace as a means to attend Moksha, that is, emancipation the ultimate goal of human life. It also advise to enjoy senses and to have material pursuits but within limits by the norms and principles of Dharma. The main idea of an Indian philosopher and poet Rabindranath Tagore regarding work-life and Moksha (Mukti) is "to strive to live the empirical life in alignment with the essential spirit of Brahman, and thus convert one's work-life itself tothe status of freedom or mukti, not bondage or bandhan. And this mukti is by definition ananda" (Chakraborty, 2000). An important principle of karma Yoga for managers in the Indian context is niskama karma concept from the Bhagavad-Gita,which emphasises the performance of duties in organisations without any desire for fruits and without attachment, or other selfish motives.

Considering the nature of motivation explained in Valmiki Ramayana, it is interesting to note that Dharma, that is, values and rectitude are given utmost importance but in Western motivational theories identification of specific needs and incentives are the major factors of motivation. So in the management system explained in Ramayana, value system constitutes an important ingredient in the managerial style,organisational functioning and executive behaviour.

4. Humanism in Valmiki Ramayan

In Valmiki Ramayana, the idea of the welfare of the state and the subject, including the idea of happiness and prosperity, peace and bliss of the people has been explained very lucidly. The first and foremost duty (dharma) of the king is said to be the protection of people, their property and livelihood,it has been explained why the king should protect the traders. The reason being the traders and the farmers are the backbone of the state's economy so their welfare leads to welfare of the society. Sri Rama was of the opinion that protecting the traders and farmers (Vaisya) the king can bring material wellbeing for his subjects.

The ideal ruler, according to Sri Rama should have absolute mastery over his senses and be a paramount of virtues. He said, "Because O Bharata you are wise I hope that the brahmanas versed in the knowledge of the scriptures, the inhabitants of town and the country pray for your happiness".This statement makes it clear that the followers respect a virtuous and wise leader and pray for his wellbeing. The effect of character and conduct of the leader on his followers or the king on his subjects has been emphasised in details.

According to Sri Ram the fourteen vices which makes a leader ineffective are, lying, short tempered, fearful, laziness, licentious, autocratic, keeping unwise counsellors, denouncing the wise and learned people, delayed action on earlier decisions, non-secrecy, taking action on all the opposition party at a time, to cease all public interest programs, immoral and capricious. The reference of ten important matters

relating to the state craft have been mentioned in Ayodhya Kanda, Chapter 100 and Verses 68–70.

The ten things Sri Rama mentioned are

1. the five kinds of fortifications

2. the four expedients

3 .the seven limbs of the state

4 .the eight evils (born of anger) the three objects of human pursuit

5. the three branches of learning

6. subjugation of the senses, the six strategic expedients

7. adversity brought about by divine agencies

8. by human agencies

9. the twenty types of monarchs

10. the entire population of the kingdom.

Setting about an expedition, drawing up an army in a battle-array and the two bases viz.

peace and war. Sri Rama has explained about the

1. Ten evils attendant on royalty to be eschewed they are hunting, gambling, sleeping during the day, lustfulness, inebriation, pride, calumny, lounging about idly or aimlessly, diversions such as singing and dancing.

2. Five kinds of fortifications: by moat, high bank, trees thickly planted, a space destitute of grain or provisions and the turning of waters.

3. Four expedients – making peace, liberality, sowing dissension and chastisement.

4. Seven limbs of the state are the king, ministers, friends, treasure, territory, forts and an army.

5. Three objects of human pursuit: religious merit, material wealth and sensuous enjoyment or the three kinds of power (viz. energy, power of dominion and power of counsel).

6. Three branches of learning are the three Vedas, the knowledge relating to agriculture, commerce, economics and other vocational pursuits and political science.

7. Six strategic expedients: coming to terms with the enemy, waging war against him, marching against him, biding one's time to seek a favourable opportunity, causing dissension in the enemy's ranks, seeking protection of a powerful ally.

8. Adversity brought about by divine agencies: fire, water in the shape of excessive rains or floods, epidemic or endemic diseases, famine and epidemic, earthquakes and Tsunamis.

9. Adversity brought about by human agencies: officials, thieves, enemies, king's favourites and king himself, when actuated by greed.

10. Twenty types of monarchs (who are not worth-negotiating with):

    A king who is yet a child

    b. Aged

    c. Who has been ailing for a long time

    d. Who has been ostracised by his own kith and kin

    e. Who is characterised by a cowardly attitude

    f. Who is being surrounded by cowards

    g. Who is greedy

    h. Who has greedy associated

    i. Who has estranged his ministers and others

j.Who confers with fickle-minded persons

k.Who speaks ill of divine beings and Brahmins

l.Who is extremely indulged in sensuous pleasures and luxuries

m.Who is ill-fated

n.A fatalist (who believes that all things are pre-determined or subject to fate)

o. Who is afflicted by famine and

p.Who (mostly) remains away from home

q.Who has numerous enemies

r.Who is in the clutches of adverse times

s.Who is not devoted to truth and piety.

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In the last verse of the Ayodhya Kanda Sri Rama says "Raja tu dharmena hi palayitwa mahipatirdanda dharaha prajanam" the king (or manager) who is righteous and rules his subject righteously is wise and thus becomes the rulers of the whole world (industry)(Ayodhya Kanda, Sarga 100 and Sloka 76). Similarly, Thiruvalluvar in Thirukural18 had also dealt with this when talking about the responsibility of a king (manager), Thiruvalluvar quote "Murai saithu kapatrum mannavan makkalkku iraiyentru vaikkapadum" (the king who administers justice and protects his people will be considered of divine quality), and "Irai kakkum vayyakam ellam avanai murai kakkum muttacheyin" (the leader or king protects the world and if he acts according to justice or dharma, then justice itself will protect him) (Muniapan and Dass, 2009). Kautilya in his Arthashastra (1.19.34) also states in the happiness of his subject lies the happiness of the king; and in their welfare lies his welfare. He shall not consider as good only that which pleases him but treat as beneficial to him, whatever pleases his subjects (Praja sukhe sukham Ragya, Praajanam cha hite hitam; Natam Priyam hitam Ragaya, Prajanam tuPriyam hitam). Maha Kavi Kalidasa also says something similar in his classicRaghuvamsa (I.18): Prajanam eva bhutyartham sa tabhyo balim agrahit; Sahasragunam utsrastum adatte hi rasam ravih (It was only for the welfare of the people that the state(under the Raghu line of kings in which was born Sri Rama in a later age) took taxes from the people; as is the case with the sun which draws moisture from the earth only to shower it back thousand fold (in the form of beneficent rain) (Muniapan and Dass, 2009). One can go on and on with such illustration to prove Ramayana as a treatise of lasting values and universal applications.

Differentiating Between Transacting And Empowering Behaviour

Transacting behaviour is all about expressing coercive power in a negative way by imposing discipline, withholding incentives for non-compliance and forming group norms. On the

other hand, empowering behaviour is all about using coercive power to control the self to go into compassionate confrontations and maintain transparency. Transacting behaviour, the model of gamesmanship, utilises positional power in centralising resources, seeking profit and concentrating on individual performance targeted at deadline whereas empowering behaviour or leadership attitudes display self-responsible seek contribution to a mission and effective vision. A gamesmanship is an expert but he is so to impress people, trait his expertise and the leader is ready to learn , invites criticism, facilitates growth and organisational learning. Coming to the concept of Reward power , a gamesmanship promotes competition and believes in restricted interpersonal relationship whereas an Empowered leader, is kind , sensitive and caring; he value people and gives them freedom,not any contingent or trivial rewards. The conclusive power christened as Referent power talks about popularity, networking and publicity as the qualities of gamesmanship and integrity, harmony, ethics and shared values as the trait of leadership. Lord Rama has used coercion for controlling himself and confronting the evils of the society. He used his Positional power to contribute to various missions and visions of enlightening and uplifting the society. Undoubtedly, he was an expert who facilitated growth of belongingness of human values and also his kingdom and was ready to learn and open to criticism. Lord Rama valued people, he didn't believe in transaction of material but he strongly believed n the transaction of motives i.e. the transformation of self-derived inhibtions as provider of rewards. Finally, Lord Rama's referent power is manifested in his integrity, harmony with himself and benevolence extended beyond shared values.

Conclusion

This paper has ultimately been able to substantively establish and project Lord Rama's unique leadership style. Here, in this ultimate section we will try to make a coincidence of all the dimensional analysis we have carried out throughout this paper. The Valmiki Ramayana has several lessons which projected the transformational leadership style of Lord Rama. We have tried to illuminate on the various selective verses from the scripture to depict their relationships to relevance to the transformational leadership style of lord rama . As enunciated previously that it is not an attempt and even not possible to explore all seven books of Valmiki Ramayana in the context of extracting the various domain of transformational leadership through the duration and distance of this study and this is one of the limitations of this paper. However, authors hope that in future more studies from our side and in general from the intelligentia of the modern society and will come up to further explore the mysteries of the Valmiki Ramayana in the contextual dimensions of transformational leadership and management effectiveness. The authors hope that modern managers and consultants can delve deep into the ocean of this scripture to extract leadership,motivational and management lessons to enhance their values as a professional.There can be a recommendation from our side to include this in the curriculum

of management schools apart from the formatted western approach to management. Though Valmiki Ramayana deals with all the perspectives of a righteousness living the focus of our attention was chiefly the transformational leadership touch as enunciated in the scripture. Lord Rama is a shining example of virtues (dharma) and the Valmiki Ramayana is a revelation of dharmik living . leaders like Mahatma Gandhi was inspired by the life and art of Sri Rama and a musical ballad has been associated with this relationship

"Raghupati raghav raja ram, Patit paavan Sita- Ram".

The ideal life of Sri Rama is itself a message for all the managers to imbibe the highest moral values of virtous living. If they do not, then they are ordained to perish even though they may be powerful and influential like Ravana. Hence, the ultimate statement from our part would be that we have tried to illuminate through our study. Lord Rama's unique transformational leadership style with a faith and a strong belief that this will be a guiding light not only for Indian leaders bt transcending all boundaries and extending all geographical, political, sociological,social and other multitudes of barriers and inhibitors, this style will triumph globally.

Keywords:

Transformational   Leadership,Hermeneutics,Valmiki   Ramayana,Inspirational Motivation,Idealised Influence,Intellectual Stimulation,Individualised Consideration.

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Notes

1. 1.Hinduism (known as Hindu Dharma in some modern Indian languages is religion originated from the Indian subcontinent. In contemporary usage, Hinduism is also referred to as sanatana dharma,which means eternal religion. See The Concise Oxford Dictionary of World Religions (2000) John Bowker (Ed.). Oxford University Press; The term can be traced to late 19th century Hindu reform movement (J. Zavos (2001), Defending Hindu Tradition: Sanatana Dharma as a Symbol of Orthodoxy in Colonial India, Religion (Academic Press), Vol. 31, No. 2, pp.109–123; see also R.D. Baird (1987) 'Swami Bhaktivedanta and the encounter with religions', In Harold Coward

2. (Ed.), Modern Indian Responses to Religious Pluralism. State University of New York Press).

3. 2.The reign of Rama was called Rama Rajya, the reign of Righteousness and Truth. People were not afflicted by diseases. Children did not die at tender ages. Women did not suffer from widowhood.Rains came on time and people prospered. Rama Rajya was marked by peace, prosperity and harmony. All these, that is, Rama Rajya are assured in a kingdom where there is a ruler like Rama,priests like Vasishta and Vamadeva, and able guardians like Bharatha, Lakshmana and Satrughna.

4. 3.Guna theory is a theory of psychological energies or forces that determine individual propensities and dispositions. Gunas can be understood as attitudes with which mind functions or as influences under which the thoughts function. Guna theory provides the explanation for the innumerable and distinctive nature of people in the world. For details see http://rstpq.com/research_on_guna_composition.php.

5. 4.Frederick Winslow Taylor (20 March 1856–21 March 1915), was an American mechanical

6. engineer who sought to improve industrial efficiency. He is regarded as the father of scientific

7. management.

8. 5.Karl Heinrich Marx (5 May 1818–14 March 1883) was a German philosopher, political

9. economist, sociologist, communist and revolutionary, whose ideas are credited as the foundation of modern communism. Marx summarised his approach in the first line of the first chapter of The Communist Manifesto, published in 1848: 'The history of all hitherto existing society is the history of class struggles.

Impact Of Service Factor On The Behavioural Loyalty Of Customer With Reference To Chill-Out Outlets Under Hospitality Sector In Nagpur City

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Abstract:

In India, Hospitality is based on the Principle "Atithi Devo Bhava", meaning "The Guest is God." This Principle is shown in a number of stories where a guest is literally a god who rewards the provider of hospitality. Hospitality is meant for serving others. There is a kind of satisfaction in catering to the wishes and needs of others, which the people of the hospitality sector can only feel and experience. Hospitality organization has a large number of solicitous professionals and personnel of various fields of the hospitality sector, ready to help and serve the candidates by fulfilling their requirements. Today, Hospitality sector is one of the fastest growing sectors in India. It is expected to grow at the rate of 8% between 2011-20016.

The paper is about customers experience in Chill- Out outlets. The study evaluates the customer experience in relation to the antecedents of behavioral loyalty. Behavioral loyalty is evaluated in relation to customer satisfaction, brand trust and brand attitude. Customer satisfaction is also evaluated in relation to the antecedents to the service quality of the outlet and the customers perceived value. The quality of service in every service industry is an important factor of successful business. The existing trend of complete quality management in Chill-out outlets and specially stores ensures the achievement of competitive advantage and is therefore the subject of contemporary research into service quality provided by them. The purpose of this paper is to argue to need for more and continued robust discourse on Service Management in Hospitality Management.

This research Paper investigated how to improve service quality in Nagpur territory through service satisfaction survey. The aim of this paper is to show the importance of service quality in Chill-Out outlets from both the conceptual standpoint and that of service quality measurement.

Keywords: - Chill- Out outlets, Behavioral loyalty, Quality of service.

Introduction:-

In India, Hospitality is based on the Principle "**Atithi Devo Bhava,"** meaning "The Guest is God." This Principle is shown in a number of stories where a guest is literally a god who rewards the provider of hospitality. Hospitality is the relationship between guest and host, or the act or practice of being hospitable. Specifically this includes the reception and entertainment of guest, visitors or strangers, resort, membership clubs, conventions, attractions, special events and other services for travelers and tourists.

Hospitality is meant for serving others. There is a kind of satisfaction in catering to the wishes and needs of others, which the people of the hospitality sector can only feel and experience. Hospitality organization has a large number of solicitous professionals and personnel of various fields of the hospitality sector, ready to help and serve the candidates by fulfilling their requirements. Today, Hospitality sector is one of the fastest growing sectors in India. It is expected to grow at the rate of 8% between 2011-20016.

The quality of service in every service industry is an important factor of successful business. This study investigated how to improve service quality of Chill-Out outlets in Nagpur city through service satisfaction survey. The significance of this study was that finding would encourage the service provider to develop their service-training program according to service quality dimensions. It shows the importance of service quality in chill-out outlets from both the conceptual standpoint and that of service quality measurement.

The Scope of this paper is to argue to need for more and continued robust discourse on service Management in Hospitality Sector by showing light on a small sector i.e. chill –out outlets in Nagpur City.

Research Methodology

"Research Methodology is the analysis of the principles of methods, rules, and postulates employed by a discipline:" Research Methodology may be understood as a science of studying how research done scientifically. The research instrument used for the study is structured questionnaire formulated for the respondents. The total population used for the study is consumers of Major chill out outlets in Nagpur. In this study due to time constraint the sample size taken is 100.

1. **Age Bracket of Respondent**

Age Bracket	No. of Respondent	Percentage
Below 20	20	20%
20-30	31	31%
30-40	25	25%
40-50	14	14%
Above 50	10	10%
Total	100	100%
	Mode(Z)= 26.47	

2. Occupation of Respondents.

Occupation	No. of Respondents	Percentage
Students	32	32%
Business	17	17%
Professional	21	21%
Job	25	25%
Other	5	5%
Total	100	100%

3. Average Monthly Income of Respondent

Monthly Income Slab	No. of Respondents	Percentage
Less than 10000	20	20%
10000-20000	11	11%
20000-30000	24	24%
30000-40000	26	26%
40000-50000	12	12%
More than 50000	07	07%
Total	100	100%
	Mode(Z)=31,250	

4. Most Preferred Chill Outlets

Chill-out Outlets	No. of Respondents	Percentage
CCD	35	35%
Beans & Buddies	10	10%
Mr. Beans	21	21%
Cad-b	30	30%
Other	04	04%
Total	100	100%
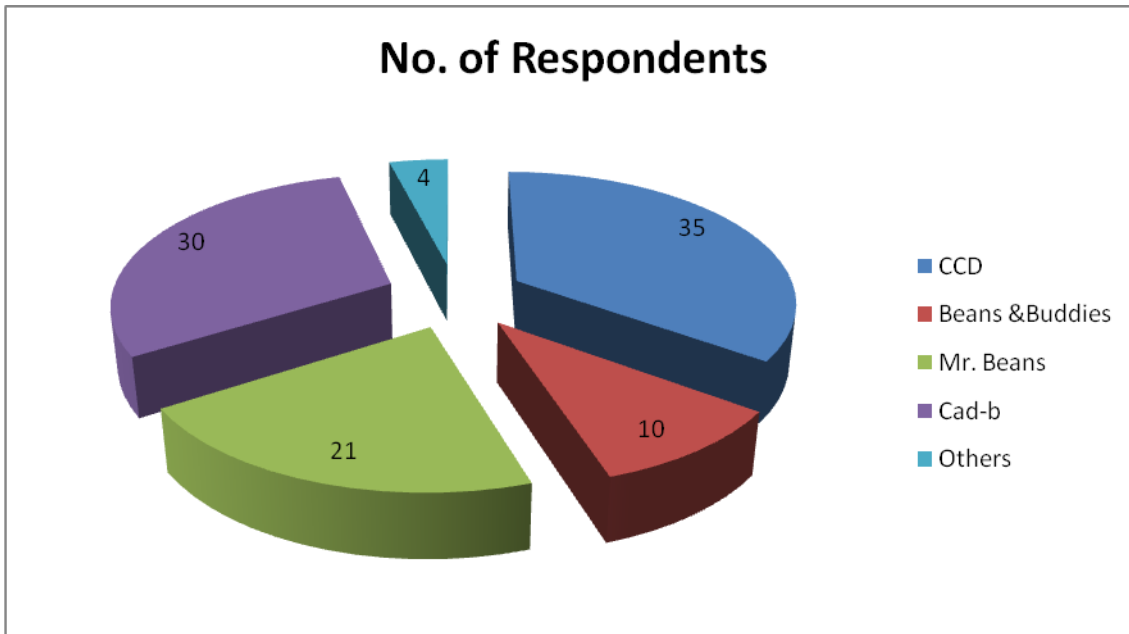
5. Prompt Service

Prompt Service	Respondent	Percentage
Strongly Disagree	28	28%
Disagree	32	32%
Neutral	20	20%
Agree	16	16%
Strongly Agree	04	04%
Total	100	100%

6. Provide Personal Attention

Personal Attention	Respondent	Percentage
Strongly Disagree	20	20%
Disagree	36	36%
Neutral	16	16%
Agree	20	20%
Strongly Agree	08	08%
Total	100	100%

7. Handle Customer in a Pleasant way

Good Customer Handling	Respondent	Percentage
Strongly Disagree	24	24%
Disagree	32	32%
Neutral	16	16%

Agree	20	20%
Strongly Agree	08	08%
Total	100	100%

8. Satisfaction Level About the Maintenance of Ambience and Decorum in Outlet

Maintenance	Respondent	Percentage
Strongly Dissatisfied	24	24
Dissatisfied	20	20
Neutral	16	16
Satisfied	28	28
Strongly Satisfied	12	12
Total	100	100%

9. Service meets customer's expectation

Expectation Meet	Respondent	Percentage
Strongly Disagree	16	16%
Disagree	40	40%
Neutral	28	28%
Agree	8	8%
Strongly Agree	8	8%
Total	100	100%

Findings:

1. The research study cites that majority of Chill-out outlets in Nagpur city fails to meet customer expectation.

2. Majority of the respondents are in the young age bracket i.e. between 20-30 year. (Mode(Z)= 26.47)

3. Majority of respondent (35%) prefers CCD as their chill-out outlet.

4. Average monthly income of respondent lies between income bracket of Rs. 30000 to Rs. 40000 (Mode(Z)=31,250)

5. Majority of respondent (28%) are satisfied about maintenance of good ambience and decorum.

Conclusion:-

The research identified that service quality is a strong contributor to behavioral loyalty. The stronger path way from service quality to behavioral loyalty is through customer satisfaction. Both services quality and customer satisfaction had a significant effect on brand trust. Nagpur is a place for fusion, it is not for confusion. Nagpur is growing rapidly but still chill out outlets lacks to meet the service standards expected by Nagpurians.

This paper lessened that even though most of the outlet's investments are in tangible assets such as land, buildings, furniture, fixture and equipment their revenue is depends on intangible factors such as quality of staff and their performance and most important is customer acceptance.

FDI in Indian Retail Sector

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Abstract

Foreign Direct Investment (FDI) is a method of allowing external Finance into an economy. FDI also facilitates international trade and transfer of knowledge, skills and technology.

Developing countries, emerging economics and countries in transition increasingly see Foreign Direct Investment as a source of economics development, modernization and employment generation and have liberalized their FDI regimes to attract investment.

India is the 2nd largest populated country in the world.

The FDI in the Indian Retail sector has solved the unemployment problem in the life blood of Indian population. The retail sector is the 2nd largest employment sector in India. FDI helps to be strong in economic power, increase the facility of international trade, transfer of knowledge, skills & technology, cash & carry has entered into the country by way of wholesale trading. With help of FDI there will be increase the Export, subsequent increase the Tourism industry, Hospatility, Health care etc

Key words: - ***FDI, Retail, Un-employment, Technology etc***

Introduction:

India being a signatory to world trade organization's general agreement on trade in services, which include wholesale and retailing services, had to open up the retail trade sector to foreign investment. There were initial reservations towards opening up of retail sector arising from fear of job losses, procurement from international market, competition and loss of entrepreneurial opportunities. However, the government in a series of moves has opened up the retail sector slowly to foreign direct investment ("FDI"). In 1997, FDI in cash and carry (wholesale) with 100 percent ownership was allowed under the government approval route. It was brought under the automatic route in 2006. 51 percent investment in a single brand retail outlet was also permitted in 2006. FDI in multi-brand retailing is prohibited in India.

Definition of Retail

In 2004, The High Court of Delhi defined the term 'retail' as a sale for final consumption in contrast to a sale for further sale or processing (i.e. wholesale). **A sale to the ultimate consumer.**

Thus, retailing can be said to be the interface between the producer and the individual consumer buying for personal consumption. This excludes direct interface between the manufacturer and institutional buyers such as the government and other bulk customers retailing is the last link that connects the individual consumer with the manufacturing and distribution chain. A retailer is involved in the act of selling goods to the individual consumer at a margin of profit.

Division of Retail Industry – **Organized and Unorganized Retailing**

The retail industry is mainly divided into: - 1) Organized and 2) Unorganized Retailing

Organized retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses.

Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local **kirana** shops, owner manned general stores, **paan/beedi** shops, convenience stores, hand cart and pavement vendors, etc

The Indian retail sector is highly fragmented with 97 per cent of its business being run by the unorganized retailers. The organized retail however is at a very nascent stage. The sector is the largest source of employment after agriculture, and has deep penetration into rural India generating more than 10 per cent of India's GDP. The Indian retail sector would benefit from FDI in following manner:

* At least 10 million jobs will be created in the next three years in the retail sector.

* FDI in retail will help farmers' secure remunerative prices by eliminating exploitative middlemen.

* Foreign retail majors will ensure supply chain efficiencies.

* Policy mandates a minimum investment of $100 million with at least half the amount to be invested in back-end infrastructure, including cold chains, refrigeration, transportation, packing, sorting and processing. This is expected to considerably reduce post-harvest losses.

*This will have a salutary impact on food inflation from efficiencies in supply chain. This is also because food, which perishes due to inadequate infrastructure, will not be wasted.

* Sourcing of a minimum of 30% from Indian micro and small industry is mandatory. This will provide the scales to encourage domestic value addition and manufacturing, thereby creating a multiplier effect for employment, technology up gradation and income generation.

* A strong legal framework in the form of the Competition Commission is available to deal with any anti-competitive practices, including predatory pricing.

* There has been impressive growth in retail and wholesale trade after China approved 100% FDI in retail. Thailand has experienced tremendous growth in the agro-processing industry.

* In Indonesia even after several years of emergence of supermarkets, 90% of fresh food and 70% of all food is still controlled by traditional retailers.

* In any case, organized retail through Indian corporate is permissible. Experience of the last decade shows small retailers have flourished in harmony with large outlets.

Foreign direct investment (FDI) in multi-brand retail, which was supposed to be the harbinger of a new generation of economic reforms in India, has turned out to be a two-week wonder. On November 24, the Union Cabinet cleared 51% FDI in multi-brand retail and 100% FDI in single-brand retail. On December 3, Congress Party ally Trinamool Congress, which is part of the ruling combine at the Center, announced that it was not to be: The government, said Trinamool leader Mamata Banerjee, who is Chief Minister of the state of West Bengal, had given in to her demands. This was later confirmed by Union Finance Minister Pranab Mukherjee. "Retail FDI put in cold storage," said morning daily **The Times of India**.

There was much action between those two dates, of course. And inaction, too. Opposition parties protesting against FDI in retail ensured that Parliament remained suspended most of the time. On December 1, there was a **bandh** (shut down) across the country by traders and mom-and-pop stores. With the Right (the opposition Bharatiya Janata Party — BJP) and the Left (the communists) joining forces with various elements of the Congress combine, Prime Minister Manmohan Singh really had no choice. To add to the pressure, some part of the Congress Party itself is opposed to retail liberalization.

At the other end, 78% of the farmers also support FDI. So who's opposing it? Assocham found that the naysayers were principally among the traders and middlemen, 80% of whom were strong critics.

Meanwhile, industry is building up the case for FDI in retail. In a paper released on December 4, industry doyens Ashok Ganguly and Deepak Parekh stated categorically that "the protests on FDI in retail are misconceived and unfortunate." Titled "The False Dangers of FDI in Modern Retail Trade," the statement said: "FDI in retail has not been a sudden decision taken by the government. On the contrary, the idea has been toyed with for over 14 years…. Modernization of retail trade is an essential part of India's growth story…. To conclude, this is a call to the saner sections of Corporate India to come out and strongly support progressive measures"

Advantages of FDI in retail sector in India:

- **Growth in economy:** Due to coming of foreign companies' new infrastructure will be build, thus real estate sector will grow consequently banking sector, as money need to be required to build infrastructure would be provided by banks.

- **Job opportunities:** Estimates shows that this will create about 80Lakh jobs. These **career opportunities** will be created mostly in retail, real estate. But it will create positive impact on others sectors as well. Read about **career options in Retail sector**.

- **Benefits to farmers:** In most cases, in the retailing business, the intermediaries have dominated the interface between the manufacturers or producers and the consumers. Hence the farmers and manufacturers lose their actual share of profit margin as the lion's share is eaten up by the middle men.

- **Benefits to consumers:** Consumer will get variety of products at low prices compared to market rates, and will have more choice to get international brands at one place.

- Lack of infrastructure in the retailing chain has been one of the **common issues in India** for years which has led the process to an incompetent market mechanism. For example, in spite of India being one of the largest producers of vegetables and fruits, lack of proper count of cold storages has significantly affected the selling of these perishable items. FDI might help India overcome such issues by channelizing the resources in the right manner.

Disadvantages of FDI in retail sector in India:

- According to the non-government cult, FDI will drain out the country's share of revenue to foreign countries which may cause negative impact on India's overall economy.

- The domestic organized retail sector might not be competitive enough to tackle international players and might loose its market share.

- Many of the small business owners and workers from other functional areas may lose their jobs, as lot of people are into unorganized retail business such as small shops.

Scenario of Indian Retail before FDI.

Before the establishment of FDI in Indian Retail sector, our country faced several problems, like -

- Money problem
- Lack of Quality Service
- Foreign Player
- Infrastructure
- Unemployment
- Unskilled labor
- Technology
- Foreign Exchange
- International Trade

These are the problem faced by Indian country.

Benefits of FDI

FDI is the abbreviated form of foreign direct investment and refers to the long term involvement of one country with another country. This usually involves participation in joint-venture, management, transfer of expertise and technology etc. Foreign Direct Investment is a part of most economies of the world today and plays a key role in the development of a country economy. FDI is now a fundamental part of the global financial system. There are various national policies and plans designed for the having an effective government control on FDI. There are many benefits of FDI both for the investors and the country where investment is being done. Some of these advantages include:

1. Helps in economic growth. The inflow of foreign direct investment helps in the economic growth of a country.

2. Aids to improve trade. Foreign Direct Investments opens up a wide spectrum of opportunities in the trading of goods and services. This is true both for export and import production. The increased amount of FDI inflow leads to the manufacture of superior quality products that can be sold at higher prices and are suitable for being exported to other countries.

3. Brings employment opportunities.
FDI inflow results in an increase in the number of employment opportunities for people living in that country. New industrial units are set up affording employment to people from the top level to the working groups like factory workers.

4. Aids in transfer of technology and knowledge.
The inflow of FDI aids in the transfer of technology and knowledge from one country to another. For instance, the people of Asian countries like India had vast knowledge related to IT sector which was later used by many other non Asian countries of the world. Thus, FDI helps in the transfer of knowledge across the world.

5. Benefits to the government.
Foreign direct investment helps in increasing the sources of government income. With the increased flow of FDI the income generated through taxation increases thus, bringing higher revenues to the government.
6. Improves productivity.
FDI plays an important role in enhancing the overall productivity in the host countries.

7. Benefits for the investors. FDI is also quite beneficial for countries that make investments in other countries. Their companies get opportunities for exploring new global markets, thereby generating higher incomes and profits.

8. Benefits to businesses. Business entities get easy loans at low rates of interest. These facilities are extremely beneficial for small and medium-sized businesses that otherwise face many problems in getting loans.Although the local conditions of a country, such as the development of financial markets and the educational level of people living there can an affect the overall impact of FDI on financial and economic growth., on the whole, the FDI has a positive impact for both the investors and places where investment is being done. FDI should be promoted in all parts of the world

By Margherita Stancati

Opening India's retail sector to foreign direct investment could help the middlemen, as well as the key beneficiaries, farmers and consumers, Kaushik Basu, the government's chief economic advisor said Thursday.

 "Our feeling was that the retail sector would grow so vastly that it would create space for more players, so even if per unit of product your margin goes down – and you have to do that if you want to benefit the consumer and the farmer – the expansion would be such that even most middle traders would come out better off," Mr. Basu said during a book launch in New Delhi.

Last week, the Indian government shelved plans to allow FDI in multi-brand retail after the proposal was sharply opposed by those who claim that allowing the likes of Wal-Mart Stores Inc. and Carrefour SA into India would hurt the country's millions of small businesses. The government has since been struggling to build consensus with coalition partners to push this major reform through.

"We live in a democratic polity, it's a coalition government, so it didn't happen the way we hoped," Mr. Basu said. "But the economic argument I feel was clear enough."

Those in favor of allowing 51% FDI in multi-brand retail say the reform would dramatically improve India's supply chains and cold storage solutions, which in turn could help contain high food prices – a key reason behind the country's uncomfortable level of inflation over the past year. Data released earlier this week showed inflation remained over 9% for the twelfth month in a row in November. But there are some positive signs: this week, India's year-on-year food inflation fell to 4.35%, its lowest rate in nearly four years.

To contain inflationary pressure, the central bank has been increasing lending rates, but this has contributed to a slowdown in India's economic growth. Friday, the Reserve Bank of India made it clear that further monetary tightening is likely unsustainable. After a series of 13 interest rate increases stretching back to March 2010, the RBI finally left its key lending rate unchanged, citing risks to growth. Structural reforms, such as liberalizing retail FDI, could be another way of tackling inflation.

By Prime Minister Manmohan Singh,

Prime Minister Manmohan Singh expects to succeed in his push to open the domestic retail market to foreign companies after regional elections conclude by the end of March, according to an interview published by Bloomberg on Wednesday.

The government earlier this month suspended plans to open India's $450 billion supermarket sector to foreign firms such as Wal-Mart Stores Inc, backtracking from one of the government's boldest reforms in years in the face of a huge political backlash.

In the interview, Singh also reiterated that India's economy would return to a long-term growth rate of 9 percent as inflation slows and the government extends market-opening policies, Bloomberg reported.

Separately, Singh said at an event in New Delhi: "We have set for ourselves an ambitious target of 9 percent annual growth in GDP in the 12th Five Year Plan (ending March 2017)."

LIMITATION OF FOREIGN DIRECT INVESTMENT.

Foreign direct investment is not free from limitations. Developing countries like India has very little choice when it comes to opening the different sectors of the economy to foreign investment. A case in point is the opening up of the consumer non-durable industry to foreign investment.
Eg :- The advent of Pepsi and Coke saw the exit of domestic soft drink manufactures and the emergence of a duopoly. Similarly, the experience with regard to FDI in the power sector has been far from desirable. The governments of developing countries must be able to channelize FDI in the most desirable areas of investment and the government policy towards FDI should be stable over the long run.

Why FDI is good for INDIA?

In the Indian retail firmament, for too long FDI (foreign direct investment) was akin to a four-letter word. The retail sector in general and those in power treated it like a shadow in the dark – the perception of danger overpowered all logical thought.

But many still feared the political impact of the decision, including members of the ruling coalition. The storm of protest that ensued seems to have forced the Indian government to put FDI in retail on hold.

What a pity. India's retail sector would have been transformed by FDI. Here's why I think so:

* There will be major investments in retail, creating at least 10 million jobs in industries such as agro-processing and logistics.

* Though organized retail is growing at a staggering 35% and unorganised retail at 6%, the industry has grown slower than expected. Blame it on lack of retail experience   and capability. FDI will pave the way for inflow of international expertise.

* Opponents of FDI claim that farmers will be the worst hit. In reality, FDI in retail will help them secure remunerative prices by eliminating middlemen.

* Foreign retail majors have immense supply chain expertise and they will guarantee efficiencies in this critical component of the economy. In fact, the FDI policy mandates a minimum investment of $100 million with at least half the amount allocated to the back-end – cold chains, refrigeration, transportation, packing, sorting, etc. This too will benefit farmers as it will reduce post-harvest losses.

* India has been reeling from food price inflation (it was 12% a couple of months ago). The efficiencies of superior supply chains will reduce wastage and costs, thus lowering prices.

* The minimum sourcing requirements will help small industries and boost incomes.

Now, here's what those against FDI say:

* Supermarkets will wipe out small retailers, leading to loss of employment.

* Global retail giants will resort to predatory pricing and take control of the supply of essentials.

Expected impact of FDI in Retail

The Union Cabinet has approved 51% FDI in multi-brand retail and raised the cap on FDI in single-brand retail from 51% to 100%. Partner & National Leader - Retail and Consumer Products, Pinakiranjan Mishra, and Partner - Tax, Paresh Parekh, share their views on this development.

- **Growth of the Retail sector in India - Improvement in Retail capability building**

  About 5-7 years back, the industry was expected to grow at a much faster rate than what it actually has. Lack of retail experience & capability has been one of the primary reasons for this subdued growth. FDI in retail will make way for inflow of knowledge from international experts which can give boost to the overall growth of the industry.

Push to Infrastructure - Improvement in management of supply chain

FDI in retail will boost investment in infrastructure from the retail players, 3rd party supply chain companies as well as the Government in the back of a sophisticated front end that international players are likely to bring.

Push to productivity - The Farming Community in India

Our productivity in food & agriculture is one of the lowest in the world and there is a significant opportunity for up-liftment of output with investment in better farming practices. FDI in retail will mean that the farming community will have a new support group with a common interest which is expected to give a great push to productivity.

- **Single brand**

  This is a welcome step. FDI investment in single brand retailing till now has just been 0.03% [Rs 204 cr / usd 44 mn] of total FDI investments from April 2000 to September 2011. This relaxation is likely to result in increase in FDI in retail sector, by way of new foreign entrants, or buy outs / increase in stake / M&A amongst existing single brand JVs with foreign partners.

Multi brand

This is a welcome and historic step. This is likely to result in increase in investments and growth in Indian retail sector, which is ranked amongst the top retail destinations in the world. Besides new entrants / joint ventures, this could also result in combination of existing cash and carry operations of foreign players with retail operations of Indian retailers, or, foreign retailer acquiring stakes in existing Indian retail entity.

Will deflation or inflation have a greater effect on the U.S. economy from 2012-2015?

The Fed has printed nearly $3 trillion in new money via QE and QE2, fueling a stock and commodities bubble. Global demand for resources (oil, wheat, etc.) has also added inflationary pressures. America's Federal Debt has exploded from five to sixteen trillion since 2001. All of these would seem inflationary.
But Corporate, personal and real estate debt has also exploded, from about 22 trillion to around 40 trillion now. A lot of that is being/will need to be written down (foreclosures, bankruptcies, etc.) That's significant wealth destruction. Factor in, as well, a $46-66 trillion overhang from unfunded liabilities like social security, Medicare, Medicaid, etc. And it is quite possible deflationary pressures could dominate inflationary ones in the years ahead.

Forms of FDI in Retail Sector

FDI Policy with Regard to Retailing in India

It will be prudent to look into Press Note 4 of 2006 issued by DIPP and consolidated FDI Policy issued in October 2010which provide the sector specific guidelines for FDI with regard to the conduct of trading activities.

a)   FDI up to 100% for cash and carry wholesale trading and export trading allowed under the automatic route.

b)   FDI up to 51 % with prior Government approval (i.e. FIPB) for retail trade of 'Single Brand' products, subject to Press Note 3 (2006 Series)

c)   FDI is not permitted in Multi Brand Retailing in India

Entry Options for Foreign Players prior to FDI Policy

Although prior to Jan 24, 2006, FDI was not authorized in retailing, most general players' has been operating in the country. Some of entrance routes used by them have been discussed in sum as below:-

1. Franchise Agreements

It is an easiest track to come in the Indian market. In franchising and commission agents' services, FDI (unless otherwise prohibited) is allowed with the approval of the Reserve Bank of India (RBI) under the Foreign Exchange Management Act. This is a most usual mode for entrance of quick food bondage opposite a world. Apart from quick food bondage identical to Pizza Hut, players such as Lacoste, Mango, Nike as good as Marks as good as Spencer, have entered Indian marketplace by this route.

2. Cash And Carry Wholesale Trading

100% FDI is allowed in wholesale trading which involves building of a large distribution infrastructure to assist local manufacturers. The wholesaler deals only with smaller retailers and not Consumers. Metro AG of Germany was the first significant global player to enter India through this route.

3. Strategic Licensing Agreements

Some foreign brands give exclusive licences and distribution rights to Indian companies. Through these rights, Indian companies can either sell it through their own stores, or enter into shop-in-shop arrangements or distribute the brands to franchisees. Mango, the Spanish apparel brand has entered India through this route with an agreement with Piramyd, Mumbai, SPAR entered into a similar agreement with Radhakrishna Foodlands Pvt. Ltd

4. Manufacturing and Wholly Owned Subsidiaries.

The foreign brands such as Nike, Reebok, Adidas, etc. that have wholly-owned subsidiaries in manufacturing are treated as Indian companies and are, therefore, allowed to do retail. These companies have been authorised to sell products to Indian consumers by franchising, internal distributors, existent Indian retailers, own outlets, etc. For instance, Nike entered through an exclusive licensing agreement with Sierra Enterprises but now has a wholly owned subsidiary, Nike India Private Limited.

FDI in Single Brand Retail

The Government has not categorically defined the meaning of "Single Brand" anywhere neither in any of its circulars nor any notifications.

In single-brand retail, FDI up to 51 per cent is allowed, subject to Foreign Investment Promotion Board (FIPB) approval and subject to the conditions mentioned in Press Note 3 that (a) only single brand products would be sold (i.e., retail of goods of multi-brand even if produced by the same manufacturer would not be allowed), (b) products should be sold under the same brand internationally, (c) single-brand product retail would only cover products which are branded during manufacturing and (d) any addition to product categories to be sold under "single-brand" would require fresh approval from the government.

While the phrase 'single brand' has not been defined, it implies that foreign companies would be allowed to sell goods sold internationally under a 'single brand', viz., Reebok, Nokia, Adidas. Retailing of goods of multiple brands, even if such products were produced by the same manufacturer, would not be allowed.

Going a step further, we examine the concept of 'single brand' and the associated conditions:

FDI in 'Single brand' retail implies that a retail store with foreign investment can only sell one brand. For example, if Adidas were to obtain permission to retail its flagship brand in India, those retail outlets could only sell products under the Adidas brand and not the Reebok brand, for which separate permission is required. If granted permission, Adidas could sell products under the **Reebok brand in separate outlets.**

But, what is a 'brand'?

Brands could be classified as products and multiple products, or could be manufacturer brands and own-label brands. Assume that a company owns two leading international brands in the footwear industry – say 'A' and 'R'. If the corporate were to obtain permission to retail its brand in India with a local partner, it would need to specify which of the brands it would sell. A reading of the government release indicates that A and R would need separate approvals, separate legal entities, and may be even separate stores in which to operate in India. However, it should be noted that the retailers would be able to sell multiple products under the same brand, e.g., a product range under brand 'A' Further, it appears that the same joint venture partners could operate various brands, but under separate legal entities.

Now, taking an example of a large departmental grocery chain, prima facie it appears that it would not be able to enter India. These chains would, typically, source products and, thereafter, brand it under their private labels. Since the regulations require the products to be branded at the manufacturing stage, this model may not work. The regulations appear to discourage own-label products and appear to be tilted heavily towards the foreign manufacturer brands.

FDI in Multi Brand Retail

The government has also not defined the term Multi Brand. FDI in Multi Brand retail implies that a retail store with a foreign investment can sell multiple brands under one roof.

In July 2010, Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce circulated a discussion paper on allowing FDI in multi-brand retail. The paper doesn't suggest any upper limit on FDI in multi-brand retail. If implemented, it would open the doors for global retail giants to enter and establish their footprints on the retail landscape of India. Opening up FDI in multi-brand retail will mean that global retailers including Wal-Mart, Carrefour and Tesco can open stores offering a range of household items and grocery directly to consumers in the same way as the ubiquitous '**kirana'** store.

Foreign Investor's Concern Regarding FDI Policy in India

For those brands which adopt the franchising route as a matter of policy, the current FDI Policy will not make any difference. They would have preferred that the Government liberalize rules for maximizing their royalty and franchise fees. They must still rely on innovative structuring of franchise arrangements to maximize their returns. Consumer durable majors such as LG and Samsung, which have exclusive franchisee owned stores, are

unlikely to shift from the preferred route right away. Concerns for the Government for only Partially Allowing FDI in Retail Sector

A number of concerns were expressed with regard to partial opening of the retail sector for FDI. The Hon'ble Department Related Parliamentary Standing Committee on Commerce, in its 90th Report, on 'Foreign and Domestic Investment in Retail Sector', laid in the Lok Sabha and the Rajya Sabha on 8 June, 2009, had made an in-depth study on the subject and identified a number of issues related to FDI in the retail sector. These included:

It would lead to unfair competition and ultimately result in large-scale exit of domestic retailers, especially the small family managed outlets, leading to large scale displacement of persons employed in the retail sector. Further, as the manufacturing sector has not been growing fast enough, the persons displaced from the retail sector would not be absorbed there.

Conclusion:

Foreign Direct Investment (FDI) has brought enormous changes in Indian Retail Sector, which includes-

1. Solved the Money problem.
2. Quality Service is improved.
3. Big Foreign Player involved in Indian Retail Sector.
4. Quality Infrastructure.
5. Given rise to Employment.
6. Skilled labor.
7. Improved Technology.
8. Increased Foreign Exchange.
9. International Trade.

It has been Beneficial for the Developing country established economic growth of our country. In the current scenario Foreign Direct Investment (FDI) has not much side effects in Indian market. But it is to be remembered that every good thing also has a negative side.

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Human Resource in Health Sector: A Challenge for India

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Abstract:-

Human resources are the core of health care delivery system and the main determinant of quality. It has been recognized widely that human resource problems are a major obstacle in the realization of health outcomes. A major barrier to access to health care is the shortage of competent and motivated staff in health services; workforce is concentrated in urban areas. Bringing qualified health workers to rural, remote, and underserved areas is very challenging. The migration of qualified allopathic doctors and nurses is substantial and further strain the system .Resource to train nurses and medical staff is still inadequate. Rapid privatization of medical and nursing education has implications for its quality and governance. Such issues are a result of underinvestment and poor governance of the health sector.

A comprehensive national policy for human resource is needed to achieve universal health care in India. Public sector will need to redesign appropriate package of monetary and non monetary incentives to encourage qualified health worker to work in rural and remote areas. Policy of task shifting and doctors and practitioners of traditional Indian medicines and homeopathy to work in these areas. At the same time, additional investment will be needed to improve the relevance, quantity and quality of nursing, medical and public health education in the country.

We need to

- Regulate the current setup
- Identify the current need gap
- Project the future requirement
- Create a resource pool and knowledge pool

Human Resource Management is the function within an organization that focuses on recruitment and selection, management, and providing directions for the people who work in the organization. Human Resource Management is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training.

Human Resource Management is also a strategic and comprehensive approach to managing people and the workplace <u>culture</u> and environment. Effective Human Resource Management enables employees to contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals and objectives, the process of defining Human Resource Management leads us to two different definitions. **The first definition of Human Resource Management is that it is the process of managing people in organizations in a structured and thorough manner**. This covers the fields of staffing ,retention of people, pay and perks setting and management, performance management, change management and taking care of exits from the company to round off the activities. This is the traditional definition of Human Resource Management which leads some experts to define it as a modern version of the Personnel Management function that was used earlier.

The second definition of Human Resource Management encompasses the management of people in organizations from a macro perspective i.e. managing people in the form of a collective relationship between management and employees. This approach focuses on the objectives and outcomes of the Human Resource Management function. What this means is that the Human Resource function in contemporary organizations is concerned with the notions of people enabling, people development and a focus on making the "employment relationship" fulfilling for both the management and employees.

Health care in India - A growing healthcare sector

Healthcare is one of India's largest sectors, in terms of revenue and employment, and the sector is expanding rapidly. During the 1990s, Indian healthcare grew at a compound annual rate of 16%. Today the total value of the sector is more than $34 billion. This translates to $34 per capita, or roughly 6% of Gross Domestic Product. By 2012, India's healthcare sector is projected to grow to nearly $40 billion. The private sector accounts for more than 80% of total healthcare spending in India. Unless there is a decline in the combined federal and state government deficit, which currently stands at roughly 9%, the opportunity for significantly higher public health spending will be limited. India has been in the forefront of various international movements in the health and population sectors. As a signatory to various international conventions on human rights and a participant at the Primary Health Care conference in Alma-Ata in 1978, India has accepted health as a basic right and primary health care as an approach to Health for All.

Human Resources for Health (HRH)

A major barrier to access to health care is the shortage of competent and motivated staff in health services. Human resources are the core of health care delivery systems

and the main determinant of quality. It has been recognized widely that human resources problems are a major obstacle in the realization of health outcomes.

Human resources are an essential factor in the provision of health care, directly influencing the performance of health-care systems. Accessible health care requires well-trained and well-motivated physician and nurse workforces of an adequate size that are able to deliver safe, high-quality medical services. However, concerns have been voiced in country that a gap may be looming between demands for and supply of medical staff. Demand is likely to increase due to population ageing, technological advances, and higher patient expectations. On the other hand, supply is expected to fall or at best grow slowly (in the absence of countermeasures) as a result of a societal trend towards reduced hours of work, physician and nurse and other medical workforce ageing, and trends towards early and partial retirement. Within many health care systems worldwide, increased attention is being focused on human resources management (HRM). Specifically, human resources are one of three principle health system inputs, with the other two major inputs being physical capital and consumables.

Some facts about Indian health system-

India has 1.2 Billion population out of which about 1/3rd is illiterate population.

In the next 10 years, India will add 120 million people in the working age category.

Currently, India has about 2/3rd of the population below 35 years in age.

Currently , 2/3rd of India lives in rural India and probably, in that category, healthcare does not figure in the list of priorities.

2/3rd of India does not have adequate access to healthcare.

Awareness and sensitization about healthcare is missing. People will go and splurge money on dining outside , but will not spend a fraction in wellness .

India believes more on religion , spirituality and charity than wellness Healthcare professionals available are not willing to work in the so called rural India . At max, they are willing to work in semi urban India The incidence of diseases is not vastly different in rural India from that of urban India for most of the ailments Status of urban poor is deplorable when it comes to healthcare PPP's(public private partnership) in healthcare are not going to work in rural India Those who study for healthcare in urban areas, majority of them are not willing to adjust to the rural lifestyle for professional or family reasons. Gives us a reason to think to start medical colleges in rural settings.

The entire healthcare system is focused on medicine, doctors, clinics and hospitals etc. This has created a fear & suspicion amongst the healthcare users that healthcare means pills, surgery and hospitalization.

New models of care are evolving for addressing the changing disease patterns and Indian healthcare system is ill prepared to handle the same.

Time has come to take health education from medical school to primary school. Basic healthcare education should be made compulsory at the school level.

3G has now become a reality , so Mobile Health will not just re-define the healthcare delivery but also healthcare education.

Health workers in India

• Doctors (allopathic): medical graduates with a bachelor's or postgraduate specialist diploma or degree registered with the Indian Medical Council.

• Practitioners of ayurveda, yoga and naturopathy, unani, siddha, and homoeopathy: medical graduates with a bachelor's or postgraduate degree in ayurveda, unani, siddha, or homoeopathy registered with the Central Council for Indian Medicine or the Central Council for Homoeopathy.

• Nurses: have a diploma in General Nursing and Midwifery (3·5 year course) or a 4-year bachelors degree or a 2–3-year postgraduate degree registered with the Indian Nursing Council.

• Dentists: graduates with a bachelor's or postgraduate degree in dentistry registered with the Dental Council of India.

• Auxiliary nurse midwives: have a diploma in auxiliary nurse midwifery (2-year course).

• Pharmacists: have a diploma or bachelor's degree course in pharmacy.

• Technicians and allied health professionals: professionals who have undertaken specialized studies, including laboratory technicians, radiology technicians, dental Assistants, and other technical staff . Allied health professionals include dieticians, Nutritionists , opticians, physiotherapists, and administrators.

• Community health workers: professionals who have completed 10 years of Formal Education and have undergone a 23-day training course. Other community health workers include health educators and health assistants.

• Accredited social health activists: trained community health volunteers who reside in a village, have completed 8 years of formal education, and are preferably aged 25–45 years.

• Registered medical practitioner: unlicensed health practitioners who give Allopathic treatment and work in rural areas with little or no formal medical

training.

• Traditional medicine practitioners and faith healers: treat physical and mental illnesses with the help of selling talismans and charms, and by performing special rites.

State of human resources in health

India's health workforce is made up of a range of health workers who offer health-care services in different specialties of medicine (panel 2). The workforce includes many informal medical practitioners, generally called registered medical practitioners, such as traditional birth attendants (known locally as dais), herbalists, snake-bite curers, and bone setters. For most of the population, especially the poor, registered medical practitioners are often the first point of contact for treatment. They have no professional qualification or license to practice any medical discipline. Evidence shows that registered medical practitioners often practice allopathic medicine and often have strong professional links with qualified private allopathic doctors (or the private practice of government doctors), pathology laboratories, and corporate hospitals to which they refer patients in return for commission. They also receive commissions on surgeries and diagnostic tests. Results from one study suggest that 25% of individuals classified as allopathic doctors (42% in rural areas and 15% in urban areas) have no medical training.

Health Workforce Size

Reliable and systematic data for health workers in India are difficult to obtain. Estimates for 2005 (based on the 2001 census) suggest that India had almost 2·2 million health workers, including about 677 000 allopathic doctors and 200 000 practitioners of ayurveda, yoga and naturopathy, unani, siddha, and homoeopathy. India has roughly 20 health workers per 10 000 population. The total health-care workforce consists of allopathic doctors (31%), nurses and midwives (30%), pharmacists (11%), practitioners of ayurveda, yoga and naturopathy, unani, siddha, and homoeopathy (9%), and others (9%).Census estimates are based on self-reported occupation and are therefore susceptible to false reporting of qualifications. To account for this possible inaccuracy, census estimates are adjusted for educational qualifications on the basis of proportions derived from the estimates of the National Sample Survey Organization. The adjusted census estimates suggest that there are, per 10 000 people, slightly more than eight health-care workers, 3·8 allopathic doctors, and 2·4 nurses and nurse-midwives. In cross-country comparisons, the total number of allopathic doctors, nurses, and midwifes (11·9 per 10 000 people) is about half the WHO benchmark of 25·4 workers per 10 000 population. When adjusted for

qualification, the number falls to about a quarter of the WHO benchmark. India has roughly one nurse and nurse-midwife per allopathic doctor and the qualification adjusted ratio falls further to 0·6 nurses per doctor. Although no gold standard exists for a nurse–doctor ratio, a higher ratio is desirable because nurses can deliver basic clinical care and public health services at a lower cost than can doctors.

Distribution

Health workers are unevenly distributed across the country. Generally, the north-central states, which are some of the poorest in terms of economy and health, have low numbers of health workers. The numbers of health workers per 10 000 population in India range from 23·2 in Chandigarh to 2·5 in Meghalaya. The numbers of allopathic doctors per 10 000 people in states such as Goa (41·6) and Kerala (38·4) are up to three times higher than in states such as Orissa (19·7) and Chhattisgarh (15·8).The numbers of female doctors is strikingly low per 10 000 population, ranging from 7·5 in Chandigarh to 0·26 in Bihar. The number of health workers per 10 000 population in urban areas (42) is more than four times that in rural areas (11·8). The number of allopathic doctors per 10 000 people is more than three times larger in urban areas (13·3) than in rural areas (3·9), and for nurses and midwifes (15·9 in urban areas vs 4·1 in rural areas). More practitioners of ayurveda, yoga and naturopathy, unani, siddha, and homoeopathy work in urban areas (3·6 per 10 000 population) than in rural areas (1·0 per 10 000 population).

Most health workers (70%) in India are employed in the private sector. Most allopathic doctors (80%), practitioners of ayurveda, yoga and naturopathy, unani, siddha, and homoeopathy (80%), and dentists (90%) are employed in the private sector. By contrast, only about half the nurses and midwifes are employed in the private sector. However, the distinction between public and private sectors is not always clear because, for instance, doctors who work in the public sector often also work in the private sector. This high number of health workers per 10 000 population in the private sector impedes universal access to health care because of the burden of out-of pocket payments. Furthermore, many doctors, particularly in the communities, are not fully qualified. The under-representation of women in the health-care workforce can affect women's access to health care. Nearly two-thirds of all health workers are men. The number of female allopathic doctors is especially low; only 17% of all allopathic doctors and 6% of allopathic doctors in rural areas are women. Conversely, 70% of nurses and midwives are women. The number of female allopathic doctors is only 0·5 per 10 000 population in rural areas, whereas it is 6·5 in urban areas. Although data for caste, tribe, and religion of health workers are not available, such factors are known to affect

an individual's ability to do their duties. Case studies indicate that most auxiliary nurse midwives belong to upper and middle castes. In rural Uttar Pradesh and the tribal belt of south Gujarat, many reports exist of auxiliary nurse midwives pretending to be from a different caste or tribe so they can more effectively deliver immunization services. The safety of female health workers in rural areas is also a concern.

Shortages

The public health system has a shortage of medical and paramedical personnel. Government estimates (based on vacancies in sanctioned posts) indicate that 18% of primary health centers are without a doctor, about 38% are without a laboratory technician, and 16% are without a pharmacist. Specialist allopathic doctors are in very short supply in the public sector; 52% of sanctioned posts for specialists at community health centers are vacant. Of these vacant posts, 55% are for surgeons, 48% are for obstetricians and gynecologists, 55% are for physicians, and about 47% are for pediatricians. Many nursing posts are vacant—18% of posts for staff nurses and auxiliary nurse midwives at primary and community health centers are vacant. The number of primary and community health centers without adequate staff is substantially higher if high health-worker absenteeism is taken into consideration. In the public sector, shortages of laboratory technicians, and pharmacists also exist. Similarly, the private sector has a lack of qualified health-care providers. Many unqualified healthcare providers work in the private sector, particularly in rural areas and the slums in urban areas. Although little documented evidence exists, this problem might even affect private hospitals, which are unregulated; a court in Delhi has ordered the Delhi Medical Council to investigate the hiring of unregistered doctors by private hospitals. A consequence of the shortage of health workers is that many people in rural areas and those who are poor in urban areas receive inappropriate or no health care. The shortage of health workers in rural areas is because of both the disinclination of qualified private providers to work there and the inability of the public sector to attract and adequately staff rural health facilities. Many health workers prefer to work in urban rather than rural locations because, in urban areas, they can earn a better income, can work more effectively (because of better access to, for example, equipment and facilities), have good living conditions, and have safe working and living environments, and because their children can have better education opportunities. For many medical graduates the desire for postgraduate specialization dissuades them from entering the job market and from taking posts in the public sector in rural areas. Furthermore, higher salaries in the private sector than in the public sector are an incentive for doctors not to join the public health system. Nurses are more amenable to

public sector employment than are doctors—nearly half the nurses in India work in government jobs.

Public sector efforts to recruit and retain health workers in rural posts are also compromised by institutional factors such as changes in service rules; recruitment delays; the lack of transparency in identifying vacancies, promotions, and transfers; and the many court cases related to such matters that state health directorates face.

International migration

Many doctors, nurses, and technicians emigrate from India, which contributes to the country's shortage of health workers. Indian doctors constitute the largest number of foreign trained physicians in the USA (4·9% of physicians) and the UK (10·9% of physicians), the second largest in Australia (4·0% of physicians), and third largest in Canada (2·1% of physicians). The Planning Commission cites WHO to show that about 100 000 Indian doctors work in the USA and the UK. Many developed countries rely on and actively recruit foreign health workers to fill their human resource needs. The number of doctors and nurses leaving the country has important implications for the capacity and quality of health services, research, and faculty development for training future generations.

Human Resource for Health problems have three interlinked aspects: availability, competence and management at operational level

Availability of Human Resource for Health

The absolute numbers of health workers, their distribution and their skill-mix. Availability is influenced by policy, planning and organization, by training, by attraction and absorption capacity of health services, by attrition and brain drain and by changes in epidemiology and medical technology.

Problems are worsening, with increasing imbalances in all dimensions and inadequate regulation of training facilities leading to problems in quality.

Strategies to tackle Human Resource for Health problems need to be comprehensive and address at all levels. National and international human resource policies should be developed and adjusted. The organisation of Human Resource for Health and models of health delivery should be assessed. Important elements to consider are the concentration of disease control into general health services and task-shifting. Strategies to improve competence and motivation can also improve attraction and retention.

Competence of Human Resource for Health

This includes technical skills, interpersonal skills, patient-centered attitude and professionalism. To develop these skills and characteristics, education and socialization

are essential. The quality of medical education in many low income countries is suffering and continued professional development and in-service training are still underdeveloped.

Professional training for community doctors can be developed to improve their capacities to integrate clinical and public health responsibilities and to manage their health centers. The training will lead to increased confidence and self-esteem. Other aspects of competence are to be developed to a certain extent. Conditions which may contributed to the success are: professional experts combined with thematic experts, exposure to a practical module and the linkage with an active professional association.

Another intervention can be the organization of exchange visits between community doctors and family doctors in. This will trigger reflectivity, stimulated inspiration and will bring acquaintance with new skills and methods. It will contribute to improved individual competences, professional awareness and a stronger professional association.

Other methods to improve competence can be: continuous medical education , the development of a professional association (allowing sharing of experience, socialization, coaching and self-regulation) and action research (stimulating reflectivity and drive for improvement).

Management of Human Resource for Health at operational level

Even if competent Human Resource for Health are available in health services, their motivation and behavior is still dependant on working conditions, the organizational context and management. Demotivation among Human Resource for Health is a widespread phenomenon, although the perception of management and public can be different from that of the staff themselves. Influencing factors are: poor working conditions, skill imbalances, different lines of authority without clear task-definitions leading to tensions and team dysfunctioning, the incapacity of the management to distinguish and differentiate between good performance and wrong behavior of staff, leading to perceptions of impunity, inequity and powerlessness.

The management of Human Resource for Health deals with administrative tasks and with human relations. It aims to optimize the staff's contribution to organizational performance by motivation, commitment and staff development. High commitment management is a combination of specific complementary Human Resource for Health practices (e.g. open access to information and communication in all directions and at all levels, reduction of status differences, comprehensive staff-motivation).   These approaches promote a culture of excellence, based on a shared vision, and perpetuated through team work, peer pressure, meetings and supervision. Open access to managers and grass root involvement of managers at operational level contributed to the

maintenance of a motivating environment. In an organisation which disposes of a minimum of resources, and with capable leadership, these interventions can contribute to higher commitment of staff by increased perception of organizational support and the creation of a culture of trust.

Quality management interventions should strive for more patient focus, more responsiveness and more professionalism. The confrontation with new mechanisms, opposed to the one prevailing in the organizational culture, can lead to tension among the staff and the organization exposed, leading to different reactions and coping mechanisms. External support is important to reconcile those tensions. In general, staff accepts interventions inside the project context, but is hesitant to adopt the mechanisms elsewhere in the organization. The effects of quality management interventions are then not generalized and durable.

Other interventions to improve the responsiveness of care to patients and the quality of care are the formation of a partnership between population and health care providers by community health insurance and the change of orientation of health facilities.

Initiatives to attract qualified health workers to underserved areas

Monetary incentives

Most states in India offer a higher salary for public sector medical officers serving in rural or remote areas than for those serving in urban areas, though the amount of the incentive varies between states.

Educational incentives

Compulsory rural service bonds have been introduced by some states (eg, Tamil Nadu and Kerala for specialist doctors and Meghalaya for general doctors) in exchange for subsidized, government-provided medical education. Other states have introduced mandatory rural service for a doctor to be considered for admission to postgraduate specialization programmes. Other states, such as Tamil Nadu, Gujarat, and Andhra Pradesh, reserve postgraduate seats for or give preference to those who have completed a specific number of years of rural service.

Workforce policies

Haryana has adopted a simplified, decentralized recruitment process with incentive packages as a way of filling medical officer and specialist vacancies. West Bengal has introduced location-specific recruitment of candidates from underserviced areas. These candidates have to undergo an 18-month training course for nurse midwives after which they are posted in their respective local facilities.

New cadres

In Chhattisgarh, Assam, and West Bengal, a 3-year course for the provision of a rural medical practitioner with adequate skills for primary health care has been introduced and it has helped fi ll most vacancies in the public sector. In most Indian states, physicians trained in ayurveda, yoga and naturopathy, unani, siddha, and homoeopathy are being recruited to primary health centers, where they often serve as medical officers. In Rajasthan, nurse practitioners are being used for primary health care in select areas.

Public–private partnerships

These take several forms, the most common is the temporary employment (from private hospitals) of physicians (and other staff) to fill vacancies. In Karnataka and Arunachal Pradesh, select primary health centers have been contracted out to non-governmental organizations. In Gujarat, the government has purchased services from private gynecologists to increase deliveries in institutions among individuals who are poor.

To improve Human Resources in Health sector we should do the followings-

Regulate the current set up

Identify the current need gap

Project the future requirement for the next 10, 20 & 30 years

Asses the population mix and the disease patterns and address the issues in a proactive manner

Create a resource pool & knowledge pool (not just impart knowledge but create it as well)

Human resources for disaster management in healthcare is missing from the draft that I have gone through . It needs to be incorporated.

Have separate members Health , each having a clear role and responsibility for capacity building for example-

Urban Health

Rural Health

Tribal Health

Health in hilly areas

Health in Armed forces

Health for retired government employees

Health for private sector

Work Place wellness

Healthcare amongst Minorities

Geriatric care in urban & rural health should be handled separately by different members

Split 'Mother and Child care' under separate heads, each under a separate member . It is glaring to note that According to International Institute of Population Sciences , Mumbai , 56 % of the Indian women in the age group of 15-49 suffer from anemia

Telehealth should be a strong focus area for Urban & rural health. It should also be a part of the Medical curriculum and a 3 month internship should be made mandatory for telehealth

Medical Education

Home health & care technicians

Healthcare counselors and Physiotherapists

Health administrators for clinics , hospitals other wellness providers

Diet and Nutrition

Acute care

Immunization

Awareness & Education about wellness

Awareness & Education about diseases

NGO's capacity building

Disaster management in healthcare including outbreaks & epidemics

Technical up-gradation & training of the workforce on latest developments in equipments and technology

Nurses should be renamed as Physician's Assistant (PA's) or Health & Wellness Officer (HWO's) . There should be a plan to create enough specialized resources under this head for rural health, geriatric care , telehealth , chronic diseases etc. We need not make our healthcare system doctor & hospital centric. The number of PA's / HWO's should at least be double of that of the doctors in the next 10 years

For medical education (all streams), behavioral psychology should be added in the curriculum. This is one of the most important change that we need in the medical curriculum. Doctors have just been reduced to diagnosis & prescription machines. Whilst we might be imparting the best of medical knowledge, but patient care and handling is missing totally from the curriculum. Writing prescriptions does not deliver care . Patient friendly care is a must. Because of the lack of understanding of the behavioral psychology amongst doctors, the patients fear and suspect the doctors . Even the doctors do not go beyond prescriptions!! This needs an immediate change to

ensure compliance and outcome from the treatment , most importantly, regain 'Trust' in the system by the users

Further, each member should be responsible for research, planning & execution for his department. It is clear that if we do not plan for human resources , it will not just lead to deficiency in healthcare services but also increase the cost of healthcare. Limited number of healthcare professionals would be available for jobs and that will definitely lead to unrealistic inflation of salaries amongst health professionals.

Keywords- Public Private Partnership, telehealth, Human Resource Management.

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Implications of 2G Spectrum- Impact on Liberalization of Telecom Sector

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Abstract:

Prior to 1990's, the Indian Telecom Sector was solely regulated by Department of Telecommunications (DoT). In spite of the adoption of liberalization policy by the Indian Government in 1981, its implementation in Telecom Sector couldn't take place due to political barriers. But as a result of the ever increasing demand for telephones many public sector organizations like the BSNL, MTNL etc. were set up in order to regularize the telecom market.

In the year 1994 the National Telecom Policy (NTP) came into force which allowed International players to enter the telecom industry. Under this policy foreign firms were eligible to hold 49% of total stake. In the mid 90's in order to liberalize the telecom services Telecom Regulatory Authority Of India (TRAI) was set up which minimized the interference of the Government in deciding tariff and policy making.

Under the policy of TRAI Government issued 2G licenses to many private operators such as the Reliance Communications, Tata Indicom, Airtel, Vodafone etc. In 2010 the scandal of illegal allotment of 2G Spectrum license came into light. And recently in January 2012 the Supreme Court ordered the cancellation of 122 2G Spectrum licenses.

Thus, the paper seeks to examine the impact of 2G Spectrum on the future of Liberalization of Telecom Sector.

Introduction:-

Society today has made itself so used to telecommunication that the world would collapse if it was taken away. The reason behind the tremendous growth of telecommunications is the need for better way to relay messages to each other. Long distance communication has been around for years with the oldest methods being the use of smoke signals. But with the technological advancements happening around and the availability of better communication tools such as radio, phone, television and the Internet world has turned into a Global Village.

Globalization has made telecommunications an integral part of the infrastructure of the Indian economy. Telecom industry in India has undergone a revolution during the past few years with tremendous growth in the telecom subscriber base. The Indian telecommunication sector in India is the third largest sector across the globe. This sector has witnessed rapid growth in recent years and it has been possible due to various proactive and positive decisions of the Government and contribution of both the public and the private sector. The rapid strides in the telecom sector have been facilitated by liberal policies of the Government

providing the telecom equipments an easy access to the market and a fair regulatory framework for offering telecom services to the Indian consumers at affordable prices.

India's communication sector is recognized as the fastest growing sector, growing by 25.7% during 2001-08 and this has transformed India from an agrarian to a service economy. Today, India possesses the world's fifth largest public sector telecommunications network and Asia's third largest, behind only China and South Korea. India's telecommunications sector continues to grow at a rapid pace and government officials, regardless of party, acknowledge that India needs a modern telecommunications network to sustain high levels of economic growth and create the proper environment for its IT sector to grow and prosper.

History of Indian Telecom Sector

The word "telecom" means transfer of information via electric signals between two distant points in space. Until 1850 the only means of communication was through postcards. The very first experimental electric telegraph line was started between Calcutta and Diamond Harbour. A year later in 1851 the line was opened for the British East India Company. Dr. William O'Shaughnessy pioneered the telegraph and telephone in India. In 1881, two telephone companies namely The Oriental Telephone Company Ltd. and the Anglo-Indian Telephone Company Ltd. opened telephone exchanges at Calcutta, Mumbai, Chennai and Ahmadabad and with this the first formal telephone service was established in India by early 1882. From 1902 the Indian Telecom market saw drastic changes like the wireless telegraph, radio telegraph, radio telephone, trunk dialing etc.

In 1975 DoT (Department of Telecom) was separated from Indian Post & Telecommunication Accounts and Finance Service. In 1981 when liberalization started in India, Prime Minister Indira Gandhi signed contracts with Alcatel CIT of France to merge with state owned Telecom Company. Also there was a plan to set up Center for Development of Telematics (C-DOT). But both the plans failed due to political reasons. In 1985 Mahanagar Telephone Nigam Ltd (MTNL) was carved out of DoT to run the telecom services of Delhi and Mumbai. A new policy namely the National telecom Policy (NTP) came into force 1995. This policy made several changes in the areas of ownership, service and also joint ventures were established between state owned telecom companies and International players. But the ownership facilities were restricted as the Government held 51% of the total stake. With the set up of Telephone Regulatory Authority of India (TRAI) in 1997 the Government interference in deciding tariffs and policy making reduced.

With the change in political powers in 1999 India saw the formation of better liberalization policies. DoT was divided into two parts one was the policy maker and the other was the service provider which now is known as Bharat Sanchar Nigam Ltd (BSNL). Also the VSNL was thrown for private ownership as Government reduced its ownership from 53% to 26%.

This made a path for the foreign investors to Invest in the Indian market. Many private companies like TATA, Reliance, Idea, Vodaphone, Airtel etc entered the Telecom market. From mere 93 subscribers in 1882 for telephones India made a paradigm shift with 881 million subscribers by the end of 2011. The mobile tariffs in India also became the lowest along with the usage of latest technologies like the Global System for Mobile Communications (GSM), Code Division Multiple Access (CDMA), General Packet Radio Service (GPRS) etc. Presently India is witnessing the era of 3G mobile services.

Liberalization of Indian Telecom Sector

The Indian Government in early 1990's undertook many reforms in order to align the Indian Economy with the Global Economy. The Liberalization of Telecom Industry was one such initiative by the Government in order to accelerate the growth of Indian Economy. The liberalization policies of 1991 and the consequent influx of private players have led the industry on a high growth trajectory and have increased the level of competition amongst the operators.

Post-liberalization the Indian Telecom Industry has shown exponential growth and has significantly contributed towards economic growth, however; the cut throat competition and intense tariff wars have had negative impact on the revenue of players.

Liberalization has been a catalyst in transforming Indian Telecom sector into one of the most attractive Telecom Market across the globe because it is still one of the lowest penetrated markets. The Government's decision towards liberalising the Telecom Industry facilitated its transition from a Monopolistic Market into an Open- Market.

The announcement of National Telecom Policy in 1994 was made with the objective to open the Indian Telecom Market for private as well as foreign investors. Many private operators like Tata Teleservices and Reliance Infocomm started investing in the Telecom sector. Moreover, many foreign players like Idea Cellular, Vodafone, Spice Communications etc. also entered the market.

The era of post- liberalization also witnessed the formation on Department of Telecommunication (DoT) and the Telecom Regulatory Authority of India (TRAI). These two independent bodies operate under the guardianship of the Ministry of Telecommunication Government of India.

Some of the main objectives of the Telecom Industry after the liberalization of the Indian Telecom Sector can be summarized as under: Efficient and transparent spectrum management Facilitate the Indian telecommunication companies to be at par with other global players Establishing a modern and efficient telecommunication infrastructure to meet the requirements of modern industrial nation. foreign investors into Indian telecommunication industry Provide an equal opportunity for all the telecommunication

service providers operating in India Strengthening R&D in telecom sector Easy and affordable access to basic telecommunication services across India Enabling efficient protection of the defence and security systems of the country Institutionalize the Department of Telecommunication, to help them function as an independent corporate bodies Facilitation of world class service to all uncovered and rural areas on India

Telecom Regulatory Authority of India (TRAI)

The National Telecom Policy (NTP) marked the beginning of Foreign Direct Investments in India. But due to the entry of many private and international players a need for separate regulatory body was felt and thus the "Telecom Regulatory Authority of India, Act 1997" (TRAI) was passed by the Parliament. The mission of TRAI is to enable rapid growth of telecommunication in India. The main objective of TRAI is to issue orders and direction on various subjects like tariffs, interconnections, Direct to Home (DTH) services and mobile number portability. TRAI also played role of adjudicator in case of any disputes.

Later on the NTP Policy of 1994 was revived by announcement of the New Telecom Policy (NTP) in 1999.This policy opened the door of long distance and international long distance services to private sector. In 2000 the TRAI Act of 1997 was amended to remove the hurdles that had come up with the earlier act. Also the Telecom Dispute Settlement and Appellant Tribunal (TDSAT) was formed to release TRAI from dispute settlement functions and to strengthen the regulatory framework. Any order or decision of TRAI can also be challenged by appealing in TDSAT.

2G Spectrum Scandal

One of the remarkable developments under the New Telecom Policy was the allocation of 2G spectrum for telecom and Universal Access Service (UAS) licenses to private and foreign companies willing to enter the Indian telecom industry. The process of license allocation took place in August 2007 and this was solely under the control of Department of Telecommunication (DoT) and the then Telecom Minister A Raja. The deadline for the application for 2G licence was fixed as 1st October 2007 for which 575 applications from 46 companies were received by DoT.

DoT decided to issue licences on first-come-first serve basis preponing the cut-off date to 25th September 2007. In May 2009, an NGO Telecom Watchdog filed complaint to the Central Vigilance Commission (CVC) on the illegalities in the spectrum allocation to Loop Telecom and Swan Telecom. CVC directed CBI to investigate the irregularities in allocation of 2G spectrum. Under the investigation CBI sought details of tapped conversation of corporate lobbyist Niira Radia and A Raja and these were made public by the media in May 2010. In November 2010, Comptroller and Auditor General of India (CAG) submitted a

report on 2G spectrum to government stating a loss of 176,000 crore to exchequer. Following all these revelations A Raja submitted his resignation.

In February 2011, A Raja, former Telecom Secretary Siddharth Behura and Raja's former Personal Secretary were arrested and remanded in CBI custody for their involvement in the scandal. Later Subramanian Swamy accused P Chidambaram the then Finance Minister as being involved in the illegal allocation of the 2G licences. Many other private telecom operators, politicians, corporates etc. were also accused as being part of the 2G spectrum scam.

Verdict of Supreme Court and its Implications

The outbreak of 2G spectrum scam ignited waves of ambiguity in the Indian telecom market. Moreover, the involvement of Supreme Court in the controversy accelerated. As a result of this altercation the Supreme Court on 2nd February 2012 cancelled 122 2G licenses of various companies like Uninor, Loop Telecom, Videocon, Etisalat, S-Tel, Sistema Shyam, Idea Cellular and Tata Teleservices. According to the CBI report several rules were violated and bribes were accepted in 2008 when these licenses were issued costing the country $36 million loss. Also the licenses were issued to companies which had negligible experience in the telecom sector.

Subramanian Swamy, President of Janata Party appealed the special court to make the then finance minister P. Chidambaram co-accused in the 2G scam. But the court dismissed the plea of Swamy for which he filed a complaint in the Supreme Court challenging the trial courts order. The aftermath of the verdict was that Batelco, the Bahrain Company which held 42% stake S-Tel sold its entire holdings to Indian company Sky City Foundation Ltd and closed their Indian operations. Telenor, who is the majority stake holder in Uninor dumped its Indian partner Unitech and demanded compensation. Etisalat sued its promoters Shahid Balwa and Vinod Goenka of its Indian partner DB Reality for fraud and misinterpretation.

Conclusions & Recommendations

The main objective of the Government behind liberalization of Indian telecom sector was to set it open for National & International investors and thereby making it one of the booming sectors of the country. But the incidence of 2G scam shook the entire Indian telecom industry creating difficulties for government, investors, operators, politicians, customers etc.

The tariff rates, calling charges etc. went really low as a result of high level of competition but the outbreak of 2G scam in the telecom industry which ultimately led to the cancellation of 122 licenses might result in fall of number of competitors' and this in return may result in increase of calling rates, tariff charges etc.

Instead of cancellation of licenses penalty should be applied and operators should be allowed to continue with their operations. Licenses should be auctioned to recover the loss that the

telecom industry has suffered due to this scam. Also, TRAI and the telecom ministry should work in better co-ordination to avoid such scandals in the future.

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INTERNET-BASED E-COMMERCE IN INDIA

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Abstract:

The main objective of this research paper is to review the internet-based e-commerce scenario in India. E-commerce or electronic commerce refers to trading in goods and services using the electronic devices. It is the integration of e-mail, electronic funds transfer, EDI and similar techniques into business system.

Use Of Internet And E-Commerce In India: Today E-commerce has become an integral part of our daily life. This growth of e-commerce is dependent on the growth of internet users in India. There are trade-directories, multi-product and single-product websites. According to the NASSCOM survey, the number of internet users reached to 37million in 2006. The volume of internet-based e-commerce transactions in our country was about Rs. 450 crores in 1999-2000 and it was 7000 crores in 2007.

Opportunities, Issues And Suggestions: Global reach, easy access, low-cost advertising media, equal footing to large and small firms are the prominent benefits of the internet for e-commerce. Indian companies have e-commerce opportunities in the areas of financial, banking services, stock trading, legal services, professional services, healthcare, tourism and more.E-commerce issues include security concerns, start-up costs, legal issues, training, maintenance, uncertainty, lack of skilled personnel and information. The suggestions for smooth operation of internet-based e-commerce are education, training, caution, authentication, virus-protecting software and allocation of adequate resources.

INTRODUCTION:

The main objective of this research paper is to review the internet-based e-commerce scenario in India. E-commerce or electronic commerce refers to trading in goods and services using the electronic devices of computers, internet, phone etc. On the Internet, it makes use of a website, which sells products or services directly from the site using a shopping cart or shopping basket system and allows credit card payments. Kirshenbaum and Straight define it in the words, "Electronic commerce is the integration of e-mail, electronic funds transfer, EDI and similar techniques into a comprehensive electronic based system of business functions." The Buyer's Guide to Electronic Commerce gives another definition: "Electronic commerce is using information technology to improve relationships between business partners."

USE OF INTERNET AND E-COMMERCE IN INDIA:

E-commerce has become an integral part of industry, trade and commerce in the world. Nowadays it has become an inseparable part of our daily-to-day life. The rapid growth of e-commerce is due to the growth of internet users worldwide. According to the NASSCOM survey, the number of internet users reached to 37million in 2006. The volume of internet-based e-commerce transactions in our country was about Rs. 450 crores in 1999-2000 and it was 7000 crores in 2007.

NASSCOM conducted a survey to evaluate the e-commerce scenario in India. This growth of e-commerce is dependent on the growth of internet users in India. The following table highlights the increase in the number of internet users in our country during the decade 1997 to 2006.

Table No.1

USE OF INTERNET IN INDIA

Year	Internet subscribers [in thousands]	Internet users [in thousands]
1997	25	45
1998	150	200
1999	359	1000
2000	650	2000
2001	1130	6668
2002	1763	10648
2003	3661	29000
2004	4403	31723
2005	6000	35000

2006	25000	37000

In 1997, there was limited internet access in a few major cities in India due to the Govt. monopoly through VSNL and Department of Telecommunication. Presently, the monopoly is largely over. Many internet service providers have set up shops resulting into cheaper and better service. The number of internet users reached to 37million in 2006 and now it has crossed 50 million mark. There are websites providing any number of goods and services. Then there are those, which provide a specific product along with its allied services. The following table indicates the increase in the volume of internet-based e-commerce transactions in our country during the period 1998 to 2007.

Table No.2

E- COMMERCE TRANSACTIONS IN INDIA

Year	E- Commerce Transactions in India Rs. In crores
1998-1999	131
1999-2000	450
2000-2002	1400
2006	2300
2007	7000

According to the NASSCOM survey the volume of internet-based e-commerce transactions in our country was about Rs. 450 crores in 1999-2000. Out of this volume, Rs. 50 crores were contributed by retail internet or Business-to- consumer transactions and Rs. 400 crores were contributed by Business-to- Business transactions.

FACILITATORS OF E-COMMERCE IN INDIA:

1. INFORMATION DIRECTORIES: Information Directories maintain directories giving trade details on almost any topic, whether it is from apparel to toys, from gems to heavy machinery, or from food to employment. The products and services are listed with appropriate sub-headings to make it easy for an information-seeker to find what he wants. Some other Allied services provided by them are message boards, chat rooms, forums, etc.

2. BANKING SERVICES: There is rapid growth of internet banking in India. Many major banks like State Bank of India, ICICI and HDFC have entered in the area of e-commerce. Banks facilitate E-commerce by providing the most vital trade instrument, namely the credit or debit card, without which e-commerce would be impossible.

Net banking/phone banking is an online banking facility available for savings account holders as well as current account holders. Some of the special online banking services are: Demat accounts for sale/purchase of stocks and shares, Foreign Exchange services, Direct/Instant payment of bills on the account-holder's behalf, Financial Planning & advice, Electronic Funds Transfer, Loans to account-holders, NRI services etc.

EVALUATION OF E-COMMERCE IN INDIA:

STRENTHS: E-commerce companies in India offer various e-commerce services including shopping carts, e-business, database programmers, graphic design services etc. They are capable of rendering the finest e-commerce solutions. The e- commerce websites in India are designed with due concern to the privacy and security issues. They are grouped under different categories such as accounting, advertising, airlines, automobiles, banks, BPOs, consultants, e-commerce, entertainment, export-import, fashion houses, finance, health, hotels, insurance, logistics, marketing, manufacturing, real estate and web designing.

The driving factor for the spread of e-commerce in our country is technological advancement in all spheres of life in India. There are trade-directories, multi-product and single-product websites. The multi-product site offers various kinds of products and that too at one place. Mobile, its accessories, books, cameras, laptops, their accessories and many more things are

available on these sites. One can find deals for home appliances also that are available at affordable prices. The single-product websites offer specialized products.

Some of the e-commerce portals in India display the products, accept orders, sell the products on their website, get them from their vendors and then ship them to the buyers. The most popular examples are Flipkart and Adexmart. The main advantage of such a site is that the website has full control over the quality of the product being delivered to the buyer.

WEAKNESSES: Many e-commerce websites in India like Ebay, Infibeam, Indiangiftsportal.com offer e-commerce services by accepting orders but the sellers directly ship the items to the buyers. Therefore, the website has little control over the quality of the product being delivered to the buyer. But they have a feedback system in which the buyers rate the sellers.

Many e-commerce vendors and the websites used by them do not care much about retaining existing customers. They do not provide the proper feedback system and the user interface for the customers. Though computers and other hardware products are traded easily on the internet, the user interface design can be a major factor for a buyer purchasing clothes and accessories. But mostly the buyer has to use the drop down menu to check whether his or her preferred size and colours are available. If these are not in stock, the buyer has to check the other options available. There are many fashion websites which regularly conduct sales, and only limited numbers of a particular item are available.

Many non serious buyers are found using Indian websites. They sign up or create user accounts just to get the free stuff and incentives offered by these websites to new buyers. Some of these accounts are created by competitors who do not hesitate to use negative tactics to undermine other sellers. If only a few e-vendors monopolize the market, they often send defective, faulty or poor quality items to the buyers to increase their profit margins. They make late delivery of products and sometimes cancel orders for no reason. Such sellers are well informed about the activities of regular buyers on the website.

POTENTIAL OF E-COMMERCE IN INDIA:

Indian researchers, technicians, business companies and industries can further explore the fast developing world of internet- based e-commerce. Indian software and service companies have greater scope for extending their e-commerce activities in the domestic as well as in the foreign markets to gain the maximum advantage of the sector. The Microsoft Company of the USA inaugurated Microsoft Research India in January 2005 in Bangalore, as the sixth Microsoft Research laboratory in the world. This is a remarkable event in the history of Information Technology in India. It denotes the global potential of e-commerce in India. Indian companies have e-commerce opportunities in the areas of financial, banking services, stock trading, legal services, professional services, healthcare, goods trading, tourism and more. The following are the some of the important areas in which Indian e-commerce has been doing well and it has a tremendous potential for rapid growth in the global markets.

1] EMPLOYMENT AND E-COMMERCE

In India, employment related websites are instrumental in providing job seekers with suitable employment at the click of a mouse. They have directories categorized under the headings Employers and Job Seekers. The service for job seekers is free and for employers they charge a nominal fee. Jobs are available online in fields ranging from secretarial to software development, and from real estate to education. The opportunities offered are unlimited. Two major portals www.Monsterindia.com and www.naukri.com are doing considerable work in the sphere. Opportunities exist for other Indian companies to enter the field and provide services of this kind to a large number of unemployed internet users.

2] STOCK TRADING AND E-COMMERCE

Online stock trading is emerging rapidly in India today. Nowadays, we can even deal in stocks and shares through e-commerce. Online stock trading is one of the most demanding e-commerce utilities in the world. The ability to offer market access at a competitive price is the main advantage of online stock broking company. The examples of websites dealing in stock in India are: equitymaster.com and 5paisa.com.

Some of the services offered to registered members are: tracking market trends, market analysis and research, company information, research on equity and mutual funds, online purchase and sale of stocks and shares, hotline for advice on risk management etc.

3] TRAVEL & TOURISM AND E-COMMERCE:

India has abundant natural resources and fine footprints of myth and history. The e-commerce is instrumental, to a large extent, in promotion of tourism and travel by encouraging Indians as well as foreigners to see this beautiful and colourful land with geographical diversity and its multifaceted cultural heritage. The websites provide essential information for a potential tourist. They also offer allied services. The services offered by the government corporations and private companies for promotion of tourism and travel are: online reservation, passport and visa, travel and accommodation information, weather information, festival and fair dates, shopping, tour operators, information on cuisine and restaurants, car rental services etc.

There are also sites that highlight the tourist destinations of a specific region in India. The tourist destination sites are categorized according to themes like: adventures of trekking, mountain climbing, eco-themes pertaining to jungles, flora and fauna, beaches of India, sea resorts, architectural attractions of forts and palaces, desert treks, pilgrimage sites, Buddhist attractions and hill resorts. The tourism and travel industry in India has readily adapted to e-commerce. It is tapping for alternate distribution channels within the sector. The internet-based e-commerce in India has the potential for speedy growth and extension of tourism and travel services worldwide.

4] LEGAL AND PROFESSIONAL SERVICES:

There are major legal and regulatory implications of implementing the internet-based e-commerce in India. Therefore, a number of opportunities exist for our companies to provide legal advice and related professional services. In terms of opportunities for Indian legal service providers, the requirement for professional, legal and regulatory advice is expected to increase as the number of e-commerce users increases.

5] FINANCIAL AND BANKING SERVICES:

More opportunities exist for Indian companies in the field of financial and banking services. A large number of users of the internet services are in need of some or other form of financial services of financial planning and advice. The special opportunities exist for financial experts and the related companies for providing online financial consultancy services.

There is rapid growth of internet banking in India. Many major banks have entered in the area of e-commerce. Banks facilitate e-commerce by providing the most vital trade instruments of Electronic Funds Transfer, Credit or Debit Cards, without which e-commerce would be impossible. They also provide the facility of Direct/Instant payment of bills on the account-holder's behalf. Net banking/phone banking is an online banking facility available for savings account holders as well as current account holders. Online banking services have the scope for extension in the areas of sale/purchase of stocks and shares and foreign exchange services.

6] AUTOMOBILES AND E-COMMERCE:

Some Indian portals or websites deal in a specialized field of automobiles. On these sites we can buy and sell four-wheelers and two-wheelers. They offer new as well as used vehicles for online sale. These websites provide allied services for registered members. Such services are car research and reviews, online evaluation of vehicles, technical specifications, vehicle finance and insurance, dealer locations, regional transport office regulations and more.

The automobiles industry in India has readily adapted to e-commerce. It is looking for alternate distribution channels within the sector of the internet-based e-commerce. It has the potential for rapid growth and extension of trading activities and after-sale services globally.

7] GIFTS AND E-COMMERCE:

In the past, purchasing a gift was a time consuming process. One had to plan what to gift a friend or relative, visit favorite shop, and browse for hours before buying a proper gift for the proper occasion. Today there are specific Indian websites making the act of gifting quick and easy. The gift items can be searched by special categories as well as different regions of India.

One such site is http://www.indiangiftsportal.com/. These websites categorize the gifts under different groups. They offer for online sale the gift items like collectibles of paintings and sculptures, luxury items like leather goods, perfumes, jewelry boxes etc, household curios and carpets, toys and games, chocolates, flowers, handicrafts, wood-crafts and metal-crafts, marble, glass and metal idols for worship etc.

8] HOBBIES AND E-COMMERCE:

Some Indian portals deal in the specialized field of hobbies. On these sites we can buy books, cassettes and videos as the most popular hobbies in India and the world are reading, music and films. On the Indian website http://www.firstandsecond.com/ one can buy books, cassettes, VCDs and DVDs of his/her own choice.

These websites offer new as well as old books, music and films for online sale. They cover a wide range of topics. The books are categorized as business, art, cookery, engineering, children's stories, health, medicine, biographies, horror, home and garden, etc. These books, cassettes, VCDs and DVDs are available in English as well as in Indian languages to cater to the varied tastes, hobbies and interests.

9] MATRIMONY AND E-COMMERCE:

In the era of e-commerce one can search for a suitable life partner on marriage portals like http://www.jeevansathi.com/ and http://www.shaadi.com/. The websites facilitates the users to search by residential status, religion or caste. One has to get registered with them before they have email facility and chat rooms so that the couple can contact and interact with each other to know more about each other before making the decision of marriage.

The websites provide allied services for registered members including astrological services, information on customs and rituals, legal issues, health and beauty, fashion and style, wedding planners, honeymoon destinations etc.

10] REAL ESTATE AND E-COMMERCE:

These websites facilitate online dealing in real estate. They offer either direct sale or lease of a property through their portal. They provide information on new real estates as well as properties for resale. One can deal directly with developers and builders or through consultants and brokers.

The websites offer allied services of housing finance and insurance companies, architects and interior designers, property management consultants, packers and movers, security and maintenance services etc.

BENEFITS OF INTERNET-BASED E-COMMERCE OVER TRADITIONAL COMMERCE:

Global reach, easy access, extended enterprise, round the clock service, low-cost advertising media, equal footing to large and small firms, improved image, direct approach, and network economies are the prominent benefits of the internet for e-commerce. Due to the entire record of online transactions and convenient home delivery of products, internet based online shopping has become popular in India. If we want to identify the benefits of conducting business on the internet, a broad range of benefits can be mentioned. The most important of these are summarized here:

1] GLOBAL REACH: The internet is a large interconnected set of computer networks. The World Wide Web is regarded by the internet users as an ideal mechanism for providing relevant information and services to the public worldwide. It is a global network. Therefore, reaching global customers is easier on the internet compared to the world of traditional commerce. The World Wide Web has the potential to increase the market share of the

participating companies of the e-commerce. It helps to expand their market share by entering new markets due to its global market reach.

2] EASY ACCESS: The two important innovations of Hypertext and Graphical User Interface made the internet easier to use and more accessible to people. The internet users can have an easy access to required information and related services on the internet. In the same manner, business organizations have an opportunity for publishing their products and services on the internet at ease. The easy access to relevant information gives consumers the opportunity to compare the costs and the characteristics of products and services offered by different organizations. They can place orders and even make payment through the internet once the security measures are fulfilled.

3] EXTENDED ENTERPRISE: In today's world no business enterprise can work in isolation. Every enterprise has to extend itself all the way to its suppliers and business partners like distributors, retailers and finally the end-users. The internet based e-commerce is an effective way to extend the enterprise beyond the narrow boundaries of its organization. The internet provides different tools like enterprise resource planning, supply chain management leading to efficiency, on time service, home delivery, customer loyalty, increased profitability and market share.

4] ROUND THE CLOCK SERVICE: The internet based electronic commerce provides its service to customers all the twenty four hours daily throughout the three hundred sixty five days of the year. This round the clock operation is natural in the world of internet but it is impracticable and expensive in the world of the traditional commerce. Due to twenty hours operation, the internet based business has become a boon for the ultimate customers who can easily browse and shop anytime at their convenience. This feature enables the business organizations to gain new customers and retain the existing ones easily and at lower costs.

5] INEXPENSIVE ADVERTISING MEDIUM: The internet has become a low-cost advertising medium for business organizations and is being effectively used by them for e-commerce. The domestic and multinational firms publish their products and services on the

internet and attract the attention of the potential consumers. They provide the essential information about features, uses and prices of the products and services. A new customer base is created using this medium of online advertising and sale through innovative tools of push technology. It is relatively cheaper to acquire new customers over the internet than the traditional media used in commerce.

6] EQUAL FOOTING TO FIRMS: In the modern world, the internet provides similar opportunities to the large and small business organizations. Almost every enterprise is a part of the connected economy. All firms have an equal opportunity to be on the World Wide Web to publish their goods and services and conduct electronic business on the internet. The home pages of the websites give an equal footing to small organizations with large national and multinational firms. The barriers to entry to the internet are low and can be easily overcome.

7] IMPROVED IMAGE AND POSITION: Nowadays, the presence on the internet is an urgent necessity for any business organization that wants to enhance its image and to face the competitors successfully. The business organization can create a better position in the market and a better image in the public using the internet. If they do not use the World Wide Web to publish their goods and services and conduct electronic business, they are considered as laggards in employing the modern technologies. The internet based e-commerce provides a technology based customer interface and an effective tool for customer relationship management.

8] DIRECT APPROACH AND NETWORK ECONOMIES: The business enterprises can directly approach their customers and suppliers using the internet for trading in goods and services. This results in, cutting down of the number of levels of the intermediaries and the number of processes. Ultimately it leads to lower selling and distribution costs. Such business enterprises can provide high quality products and improved services to their customers directly at reasonable rates. It results in the higher customer satisfaction and more sales. The value of a product or service rises as a function of the number of other users using

the product or service. This positive feedback renders the network economies. It benefits the traditional business along with the internet tools.

ISSUES RELATED TO E-COMMERCE IN INDIA: E-commerce issues include security concerns, start-up costs, legal issues, need for training and maintenance, uncertainty, lack of skilled personnel and information, unsuitability for certain products, lack of suitable inventory and user interface, defective products and cultural obstacles.

1] SECURITY THREAT: security threat is one of the major impediments of e-commerce. It means a condition or event that may cause economic harm to data or network resources. Any organization engaged in internet-based e-commerce exposes itself to security risk of some or other kind as it opens itself to access from other networks. These security risks fall into three general categories: client-server risk, data transfer and transaction risk and virus risk. These security concerns adversely affect the progress of e-commerce in India.

2] START-UP COSTS: Many business organizations do not use internet for their business activities due to the costs involved in the conduct of e-commerce through internet. The electronic commerce involves four components of the costs: connection costs to the internet, cost of computer, modem, routers and software, cost of setting up the systems and maintenance of web pages. Another cost factor is that if a defective product leaves the company's a premise, rectifying the error at a later date is expensive for the company as it usually involves a lot of adverse publicity as well as expensive returns.

3] LEGAL ISSUES: The legal issue is one of the important impediments of internet based e-commerce. The legal environment in which e-commerce is conducted is full of ambiguity and conflicts. With the advancement of electronic business the possibility and uncertainty of the legal issues increases. Customer sensitive data may fall into the hands of the strangers. The encrypted data used by a multi-national company may cross the legal boundaries of a nation. In many cases the rules and regulations do not keep pace with the technologies used in the e-commerce.

4] TRAINING AND MAINTENANCE ISSUE: For the conduct of e-commerce through internet, the business organization needs a qualified staff for initiation, updating and maintenance of its internet facilities. It can use any of the shopping carts available, but if the billing method is different, a team of programmers are needed for developing a suitable website.

A solid development team is essential if the organization chooses to develop its own system. Such a firm needs adequate internet server configuration, back up and round the clock support environment.

5] UNCERTAINTY: Though the internet is a vehicle used for electronic commerce activities, the possibility to reach the target market of e-business firm is not known. For a company which has never used any electronic means of communication with its customers, the internet is an unknown mode of advertising and trading. There is uncertainty about the extent public and organizations accept the internet based e-commerce services. The businesses dealing on the net cannot calculate the return on investment in advance. The costs and benefits are difficult to quantify due to rapid changes in the underlying technologies.

6] LACK OF SKILLED PERSONNEL: The business organization dealing in products and services using the internet facilities faces difficulty in finding skilled www developers, content providers and skilled professionals to manage and maintain a customer hot-line. The lack of expertise within the organization is one of the most common issues in India. Finding a good programmer can be a difficult task, especially if you do not have a programming background or a large budget. There is difficulty of integrating existing databases and transaction- processing software into e-commerce database and software.

7] UNSUITABILITY FOR CERTAIN PRODUCTS: The internet-based e-commerce is not suitable for trading in perishable foods, vegetables and dairy products. The high cost items of jewellery, antiques and valuable stones may be difficult to inspect from a remote location on the internet, regardless of any advanced technologies that might be devised in the future. It means some business products may never enter the field of internet based electronic commerce.

8] CULTURAL OBSTACLES: In addition to the technology, costs and legal issues, many businesses face cultural issues while conducting e-commerce activities. The cultural obstacles are dominant in the context of electronic commerce in India. The traditional mentality of the customers makes them simply resistant to change and they are uncomfortable to view the products on a computer screen rather than to handle them in a shop personally. Many customers are still somewhat fearful of sending their credit card number on the internet. This problem will be solved as e-commerce matures and becomes more acceptable to the general public.

9] LACK OF INVENTORY AND INTERFACE: One of the main reasons why many customers do not buy online is the lack of suitable inventory of the products that buyers wish to buy online. If the store stocks only a few products or designs, the buyer will browse the store, but also check offline in search of a better product and end up buying it offline as he or she does not have to wait for it to be delivered. In case, the e-commerce websites lack suitable user interface, the users have to spend a lot of time, searching the various options and they may decide to postpone placing the order.

10] DEFECTIVE PRODUCTS: At times, Indian customers buy a product online and later find it to be defective. If the product is defective or not working as expected, the online store will compensate by Refund – with no compensation for the inconvenience buyers have faced while ordering the item or Gift voucher – buyers are obliged to spend an equivalent amount at the store, despite having an inconvenient experience of e-commerce. The unlucky buyer has to spend time and money returning the item. Sometimes the timelines and the procedures for refund are not clear and the buyers think it better to keep the defective item and try to get it repaired locally with their own cost. For online dealers in products and services, shipping a faulty item may help get rid of inventory in the short term but in the long term, it can prove very expensive as they lose their existing customers.

SUGGESTIONS TO OVERCOME E-COMMERCE ISSUES: On the basis of the review of related research publications and their analysis, the suggestions put forward for smooth

operation of internet-based e-commerce are education, training, caution, authentication, virus-protecting software and allocation of adequate resources.

1] The business organizations using the internet for transaction intensive activities like customer order processing should use firewalls, encryption and authentication techniques and virus protection software for the security and privacy of their customer data and organizational data.

2] The e-commerce enterprises in India should update their knowledge of latest software tools and legal environment with required education and training. The business organization dealing in products and services using the internet facilities can resolve technological and legal issues skillfully if they educate themselves properly.

3] The business organizations entering the field of e-business should start methodically and with caution as conducting business on the internet is a new experience for them. The web pages should be cautiously designed and modified on the basis of usage experience and feedback from the customers.

4] It is important for an e-commerce company to have sufficient financial and human resources. They must adopt proper quality control systems, to ensure that the product shipped does not contain any defects and there is no damage or pilferage by couriers during transit. The company should ensure that proper checks are in place.

5] One of the factors determining the conversion rate of an e-commerce website is the user interface. The website should be easy to use so that the customer can find the product he or she wants quickly, a visit is more likely to convert into a sale. If necessary the services of consultants and ISP's should be used to facilitate e-commerce.

6] The business organizations entering the field of e-business should maintain suitable inventory of products that buyers wish to buy online as the customer can choose from the wide range of products available. It is important for an e-commerce website to identify the genuine customers and formulate accordingly the marketing and inventory policies.

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COMMERCE & E-COMMERCE

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Abstract

Commerce is a branch of business. It is concerned with the exchange of goods and services. It includes all those activities, which directly or indirectly facilitate that exchange. looks after the distribution aspect of the business. Whatever is produced it must be consumed, to facilitate this consumption there must be a proper distribution channel. Here comes the need for commerce which is concerned with the smooth buying and selling of goods and services.

Electronic Commerce is popularizing of commercial service on the internet .Electronic commerce is general concept covering any form business transaction using the information and communication technology. Its associated with buying and selling of information ,Products and services via computer network.

Definition of Commerce According to James Stephenson,

"Commerce is an organized system for the exchange of goods between the members of the industrial world."

In a broader sense, "Commerce is that part of business which is concerned with the exchange of goods and services and includes all those activities which directly or indirectly facilitate that exchange."

Importance of Commerce

1.   Commerce tries to satisfy increasing human wants

Human wants are never ending. They can be classified as 'Basic wants' and 'Secondary wants'. Commerce has made distribution and movement of goods possible from one part of the world to the other. Today we can buy anything produced anywhere in the world. This has in turn enabled man to satisfy his innumerable wants and thereby promoting social welfare.

 2. Commerce helps to increase our standard of living Standard of living refers to quality of life enjoyed by the members of a society. When man consumes more products his standard of living improves. To consume a variety of goods he must be able to secure them first. Commerce helps us to get what we want at right time, right place and at right price and thus helps in improving our standard of living.

3. Commerce links producers and consumers Production is meant for ultimate consumption. Commerce makes possible to link producers and consumers through retailers and wholesalers and also through the <u>aids to trade</u>. Consumers get information about The importance of trade and **commerce** are mentioned in following points :- Different goods through advertisements and salesmanship. The manufacturers are regularly informed about the likes and dislikes of the consumers through marketing research. Thus commerce creates contact between the centers of production and consumption and links them.

4. Commerce generates employment opportunities The growth of commerce, industry and trade bring about the growth of agencies of trade such as banking, transport, warehousing, advertising, etc. These agencies need people to look after their functioning. Increase in production results in increasing demand, which further results in boosting employment opportunities. Thus development of commerce generates more and more employment opportunities for millions of people in a country.

5. Commerce increases national income and wealth When production increases, national income also increases. In a developed country, manufacturing industries and commerce together accounts for nearly 80% of total national income. It also helps to earn foreign exchange by way of exports and duties levied on imports. Thus, commerce increases the national income and wealth of a nation.

6. Commerce helps in expansion of aids to trade With the growth in trade and commerce there is growing need for expansion and modernization of aids to trade. Aids to trade such as banking, communication, advertising and publicity, transport, insurance, etc., are expanded and modernized for the smooth conduct of commerce.

7. Commerce helps in growth of industrial development Commerce looks after the smooth distribution of goods and services made available by the industry. Without commerce, industry will find it difficult to keep the pace of production. It helps to increase demand for goods on one hand and on the other hand it helps industries by getting them the

necessary raw materials and other services. Hence, commerce helps in attaining better division of labor and industrial progress.

8. Commerce encourages international trade Through commerce we can secure a fair and equitable distribution of goods throughout the world. With the help of transport and communication development, countries can exchange their surplus commodities and earn foreign exchange, which is very useful for importing machinery and sophisticated technology. It ensures faster economic growth of the country.

9. Commerce benefits underdeveloped countries Underdeveloped countries can import skilled labor and technical know-how from developed countries. While the advance countries can import raw materials from underdeveloped countries. This helps in laying down the seeds of industrialization in the underdeveloped countries.

10. Commerce helps during emergencies During emergencies like floods, earthquakes and wars, commerce helps in reaching the essential requirements like foodstuff, medicines and relief measures to the affected areas.

Electronic Commerce.

Electronic Commerce is popularizing of commercial service on the internet. Electronic commerce is general concept covering any form business transaction using the information and communication technology. Its associated with buying and selling of information ,Products and services via computer network.

E-commerce means buying and selling of products of service by business and consumer over the internet. E-commerce is the business environment in which information for buying ,selling & transportation of goods and services moves electronically.

According to European union Web-site Electronic Commerce is a general concept Covering any form of business transaction or information exchange executed

using information and communication technology between company and their customer or between companies and public administration.

The scope of E-commerce is much wider because commercial transactions are extended to global market . E-commerce system includes commercial transactions on the Internet but their scope is much wide than this .They can be classified by application type as.

a) Internet Market

b) Electronic Market

c) Electronic Data Interchange.

The Internet has created a new economic ecosystem, the e-commerce market place, and it has become the virtual main street of the world. Providing a quick and convenient way of exchanging goods and services both regionally and globally, e-commerce has boomed. Today, e-commerce has grown into a huge industry with US online retail generating $175B in revenues in 2007 with consumer-driven (B2C) online transactions impacting industries from travel services to consumer electronics, from books and media distribution to sports & fitness. With more than 70% of Americans using the Internet on a daily basis for private and/or business use and the rest of the world also beginning to catch on, e-commerce's global growth curve is not likely to taper off anytime soon. However, the US recession has taken its toll on online sales. Although early 2008 estimates by Forrester Research were very strong with 2008 revenues upwards of $204B (a 17% growth rate),2008 holiday sales showed the first decrease in the last 7 years. Research by Com Score shows sales declining by 1% for the first 49 days of the holiday season.

Trade cycle in E-commerce

The Trade cycle in E-commerce is totally different as compared traditional commerce. The trade cycle depended on the nature of the organization involve, The frequency of trade between the partner to the exchange and the nature of goods or services being exchanged.

The trade cycle in E-commerce support the pre-sale ,Execution, Settlement and after-sale service activities Trade cycle involved Regular repeat transaction ,Cash transaction ,Credit transactions.

Application of E-commerce.

The scope of E-commerce is growing rapidly .Everyone wants to be on the net whether is the primary sector ,Secondary sector and service sector. E-commerce is applicable to each and every sector.

Primary sector – The of the economy making direct use of natural resource which includes agriculture ,forestly, fishing and extractive industries producing fuel, metals and other minerals. The sector is treated as the sector of first importance because it is a source of all materials needed for producing goods and services.

Service sector;- This sector deals with service likr low ,and distribution of manufactured goods. The services sector comprises the following areas.

1. Trade
2. Hotel and Restaurant.
3. Banking and insurance,
4. Real estate

E-commerce and Government if India

The government is aware of the increasing misuse of the electronic media and online frauds .Therefore ,the government of India has passed the Information and Technology Act to keep a check on the transaction carried on via the electronic media and to make the process of E-commerce safe and reliable. The act imposes heavy penalties and punishment on those who try to misuse this channel for personal benefit or to defraud others. The low has also established the authentication of the electronic records. Increase in the cyber crimes in E-commerce is causing concern among the credit card users in India .Now the government has opened Cyber Crime Police station . Online complaints can be filed for both Cyber and Non crèmes ,through as online form which is available at .

http;// www.bcp.gov .in /English/complaints/newcomplaint.asp .

Few ways to attract online customer Goods should have value for the customer along with quality.

1.Selling Brand articles.

2.Providing value added service at lower prices.

3.Security is promised.

4.Providing easy guidance.

5.Giving discount offer and other gifts items.

6.Clear information regarding delivery time

7.Providing price comparison

8.Social shopping phenomenon.

9.Providing easy guidance.

10. Establishing trust and winning confidence.

Benefits of E-commerce.

E-commerce can provide the following benefits over non-electronic commerce.

1.Buying and selling 24/7

2.Easy to start and manage a business.

3.Customers can easily select products from different providers without moving around physically.

4.Reduced time . Short lead times for payment and return on investment in advertising faster delivery of product.

5.Reduced cost by reducing labour ,reduced paper work ,reduce post cost.

6.Lock in Customers. The closer you are to your customer and the more you work with them to change from normal business practices to best practice E-commerce the harder it is for a competitor to upset your customer relationship.

7.New Market. The Internet has the potential to expand your business in to wider geographical location. More reach to customer ,there is no theoretical geographic limitation. Low operational costs and better quality of services. No need of physical company set-ups.

Disadvantages of E-commerce.

1.There is no guarantee of product quality.

2.Mechanical failures can cause unpredictable effects on the total processes.

3.Any one goods or bads , can easily start a business ,And there are many bad sites which eat up customers money.

4.There are money hackers who look for opportunities ,and thus and E-commerce site ,service ,payment gateways, all are always prone to attack.

5.As there is minimum chance of direct customer to company interactions ,customer loyalty is always on a check

Limitations of e-commerce to organizations

Lack of sufficient system security, reliability, standards and communication protocols. There are numerous reports of websites and databases being hacked into, and security holes in software. For example, Microsoft has over the years issued many security notices and 'patches' for their software. Several banking and other business websites, including Barclays Bank, Power gen and even the Consumers' Association in the UK, have experienced breaches in security where 'a technical oversight' or 'a fault in its systems' led to confidential client information becoming available to all.

Identifying transacting partners

Another method for classifying e-commerce is by identifying the partners directly involved in the transaction. An informal version of this framework is being loosely applied in the use of the terms business-to-business (B-to-B), business-to-consumer (B-to-C) and consumer-to consumer (C-to-C).

Payment of E-commerce.

Many businesses accept various forms of electronic payments for their products and services Financial institutions play an important role in electronic payment systems by instruments,accepting a similar a variety of instruments,processing   those   payments and participating in clearing and settlement systems.However ,increasingly,Financial institutions are competing with the third parties to provide support services for e-commerce payment systems.Among Electronic payments mechanisms That financial institutions provide for e-commerce are automated clearing house Debt and Credit through the internet .electronic bill payment presentment,electronic checks,e-mail money and electronic credit card payments.

Most financial institutions permit interabank transfers between a customer's account as part of their basic transactional e-banking services .However ,third –party transfer with their

heightened risk for fraud – often require additional security safeguards in the form of additional authentication and payment confirmation.

E-Commerce Models:

E-Commerce types   represent a rang of various   schemes   of transactions which are distinguished according to their participants.

- Business to business (B2B)

- Business to Consumer (B2C)

- Consumer to Consumer (C2C)

- Peer to Peer (P2P)

- Business to Peer Networks (B2P)

- Business to government (B2G)

- Manager to consumer (M2C)

- Government to consumer (G2C)

- Government to government (G2G)

- Business to government (B2G)

- Government to employee (G2E)

1. Business to Business (B2B)

B2B stands for Business to Business .It consists of largest from of E-Commerce. This model defines that Buyer and seller are two different entities. It is similar to manufacturer issuing goods to the retailer or wholesaler . Dell deals computers and other associated   accessories online but its does not make up all those products. So, in the govern to deal those products ,first step is to purchase them from unlike business I e .the producers of those products. " Its one of the cost effective way to sell out product through out the world".

 2. Business to Consumer (BtoC)

B2C the way of buying and selling consumer goods is changing and it is changing quickly .A Transaction that occurs between a company and a customer is categorized as business to consumer transaction.

3.Consumer to Consumer (C2C) :- C2C   stands for Consumer to Consumer .It helps the online dealing of goods or services among people .Though there is no major parties needed

but the parties needed but the parties will not fulfill the transactions without the program which is supplied by the online market dealer such as E -bay.

3.Peer to Peer (P2P) :-

This is the communications model in which each party has the same capabilities   and either party can initiate a communication session. In recent usage, peer-to-peer has come to describe applications in which users can use the Internet to exchange files with each other directly or through a mediating server.

4.Business-to-Peer Networks (B-to-P)

This would be the provision of hardware, software or other services to the peer networks. An example here would be Napster who provided the software and facilities to enable peer networking,

5.   **Business to government (B2G):-**Business to government site allows government to nexchange information and trade with various organizations across the world .Business

to government also known   as e-government. B2G may also include e-procurement services, in which business learn about the purchasing needs of agencies request proposal response.

Consumer-to-Business:-

(C-to-B) This is the exchange of products, information or services from individuals   to business. A classic example of this would be individuals selling their services to businesses.

Consumer-to-Consumer:-

(C-to-C) In this category consumers interact directly with other consumers. They exchange information such as: about companies and products, for example epinions.com. There is also an exchange of goods between people both with consumer auction sites such as e-bay and with more novel bartering sites such as swapitshop.com, where individuals swap goods with each other without the exchange of money.

9. Government-to-Government (G-to-G)

Government-to-government transactions within countries linking local governments together and also international governments, especially within the European Union, which is in the early stages of developing coordinated strategies to link up different national systems.

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'CLOUD COMPUTING IN PUBLIC HEALTH'
(Strengthening *healthcare delivery system*)

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ABSTRACT

The Time When Computer And Internet Usage Is Increasing Day By Day, What If It Imparts To Maintain Public Health. What If Every Common Person From India Has Access To His Desirable Heath Service, And Even In The Remote Places Where Various Health Facilities Are Not Available. What, If A Disease Is Detected Before Turning Of It Into An Outbreak. At The Time, When Even In Us It Hasn't Been Yet Adopted Fully India Can Make A Big Change. This All Can Be Made Possible By 'Being In Cloud', I.E. A Number Of Health Facilities, Information Available On A Click.

Under A Cloud Many Kind Of Information Data Base Like Ehr,Emhr,Phr,E-Prescribing,Hie,Madication History,Patient Summary Information Can Be Made Available At Any Time For Consultancy , Decision Making , Disease Analysis ,Collecting And Sharing Information Between Various Stakeholders. It Is Also Quite Important To Avail Required Information To Common People On The Basis Of Their Demand.

INTRODUCTION

In India, a wide population does not has access to quality health care. In case if it is available then the problem arises that they do not get proper consultancy. All this because of its large population ,wide variation in population, geographical distribution,population characteristics intricacies along with socio-cultural difference, economic status.

 Notifiable disease are detected after they have affected a large population due to a system lacking interoperability. Decentralized surveillance system creates another major problem. In current surveillance system the time when a serious disease is detected by local health facility or NGO, then it takes lot of time in reporting, and hence investigation, analysis and response time are also delayed. This delay causes large population to face the crisis. By the applications of Cloud the early response may be provided by ensuring continuous flow of data and hence early detection of disease Keeping one eye on above said obstacles and another on India changing IT development with computer literacy, mobile phone accessibility is one solution i.e. Cloud enabled information system has efficiency to provide more effective preventive, promotive and curative healthcare through appropriate vendors along with low cost of treatment by streamlining the health care delivery sytem and early healthcare seeking practices.

The term cloud computing denotes the use of cloud or internet based computers for a variety of services.Many applications, services,data in the realm of a local computer or local server are kept in the domain of the public internet.Health providers,Individuals can voluntarily grant access to health records & data any time.

How cloud computing can Reform the Health care delivery system?

- Health record from every part of country available at single click in the form of EHR
- To keep up to date PHR(personal health records),EMR(electronic medical record)
- HIE-health information exchange
- Medication history , Patient summary information by CCD (continuity of care development)
- Registry Exchange for quality reporting and pubic health and population health
- Privacy and security of EHR
- Early detection and diagnosis of a disease
- Prevention of communicable disease
- Better policy implementation
- Data analysis and counseling
- To improve surveillance system in detection and prevent ion of outbreak by the applications of cloud computing
- Early detection and reduce reporting time of outbreak

Example of effectiveness of cloud computing on surveillance process:
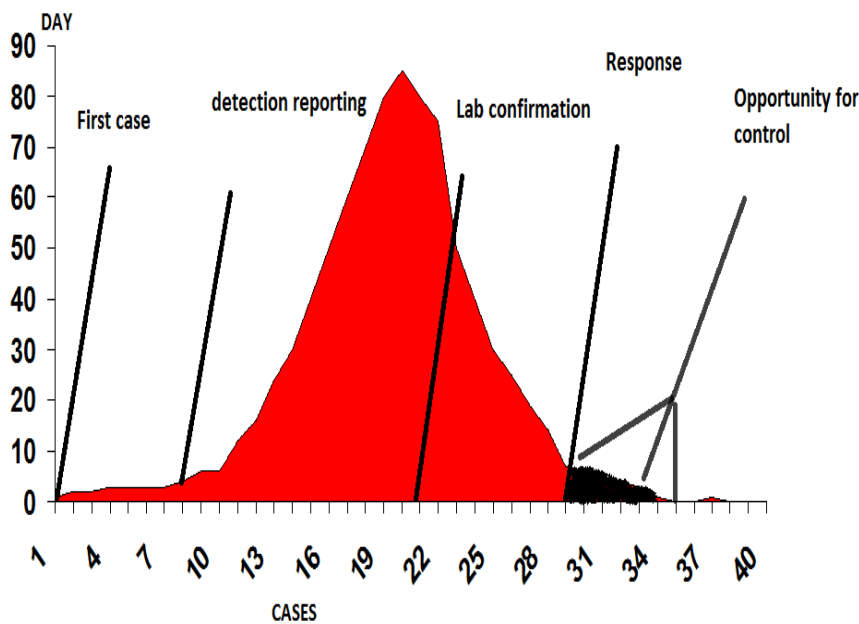
And

when Cloud computing is applied
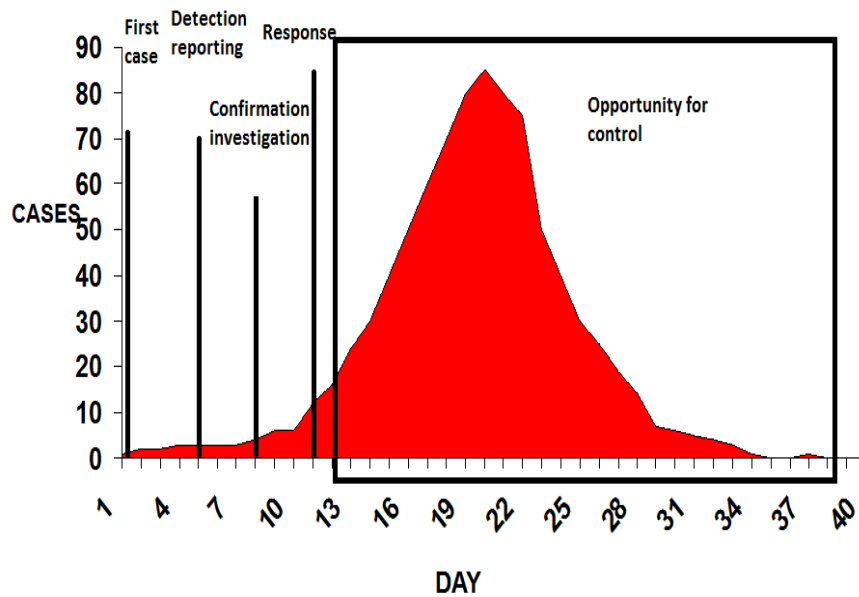
Process:

Shortening response time for surveillance:

- In case of any communicable disease when any case is detected at block level, the concerned health activist (ASHA , ANM in case of block level) will inform ministry of health
- Action will be taken immediately and lab confirmation will be done
- If result is found to be positive then precautionary measures will be taken immediately for prevention and curative care
- Hence by early detection then early reporting early investigation then early analysis will result in early response

For Database:

- Record of every patient will be kept on cloud in form of PHR,EHR
- It will be made compulsory for all public and private sector hospitals to record data
- Patients will have access to their data
- Records of all disease in form of history of a disease, symptoms, diagnosis, prognosis will be kept in public cloud and whole population will have access to it
- This data will help individuals to understand their disease, and reaching to right health professional at right time and at right place.

Barriers to Adoption:

- Cost of implementation and maintenance
- Low bandwidth is available for internet in most of the parts of country
- Lack of cooperation between public and private sector, hence case reporting may be affected
- Still a wide population in India is illiterate and low internet usage in another hurdle

Conclusion:

Cloud computing is applied effectively which can make such a big change in Healthcare delivery sector. Public health surveillance system will be strengthened by the application of Cloud technology and it will also provide better patient counseling, security of database and better decision making for policy implementation.

Green Marketing: A behaviour analysis of consumers

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ABSTRACT

In today's business world environmental issues plays an important role in marketing. As society becomes more concerned with the natural environment, businesses have begun to modify their behavior in an attempt to address society's "new" concerns. Some businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated environmental issues into all organizational activities. One business area where environmental issues have received a great deal of discussion in the popular and professional press is marketing. Terms like "Green Marketing" and "Environmental Marketing" appear frequently in the popular press. Increasingly, consumers choose ecological products when they do the shopping, not only because it is a healthier option but also because it helps to sustain the environment for future generations. Firms and other economic institutions are aware of the importance of reflecting these attitudes towards the environment in developing their products.

Based on the data collected through a field survey, the paper makes an assessment of the extent of environmental awareness, attitudes and behaviour prevalent among consumers in Chandigarh. This research improves our understanding of how consumers feel and what attitudes best define their way of behaving in relation to environmental problems. In the concluding section, limitations of the study have been discussed and suggestions provided for undertaking more thorough investigations in the area.

KEY WORDS: Green marketing, Eco label, consumer attitude, Corporate Social Responsibility, green products

INTRODUCTION

"Eat green, Drink green, Live green" Green product, Green marketing, Recycling, Environment safe, Eco drive "Green" is the buzz word. Using energy efficient lights, going for a car pool, saving water or using any resource efficiently that is not harming the environment means going green. But the word green has many different connotations to different users. In general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services. While green marketing came into prominence in the late 1980s and early 1990s, it was first discussed much earlier. The

American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing". Green marketing is defined as *"Green or Environmental Marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment."* The above definition includes the protection of the natural environment, by attempting to minimize the detrimental impact this exchange has on the environment. So green marketing should look at minimizing environmental harm, not necessarily eliminating it. Consumers these days are aware of pollution/pollutants, their effects and threat they pose to environment. People these days have become conscious of their surroundings and they want the best for them.

NEED OF GREEN MARKETING Green marketing is essentially a way to put across your message by appealing to consumers to choose from number of production and services available which is better for the environment but keeping in mind the Price. Green marketing offers business bottom line incentives and top line growth possibilities. While modification of business or production processes may involve start-up costs, it will save money in the long term. For example the cost of installing solar energy is an investment in future energy cost savings. Companies that develop new and improved products and services with environmental impacts in mind give themselves access to new markets, substantially increase profits and enjoy competitive advantages over those marketing non-environmentally responsible alternatives. It is the growing awareness among the consumers all over the world regarding protection of the environment in which they live. They are ready to change their behaviour with respect to protect the environment because they want to leave behind a legacy which could be nurtured by the generations to come, leading to sustainable overall development. Various studies by environmentalists indicate that people are concerned about the environment and are changing their behavior pattern so as to be less hostile towards it. Now we see that most of the consumers, both individual and industrial, are becoming more

concerned about environment friendly products. This has led to the need of green marketing in this competitive business environment.

LITERATURE REVIEW

David Wigder (2012) When it comes to the environment, consumer behavior can be inconsistent or even a bit hypocritical. It should not be surprising that consumers tend to be less forgiving of a brand's missteps than their own. They are quick to assume green washing regardless of good intensions. First, consumers turn to brands as a form of self-expression based on who they are today, or who they ideally want to be. Second, consumers expect green brands to deliver on promised reductions in environmental impact.

Gayatri Chopra (2011) Green consumerism has played the role of a catalyst. A field survey of consumers was conducted to understand their perception towards green marketing and preference for green products. The findings emphasized that Green Marketing is awakening in the sense that it triggers the sense of responsibility towards preserving the integrity of the natural environment, while satisfying the human needs and desires.

Kerry (2011) The author has given in his article trends for the year 2011, if followed by the green companies can pass challenges by flying colours. The author laid emphasis on Collaborative Consumerism, Eco-Superior, Reduce, Reuse, Recyle, Social Shopping and Group Buying, Gamification, Energy Dieting etc. the author further stated that these will be trends which should be followed in order to protect environment.

Kelly Spors(2011) For more than 20 years, consumers haven't been willing to vote with their dollars. The reasons are many and complex, but the result is clear cut: With the exception of some energy-saving devices, no green product has captured more than a tiny slice of the marketplace, at least in the U.S.

Dr. Sandhya Joshi(2011) This paper has attempted to introduce – the terms and concept of green-marketing; the importance of green marketing; why firms use green marketing, it also highlights some problems that organization may face to implement green marketing.

Pavan Mishra & Payal Sharma(2010) The paper identifies the three particular segments of green consumers and explores the challenges and opportunities businesses have with green

marketing. The paper also examines the present trends of green marketing in India and describes the reason why companies are adopting it and future of green marketing and concludes that green marketing is something that will continuously grow in both practice and demand.

Jason d'mello (2007) Sustainability has become a global buzzword. There are obvious trends with automobiles, hotels, manufacturing, and other sectors that drive companies to promote anything they do that helps the environment. In India pollution is obviously a problem that the government is trying to control. Recently a list of the top ten polluting cities in the world was released, and 2 cities in India made the top 5.

Hartmann, P. *et al.* (2005) proposes a set of strategic options for green brand positioning, based either on functional brand attributes or on emotional benefits. The aim of the study is to test the suggested green positioning strategies against one another, assessing their effect on perceived brand positioning and brand attitude

Pujari, D., Peattie, K. & Wright, G. (2004) The greening of new product development process has been under scrutiny by researchers, but the attention has been limited to consumer products. Based on a survey, this paper investigates the environmental responsiveness in industrial new product development, the findings revealed additional activities in the greening of industrial NPD. The paper also investigates the relative impact of organizational antecedents on greening of industrial NPD activities.

Ottman, J.A. (2004) say they actually are buying greener products. But when push comes to shove, many consumers just can't bring themselves to turn good intentions into action at the store. The more the people believe that they as one individual or working in concert with all other consumers of a product can make a difference, the greater the likelihood that they will buy greener product.

Eriksson, C. (2004) assumes that consumers are willing to pay an extra premium for a good if it has a low impact on the environment. The analysis is carried out in a model with product differentiation, where consumers differ in their preferences for product quality. Consumers' willingness to pay the environmental premium may be uniformly or non-uniformly distributed.

Joshi, M. (2004) studied the increasing environmental concerns of consumers are leading to more information about the environmental characteristics of products being made available by producers through what is called "eco-labelling"

De Boer, J. (2003) examines the role of labelling and certification schemes in pursuit of policies to make production and consumption processes more sustainable. From a logical point of view, labels are conceived as claims put forward by sellers to inform buyers about certain characteristics of their products

Pujari, D., Wright, G. & Peattie, K. (2003) reports the findings of a large-scale research project on environmental new product development (ENPD) within British manufacturers. A major contribution of this article is the attempt to integrate new product development (NPD) and environmental management philosophies in order to develop and empirically test a theoretical framework for ENPD and performance.

Masui, K., Sakao, T., Kobajashi, M. & Inaba, A. (2003) A methodology for applying Quality Function Deployment (QFD) is presented for environmentally conscious design in the early stage of product development. This methodology has been developed by incorporating environmental aspects into QFD to handle the environmental and traditional product quality requirements simultaneously. The results obtained from the case study of IC package show that QFDE could be applicable in the early stage of assembled product design, because the most important component from the viewpoint of the environment is clearly identified and multiple options for design improvement are effectively evaluated.

Johansson, G. (2002) On the basis of a literature review, 20 factors essential for successful integration of eco-design in product development are presented. The success factors are structured according to six areas of concern: management, customer relationships, supplier relationships, developmental process, competence and motivation. These factors are related to competence and motivation. As many of the ecodesign success factors relate to those elements that are acknowledged to affect product development success, this implies that a company that manages product development well increases the likelihood of being successful when integrating eco-design into product development.

Chen, C. (2001). develops a quality-based model for analyzing the strategic and policy issues concerning the development of products with conflicting traditional and environmental attributes. On the demand side of the problem, the framework of conjoint analysis is used to structure the preferences of the ordinary and green customers. On the supply side, theories in optimal product design and market segmentation are applied to analyze the producer's strategic decisions regarding the number of products introduced and their prices and qualities. Two major findings show that green product development and stricter environmental standards might not necessarily benefit the environment.

Crane, A. (2001). explores the notion of an ethical product. It is argued that ethical issues have long been involved in consumers' product evaluations, but that there has been little academic investigation of ethics in terms of product concepts and theories. Ethics are thus examined in the context of the augmented product concept, and 2 dimensions of ethical augmentation are identified: direction and content. It is shown how this could be used to provide structure and coherence to examinations of the perceived ethics of any given product offering.

Dosi, C. and Moretto, M. (2001) The rationale of ecolabelling is to enable firms to reap the willingness-to-pay for the environmental attributes of goods by helping consumers to identify "green" products. By so doing, ecolabelling is expected to stimulate spontaneous environmental innovation and to reduce aggregated pollution.

According to Peattie (2001), the evolution of green marketing has three phases. First phase was termed as **"Ecological"** green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems. Second phase was **"Environmental"** green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third phase was **"Sustainable"** green marketing. It came into prominence in the late 1990s and early 2000.

Oyewole, P. (2001) presents a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of environmental justice in the practice for green marketing. In contrast with the type of costs commonly discussed in

the literature, the paper identified another type of costs, termed 'costs with positive results,' that may be associated with the presence of environmental justice in green marketing. A research agenda is finally suggested to determine consumers' awareness of environmental justice, and their willingness to bear the costs associated with it.

Meriläinen, S., Moisander, J. & Personen, S. (2000) Environmental management systems and green marketing programmes have gained increasing popularity in western market economies. They are viewed as cost-efficient, effective and just means of tackling problems associated with the impact of economic activity on the environment.

Prothero, A. & Fitchett, J.A. (2000) argue that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals. The authors reject both naive ecological romanticism and revolutionary idealism on the grounds that they fail to offer any pragmatic basis by which greater environmental responsibility can be achieved. The authors offer a conceptual justification for the development and implementation of a green commodity discourse. Marketing not only has the potential to contribute to the establishment of more sustainable forms of society but, as a principle agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so.

Kilbourne, W.E. & Beckman, S.C. (1998) provides a review and categorization of the environmentally related research published in the major English language marketing journals over the period from 1971 to 1997. It traces the development from the early research which focused predominantly on the characterization of the "green" consumer, conceptualization of environmental consciousness, environmentally related behaviours such as recycling, and attitudes towards environmental problems such as pollution. **Walker, R.H. & Hanson, D.J. (1998)** highlighted the green/environmental implications and imperatives associated with destination marketing as distinct from those related to product and services marketing. A comparative taxonomy has been developed to illustrate these, and to provide a framework for discussing their relevance, with reference to the particular case of Tasmania as a tourism destination.

Kilbourne, W.E. (1998) discusses the failure of green marketing to move beyond the limitations of the prevailing paradigm. While there are nascent macro developments in marketing thought that might lead to a truly green marketing considering sustainability, holistic thought, and the limitations of the prevailing paradigm, they remain thus far on the periphery of the discipline.

Fisk, G. (1998) highlighted the effectiveness of "reward and reinforcement" strategy used in marketing activity is compared to a strategy of "mutual coercion mutually agreed upon" as a means for accelerating acceptance of environmentally appropriate production and consumption technologies.

Grove, S.J. & Fisk, R.P. (1996) attempted to bring attention to the general and pervasive exclusion of service industries from discussions of green marketing practices. They explore why circumstance may exist, and provided arguments to support the adoption of environmental practices by services providers. Also in trying to identify how the service sector can contribute to the preservation of the environment, a greening of services matrix was presented. This matrix was designed to demonstrate through hypothetical examples the many ways that service industries can reduce, reuse or recycle resources, either collectively or individually, and thereby embrace the green initiative.

RESEARCH METHODOLOGY

OBJECTIVES OF STUDY:

The purpose of this study is to examine the significance of green marketing in today's world. The research work is also designed to achieve the following specific objectives:

1. To study the awareness of consumers towards eco friendly or organic products.
2. To study the buying behaviour of consumers.
3. To find the impact of consumer awareness of eco friendly product on business.

DATA COLLECTION:

The data used for this study has primarily been collected from two sources: Primary and Secondary. However major data for this research has been collected from structured questionnaires. The data has been collected from 200 customers of Chandigarh randomly.

Table1

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	104	52.0	52.0	52.0
	female	96	48.0	48.0	100.0
	Total	200	100.0	100.0	

Out of 200 respondents 104 are male and 96 are females. The data has been collected randomnly from various dept. stores which keep stock of organic products, electronic shops and common man.

ANALYSIS OF DATA

The analysis of data has been under two sections. Three sets of questions were prepared to know the buying behaviour of the consumers and their awareness regarding the organic/eco friendly products.

First section : It deals with the profile of the respondent i.e. education, age, gender etc.

Second section: It deals with the buying behaviour of the respondent.

Third section: It deals with the awareness of consumers towards eco friendly products.

SECTION I:

Under this section descriptive analysis has been done. Frequencies have been calculated in order to analyse the data. The respondents have been categorized on the basis of age, education and gender.

1. On the basis of age: There are three categories. Out of 200 respondents 80 belongs to 18-25 years of age, 59 to 26-35 and 61 belongs to category i.e 45 and above.(shown in table2)

TABLE 2   **Age**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	80	40.0	40.0	40.0
d	26-35	59	29.5	29.5	69.5
	45 and above	61	30.5	30.5	100.0
	Total	200	100.0	100.0	

2. On the basis of Education: Education plays important role in determining the buying behaviour of the consumers. Out of sample of 200 respondents 48 have passed higher secondary, 76 are graduates and 76 are post graduates. This shows that consumers belong to graduate and post graduate class.

TABLE 3

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	higher secondary	48	24.0	24.0	24.0
d	graduation	76	38.0	38.0	62.0
	post graduation	76	38.0	38.0	100.0
	Total	200	100.0	100.0	

The Table 4 represents the correlation between the gender and age of respondents. Out of the sample of 200 respondents there are 104 male respondents and 96 female respondents. Majority of respondents lie in the age group of 45 and above.

Gender * Age Crosstabulation
TABLE 4
Count

		Age			Total
		18-25	26-35	45 and above	
Gender	male	0	59	45	104
	female	80	0	16	96
Total		80	59	61	200

This table analysis the correlation between gender and education. In table 5 majority of the male respondents are graduates and female are pursuing post graduation or are post graduates.

TABLE 5

Gender * education Crosstabulation

Count

		education			Total
		higher secondary	graduation	post graduation	higher secondary
Gender	male	0	60	44	104
	female	48	16	32	96
Total		48	76	76	200

SECTION II:

This section analyses the consumer buying behaviour. A set of question was framed in which all the consumers have to respond to the factors they consider important while purchasing the products. In order to study the buying behaviour, a set if 15 factors was framed and respondents have to rank on the 4 point scale starting from 1(great importance) to 4 (don't know).

These factors were analysed with the help of factor analysis and data was reduced from 15 to 5 main factors which the consumers both male and female consider important while purchasing the products.

Communalities

	Initial	Extraction

Q8(1)	1.000	.850
Q8(2)	1.000	.955
Q8(3)	1.000	.905
Q8(4)	1.000	.829
Q8(5)	1.000	.774
Q8(6)	1.000	.916
Q8(7)	1.000	.943
Q8(8)	1.000	.451
Q8(9)	1.000	.821
Q8(10)	1.000	.952
Q8(11)	1.000	.913
Q8(12)	1.000	.924
Q8(13)	1.000	.937
Q8(14)	1.000	.964
Q8(15)	1.000	.966

Extraction Method: Principal Component Analysis.

TABLE 6:Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.097	27.310	27.310	4.097	27.310	27.310	3.326	22.174	22.174
2	2.945	19.633	46.943	2.945	19.633	46.943	3.085	20.570	42.744
3	2.519	16.792	63.735	2.519	16.792	63.735	2.279	15.195	57.939
4	2.179	14.528	78.264	2.179	14.528	78.264	2.259	15.059	72.998
5	1.362	9.080	87.344	1.362	9.080	87.344	2.152	14.346	87.344
6	.958	6.385	93.729						
7	.568	3.786	97.515						
8	.373	2.485	100.000						
9	1.06E-015	7.10E-015	100.000						
10	5.60E-016	3.73E-015	100.000						
11	3.62E-016	2.42E-015	100.000						
12	2.53E-016	1.69E-015	100.000						
13	-1.80E-017	-1.20E-016	100.000						
14	-	-3.04E-	100.000						

15	4.56E-016 -7.00E-016	015 -4.67E-015	100.000						

Extraction Method: Principal Component Analysis.

Component Matrix(a)

	Component				
	1	2	3	4	5
Q8(1)	-.714	.332	.453	-.132	.086
Q8(2)	-.886	-.266	.007	-.225	-.223
Q8(3)	.380	-.279	.622	.346	-.419
Q8(4)	.634	-.599	-.031	.205	.159
Q8(5)	.694	.023	.142	.428	-.297
Q8(6)	.222	-.399	.380	-.546	.514
Q8(7)	.517	.663	.329	-.353	-.062
Q8(8)	.520	-.353	-.088	.132	.175
Q8(9)	-.394	-.003	.036	.555	.597
Q8(10)	.260	.825	.149	.337	.261
Q8(11)	.428	.500	-.424	-.414	-.359
Q8(12)	-.043	.275	.773	-.492	.084
Q8(13)	.760	.373	-.223	-.153	.384
Q8(14)	.389	-.506	.726	-.161	-.066
Q8(1	-.227	.449	.517	.664	-.063

| 5) | | | | | |

Extraction Method: Principal Component Analysis.
a 5 components extracted.

Rotated Component Matrix(a)

	Component				
	1	2	3	4	5
Q8(1)	-.858	-.061	-.054	.165	.282
Q8(2)	-.559	-.775	-.189	-.018	.081
Q8(3)	.159	-.031	.930	.116	.003
Q8(4)	.845	-.044	.251	.209	.080
Q8(5)	.442	.358	.627	-.200	-.135
Q8(6)	.202	-.031	-.121	.926	.033
Q8(7)	-.219	.758	.161	.258	-.477
Q8(8)	.645	.073	.106	.134	.036
Q8(9)	-.047	.053	-.178	-.117	.878
Q8(10)	-.201	.909	.055	-.211	.195
Q8(11)	.033	.389	-.212	-.234	-.813
Q8(12)	-.570	.251	.216	.690	-.114
Q8(13)	.451	.771	-.249	.138	-.241
Q8(14)	.207	-.127	.639	.703	-.048
Q8(15)	-.471	.339	.520	-.298	.519

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 8 iterations.

TABLE 7: Component Transformation Matrix

Component	1	2	3	4	5
1	.687	.535	.291	.159	-.364
2	-.538	.759	-.146	-.301	-.148
3	-.393	.123	.667	.579	.224
4	.214	.116	.412	-.601	.640
5	.196	.330	-.529	.432	.621

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.

With the help of Factor Analysis the Factors have been reduced to 5 main factors.

1.variable   1,2,4,8----------------   Factor1--------------   Product   value
2. variable 7, 10,13-----------------Factor 2--------------- Environmental value
3. variable 3, 5,15------------------Factor 3--------------- Service value
4. variable 6, 12,14---------------- Factor 4--------------- Image
5. variable 9, 11---------------------Factor 5-------------- Appearance

On studying the total Variance table it can be analysed that out of these five factors the first factor is the most important factor which explains 22.174 % of the total variance. 4 statements have been loaded on this factor and all are significantly correlated with the factor and the second most important factor is environment which is also very close to the maximum variance shown in the table. Rest all other are important but not as these two main factors.

In nut shell it can be said that while buying product consumers consider technical quality, price durability and latest model as their first preference but they do consider environment factors also though it may not be the deciding factor.

SECTION III:

This section deals with the buying behaviour of the respondents. The respondents were asked whether they have ever heard about eco friendly or organic products and out of 200 responses majority of consumers i.e 66.5% have knowledge of organic products whereas 33.5% do not have knowledge of such products.

TABLE 8   **know**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	133	66.5	66.5	66.5
	no	67	33.5	33.5	100.0
	Total	200	100.0	100.0	

Table 9 represents the number of respondents who put this products in use practically. When it was asked the data revealed that majority of respondents do not or very seldom uses such products in routine i.e 62% uses such products very rarely. There were only 38% who always uses such products. It means that people have the knowledge but they feel hesitant in purchasing the products for one reason or the other.

TABLE 9   **often**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very seldom	124	62.0	62.0	62.0
	always	76	38.0	38.0	100.0
	Total	200	100.0	100.0	

The next table(10) deals with the opinion of the consumers on the organic products. This table represents that there are approx. 35% consumers who believe that the organic products are useful and 22.5% believe that they are better for health reasons but the same number of consumers believe that these products are unnecessary and they are selling techniques of the organizations.

TABLE 10   **opinion**

	Frequency	Percent	Valid Percent	Cumulative

					Percent
Vali d	beneficial	71	35.5	35.5	35.5
	tampering with nature	16	8.0	8.0	43.5
	unnecessary	68	34.0	34.0	77.5
	healthy	45	22.5	22.5	100.0
	Total	200	100.0	100.0	

In order study the relation between education and awareness of consumers about organic products a further analysis was done. When data was analysed it revealed that out of 200 respondents majority of the consumers are aware of such products. Significant relation can be established between education and consumer awareness. As the education increases the awareness also increases(table11). Out of 76 post graduate respondents there are only 23 who are not aware. This shows a positive relationship between education and consumer awareness

Education * know Crosstabulation

TABLE 11

		know		Total
		yes	no	
education	higher secondary	28	20	48
	graduation	44	32	76
	post graduation	53	23	76
Total		133	67	200

As the buying behaviour of male and female are totally different. It became necessary to know the impact of gender on the buying behaviour. The next table analyses that male candidates are more inclined towards the purchase of organic products than female candidates.

Gender * often Crosstabulation

TABLE 12

		often		Total
		very seldom	always	
Gender	male	60	44	104
	female	64	32	96
Total		124	76	200

In nut shell all the above objectives are satisfied and it can concluded that consumers are aware of the organic products as well as they are concerned towards environment issues but still they are not used to such products and majority of consumers still consider other factors more important than environmental products. There is need of special programs to make the people aware of the benefits of such products so that they can put them in use practically without hesitation.

COST:-

Cost came out to be the most significant hurdle.

- Green shoppers are less price sensitive.
- Cost is an impediment to green market expansion as 54% would buy more green products if less expensive.

WILLINGNESS :-

Out of 200 consumers 70% are motivated to buy green but only 40% are willing to pay more. In nutshell there is difference between what the consumers believe and what they actually do.

IMPLICATIONS ON BUSINESS

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. If you think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, think again. You must find an opportunity to enhance you product's performance and strengthen your customer's loyalty and command a higher price. Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential.

How much a given initiative will help or hurt a given brand will, of course, depend on the characteristics of its target markets. Hence, brand managers need to address questions such as the following as they evaluate what degree of commitment to make to affinity marketing:

1. Are there a sufficient number of consumers in the brand's desired target market who have a   strong affinity for the sport, event or social cause under consideration for affiliation?

2. Will consumers from desired target markets find it credible that this brand is affiliated with this sport, event or social cause, or will they view such support with suspicion?

3. Does the brand differentiate itself from its competitors in the eyes of desired target markets through supporting this affiliate, or does the brand look like a copycat?

4. How does the affiliate stack up versus other potential beneficiaries of the brand's promotional initiatives, in terms of affecting target consumers' view of the brand's style of marketing and its image and performance attributes?

Conventional survey research with samples of target consumers could help to find answers to the first three questions above. Our experimental results have persuaded us that it would be very feasible for real-world brand managers to test consumer ideas on these eco-friendly campaigns and thus helps these brand managers to decide their brand promotional strategies.

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PREDICTING ECONOMIC CRISES IN INDIA

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Abstracts:-

It gives me great pleasure to place these papers. These papers have been written to present a simple text for interacting for the commerce teachers, Research Scholars & experts. Economic crises is one serious problem casually connected with economic growth. Such crises is a global phenomenon. It is one negative outcome of economic development. Our country has been facing the problem of social- economic during the last five decades we have achieved self sufficiency in food, created a strong & diversified industrial base & developed a high degree of resilience that could effectively with stand the onslaught of the east Asian crisis in 1997 & 1998 the kargil war in 1999 & the oil shocks in 1999 & 2000. Agressive terrorist attack on the parliament earthquake in Gujrath,last years crises in USA Non of these could push India in to an economic crisis of the kind. However there are major weaknesses that still persist as we prepared ourselves for entering the new millenium. More than a quarter of India's population lives in abject poverty, around 50% of the urban population lives in slums in unhygienic conditions & just under half of our vast population is illiterate. At this rate by the year 2010 we may perhaps earn the dubious distinction of having half of the whole world's illiterate population. Which shows that India is a country of spectacular paradoxes. We are the largest global supplier of highly skilled manpower & still we could be the reservoir & the world's largest mass of illiterates. The crises for Indian economy till the year 2020 be viewed it would include demographic, economic & social aspects of national development strategy over the next two decades the following economic crises would be fused over the two decades.

- Crises about population Growth
- Crises towards GDP Growth
- Crises towards Indian Agriculture
- Crises towards Indian industry
- Crises towards Indian exports
- Crises towards Indian infrastructure
- Crises towards India's Education.
- Crises towards foreign investment
- Crises towards Multinational companies
- Debt position in India

We are a large diverse federal democracy the formulation as well as the implementation & the broad strategy to fulfil the proposed crises of Indian economy in 2020, requires a strong consensus & quick action on the part of not only the Government but also various segments of trade & industry. Our past experience shows that such a consensus has been extremely difficult to achieve under the existing political & social- economic environment in India. More over, there is a basic intent & a natural tendency for delaying action on several aspects which are crucial for an effective management of India economy in the process we have already lost precious time & we cannot afford to continue in this fashion in future. Growth acceleration achieved during the last 15 years has created the condition for India's take off into the orbit of high growth. India has the potential to emerge as another roaring Asian tiger, provided we can decisively put our act together. Let us hope & pray that our collective wisdom & effort would enable us to avoid economic crises & to capitalize great opportunity in the first two decades of the 21st century & restore the leading position that our great nation used to throw out the economic crises & occupy in the global arena many centuries ago.

Introduction:

After more than six decades of independence, India stands at the cross-roads of history in the initial years of the new millennium. During the last 6 decades we have achieved self sufficiency in food, created a strong and diversified industrial base and developed a high degree of resilience that could effectively withstand the onslaught of the East Asian Crises in 1997 & 1998. The Kargil war in 1999 and the oil shocks in 1999 & 2000, Agressive terrorist attack on the parliament, earthquake in Gujarat,present crises in USA or in Uropian countries, none of these could push India into an economic crisis of the kind, we faced in 1991and2001and2010. However, there are major weaknesses that still persist as we prepared ourselves for entering the new millennium. More than a quarter of India's population lives in abject poverty, around 50% of the Urban population lives in slums in unhygienic conditions and just under half of our vast population is illiterate. At this rate, by the year 2010 we may perhaps earn the dubious distinction of having half of the whole world's illiterate population, which shows that India is a country of spectacular paradoxes. We are the largest global suppliers of highly skilled manpower and still we could be the reservoir of the world's largest mass of illiterates. The vision for Indian economy in the year 2020 needs to be viewed in this context.

My opinion for Indian economy is that India emerges as a formidable global economic power with every Indian enjoying a decent living standard by 2020 while maintaining the broad federal democratic structure of the nation as it has evolved over the last five decades. This vision sounds very ambitious but is attainable if we can put our act together and pursue the goal relentlessly through well-coordinated hard work, total commitment and complete dedication. Basic ingredients of this broad vision would include demographic, economic and social aspects of national development strategy over the next two decades.

1. POPULATION GROWTH;

One of the main reasons why India has still remained a less-developed country with very low level of per capita income inspite of being quite large in the global context in terms

of physical volumes of out put in both agricultural as well as industry is our failure to control the rapid growth of population during the last five decades. Today, the absolute size of GDP is large enough to make India the 12rn largest economy in the world. However, our rank in terms of per capital living standards is way below at 162 out of 206 economics and even if we consider per capita GNP at purchasing power parity, India's rank in 1999 turns out to be 153 among the 20 largest Economies in the world. India's growth rate of population has been the highest and if this trend continues over the next two decades, it could spell disaster for any ambitious vision that the nation may try to evolve. Hence, it is necessary that we have an explicit demographic vision of attaining less than half- percent annual growth rate of population by the end of the next decade. The social dimension of this vision would involve sufficient upgradation of the status of women in society and attainment of almost 100% literacy among adult females.If the current growth rate of population continues, India's population would reach 1470 million by 2020. But if we can reduce the growth rate of population in a phased manner to 0.5% by 2010 and maintain it at that level there after, India's population would not exceed 1170 million by 2020, i.e. the country would succeed in avoiding a further 1 addition of 300 million to our population over the next two decades. This by itself would increase the per capital living standard of the remaining population by 26%.

2. GDP GROWTH :

The national vision of becoming a major global economic power by 2020 can be accomplished only if we achieve a real GDP growth rate of more than 8% per annum consistently over the next two decades. Real GDP growth of around 8.5% per annum will enable us : emerge as tenth largest economy in the world by the year 2020 with a more than sevenfold increase in our GNP which translate into a per capital income of around 2500 US Dollars. It should be remembered, however, that our ranking in terms of average living standards would still remain significantly lower.

Visions of sector growth commensurate with the overall vision of 8.5% growth rate involve growth rates of 5% for agriculture, 9% for industry and 9.5% to 10% for services. In relation to the average growth rates observed during the last 15 years, the growth rates

envisaged in the above vision of India's GDP growth over the next two decades imply an acceleration in the growth rates by 1.8 percentage points in agriculture, 2.5 percentage points in industry, 2 percentage points in services and 2.55 percentage points for the economy as a whole. A detailed projection of the sources of future growth of India's economy based on my analysis of the sources of accelerated growth during the post —1985 period reveals the possibility of augmenting the contribution of total factor input by o.65 percentage points over the next three decades. A significant part of the higher growth of total factor input would be contributed by a faster growth of capital input resulting from an increases in the domestic saving rate from the current level of 23.5% to around 28.5% by 2020.

3. INDIAN AGRICULTURE:

Higher growth of agriculture can be achieved only through a significant increase in the productivity level through modernization of the agricultural sector. Despite our low productivity levels, we have a distinct competitive advantage in several agricultural commodities. It was 233-88 Million ton food grain in 2008-09. We are among the top three producers in the world in respect of several agricultural commodities, but our share of world exports in agricultural commodities   is barerly 1%. Traditionally, the basic mission of India's agricultural development has been to achieve self sufficiency in food grains and also in major non-food crops. My opinion of the Indian agriculture in future is as follows :- Agriculture will be the driving force behind the growth engine of Indian economy through contribution in our export earnings, absorbing a large part of our less skilled workforce, providing good quality raw materials, for our industries at competitive rates, generating demand for industrial goods and services, and above all generating income saving and investment in Indian economy.

The main factors which have created bottlenecks in oar efforts to accelerate agricultural development during the last two decades are:

      a. Inefficient water management,

b. Poor supply-chain management arising on account of inadequacy of rural roads,

c. Market infrastructure & transportation facilities,

d. Inefficient rural credit delivery system,

e. Lack of proper education at the operating level.

f. Barriers to agricultural trade and

g. Lack of focus on value addition.

4. INDIAN INDUSTRY :

My opinion for the Industrial sector is to achieve sustained annual growth of around 8.5 % in real terms. India has already developed a strong industrial base and Indian industry is by now quite prepared to face the challenge of international competition. The radical changes in economic environment during the last decade have propelled Indian industry to bring about a major restructuring of its operations leading to mergers, amalgamation, joint ventures, strategic alliances and significant technological upgradation and it is to create the enabling conditions through a series of comprehensive second generation economic reforms to provide a strong fillip for rapid industrial growth. The major obstacles to accelerate industrial growth are herewith.

a. The high incidence of domestic taxes.

b. Out dated labour laws,

c. Difficulties involved in dealing with industrial sickness,

d. Continued existence of inefficient public sector enterprises and,

e. Relatively rigid factor markets operating in

5. EXPORTS :

My opinion of India as a leading export has to achieve at least 2% share of world exports by the year 2020. Based on the past trends in world trade and new developments in global economy scenario envisaged over the next few years, aggregate world exports are likely to

cross 25000 billion dollars in respect of information technology by 2020. India's aggregate exports should exceed 500 billion dollars to accomplish this vision. It should not be surprising if our information technology exports alone may cross 150 billion dollars mark by the year 2020. Currently India exports more than 7000 products through more than 300 thousand exporters both big and small. While the range of products as well as the export base could be expanded further. Our success on the export front will depend critically on our ability to control inflation and pursue a market-oriented exchange rate policy. The average rate of inflation over the next two decades is to be kept below 4% per annum which would help in restricting the average rate of currency depreciation to around 2% per annum and also in maintaining a relatively stable interest rate regime Fulfillment of our export will raise India's export GDP ratio to around 20% over the next two decades. It was the export of 168.704 million dollar in 2008-09, 8 growth rate was 3.6% & import was 14.4%

6. INFRASTRUCTURE:

Infrastructure is a crucial factor in the overall development of economy. In India a comprehensive policy framework for infrastructure development has been lacking. As a result private investment in the infrastructure sector has not taken off as per our expectations. My opinion for the infrastructure sector is to ensure ready availability of basic infrastructure facilities at the lowest possible costs with standards of service comparable to those observed in the newly industrialized economies. It is necessary to evolve a framework that would integrate macro-level policy issues, regulatory aspects and managerial aspects of in development in the field of power, roads, railways, r-telecom. The rail development corporation was established in 2003.

7. EDUCATION SECTOR:

The 21st century will herald a powerful era of knowledge revolution. The India's Education sea be not only to achieve and sustain 100% literacy, but also to refocus our higher Education to nurture centers of excellence that would acquire global standing and international recognition. This goal is to significantly increase the public expenditure on the education sector to the level of at least 5% of GDP.

8. DIRECT FOREIGN INVESTMENT

Though efforts were made by Indian Govt, to invite direct foreign investment in various forms for a long time their response after liberalization could not be very encouraging. Direct foreign investments would be allowed in the priority areas like power, oil refinery, Electronic equipments, chemicals, food processing Industries, telecommunication, industrial machinery etc. It has indicated the upraise in direct foreign investments approvals from 325 million dollars to the tune of 8367/- million dollar in Sep; 1996. It has been encouraging to see the total worth of approval between 1991 & 1995 has touched an impressive figure of 29608 million dollars. However the actual inflow has been slow as only 5690 million dollars (19% of the total approval) that has reached India so for.

9. MULTINATIONAL COMPANIES :

MNCs would provide opportunities to reap maximum benefits by exploiting home market. Most of the foreign companies would not be really interested in sharing their up-to-date technology with India. They would bring second hand technology & not the sophisticated technology According to Arun Ghosh - "The handing over the proven oil reserves to private parties as also sharing formula adopted is an open way to corruption on a varying scale"

MNC would be interested in short term benefits rather than long term achievement their approach would be purely 'sales cum profit. The arrival of multinationals may affect the growth of indigenous producers. The local manufacturers would be in no position to face the competition from multinationals. At the end, they may give up or be destroyed & thus India would face the major economic crises.

10. DEBT POSITION :

India would face a severe crisis of balance of payment position & would be to suffer a situation similar to Debt trap during 1990-91. India should learn lessons from the Asian crisis & must keep it debt burden within the prudent limits. India would have to make serious efforts in the field of oil exploration to achieve a fair degree of self — reliance. Exports promotion & import substitution would improve our balance of payment position.   It could

reduce our dependence on external debt to considerable extent. This would be the lasting solution for India's debt problem otherwise India would face the economic cries as above.

11. FISCAL IMBALANCE:

Efficient handling of fiscal management will be the biggest challenges for our Govt. Fiscal deficit in 98-99 was 5-00 as percent of GDP. Existence of large deficit would lead to adverse effect like low savings & Investment. & increasing interest payment. High interest will lead to inflation.

12. TAXATION POLICY IN INDIA :

Taxation Policy would be the main source of revenue for our Govt. As per the constitution of India, the tax revenue would be allotted to the state and the central Govt, as Taxes like custom duty, corporate tax etc. to be levied collected by centre. Taxes like income tax, Excise duties to be levied and collected by centre but the amount to be shared by the centre and state duty to be levied and collected by the state.

Let us hope & pray that our collective wisdom & effort would enable us to eradicate the economic crises & to captivate on the great opportunity in the first two decades of the 21st century & restore the leading position that the great nation used to occupy in the global arena many centuries ago.

- Education.

- Foreign investment

- Multinational companies

- Debt position

We are a large diverse federal democracy. The formulation as well as the implementation & the broad strategy to fulfil the proposed crises of Indian economy in 2020, requires a strong consensus & quick action on the part of not only the Government but also various segments of trade & industry. Our past experience shows that such a consensus has been extremely difficult to achieve under the existing political & socio- economic environment in India.

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India has the potential to emerge as another roaring Asian tiger, provided we can decisively put our act together. Let us hope & pray that our collective wisdom & effort would enable us to avoid economic crises & to capitalize great opportunity in the first two decades of the 21st century & restore the leading position that our great nation used to throw out the economic crises & occupy in the global arena many centuries ago.

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Global Perspectives of Islamic Banking & Finance

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Abstract :

Islamic finance has become main stream, with more than US$800 billion of assets worldwide. However, it still faces distinct developmental challenges from economic and legal constraints having banking-specific issues, and fragmented financial regulation.Although Islamic capital markets and banking have defied the impact of the financial crisis, some negative effects were felt in 2008 and are likely to inhibit further expansion.Despite current challenges, most of which arise from the infancy of the industry, Islamic finance has promising long-term prospects. Since the end of 2008 the global financial system has undergone a period of dramatic turbulence, which has caused a widespread reassessment of risk in both developed and emerging economies and the price it should command across different asset classes.

Keywords: MENA nations,shariah law,riba

INTRODUCTION

After a rather painful reckoning, policy-makers and regulators are hastening a redesign of the financial sector architecture afflicted by the demise of self-regulation and a failure of market efficiency. As the global credit crisis continues to deepen, with investment banks and finance houses worldwide still reeling from the collapse of the US subprime mortgage market and the breakdown of the wholesale money markets, the soul-searching in conventional finance has directed attention to alternative modes of finance. In this context new investors, unsettled by excessive risk-taking and asset price volatility, are turning to islamic finance as market ruptures caused by the headlong flight to safety during the initial phase of the credit crisis seem to be receding only slowly. The principles of Islamic law derive from interpretations of two sources: the Qur'an and the Sunna. The central pillars of islamic finance are that wealth must be generated from legitimate trade and asset-based investment, while the use of money for the purposes of making money is expressly forbidden.

Crucially,the latter means that islamic finance does not permit the charging or paying of interest *(riba)[1]*. Under Islamic principles, investment must also have a social and an ethical benefit to wider society, with short-term speculative investments (known as *masir)* strictly forbidden. Islamic finance also prohibits investment in sectors classified as inappropriate on moral grounds by *shariah* law[2]. These include industries involving alcohol, gambling, or drugs, but can extend well beyond these narrow boundaries. Each Islamic bank's adherence to the principles of *shariah* law is governed by its own *shariah* board, a body charged with the responsibility of overseeing all processes of the bank. While some aspects of *shariah* law may be subject to individual interpretation, the board also has the responsibility to decide which proposed deals are acceptable to the bank on *shariah* grounds, and which are not.

ISLAMIC MODES OF FINANCE

Definition of Mudarabah

Mudarabah is a form of partnership where one of the contracting parties called the *Sahib al-Mal* or the *Rabb al-Mal'* (the financier), provides a specified amount of capital and acts like a sleeping or dormant partner while the other party, called the *Mudarib* (entrepreneur), provides the entrepreneurship and management for carrying out any venture, trade, industry or service with the objectives of earning profits.

Definition of Mudarib

The Mudarib is in the nature of a trustee as well as an agent of the business. The Mudarib is required to work with honesty and sincerity and to exercise the maximum possible care and precaution in the discharge of his functions. If he is guilty of wilful negligence, fraud or misrepresentation, he is himself responsible for the consequences, and the resulting loss, if any, can not be charged to the Mudarabah account.

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[1] excess compensation without due consideration.
[2] known as islamic law.

The scope of financial instruments is quite wide. For practical reasons, the islamic financial instruments are not classified in a haphazard way as short, medium and long term but such a classification would depend on the nature of investment itself. In *Mudarabah,* for example, the whole deal should be liquidated for the purpose of realizing profits or losses.

Definition of Murabahah or Salam[3]

Salam dealing is another type of contract that can be classified, by its nature, as a short-term investment. On the other hand, we find that *Musharakah* can be treated as a long-term investment if it is permanent or as a medium-term investment if it takes the form of decreasing participation. If there is an islamic capital market, there would be no big difference between short-term, medium-term and long-term investments. All these differences would lose their importance when the investor can sell, at any time, his portions in the various investments, either in the form of *Mudarabah, Musharakah, Murabahah* or *Salam.*

Definition of Sukuk

It is the arabic name for financial certificates that are the islamic equivalent of bonds. However, fixed-income, interest-bearing bonds are not permissible in Islam. Hence, Sukuk are securities that comply with the Islamic law (Shariah) and its investment principles, which prohibit the charging or paying of interest. Financial assets that comply with the Islamic law can be classified in accordance with their tradability and non-tradability in the secondary markets.

RESEARCH SURVEY RESULTS

Shariah-compliant assets reached about $400 billion throughout the world in 2009, according to Standard & Poor's ratings services, and the potential market is $4 trillion.Iran,saudi arab and malaysia have the biggest sharia-compliant assets.In 2009 iranian banks accounted

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[3] The transaction is considered Salam if the buyer has paid the purchase price to the seller in full at the time of sale.

for about 40 percent of total assets of the world's top 100 islamic banks. <u>Bank Mellian iran</u>, with assets of \$45.5 billion came first, followed by saudi arabia's A1 rajhi bank, bank mellat with \$39.7 billion and bank saderat iran with \$39.3 billion.Iran holds the world's largest level of islamic finance assets valued at \$235.3bn which is more than double the next country in the ranking with \$92bn. Six out of ten top islamic banks in the world are Iranian.

In November 2011, <u>The latest</u> published authoritative list claims iran tops the list of top 500 islamic finance institutions.Seven out of top ten islamic banks in the world are iranian according to the list.

Figure 1. Strong historical growth,driven by core islamic segment.
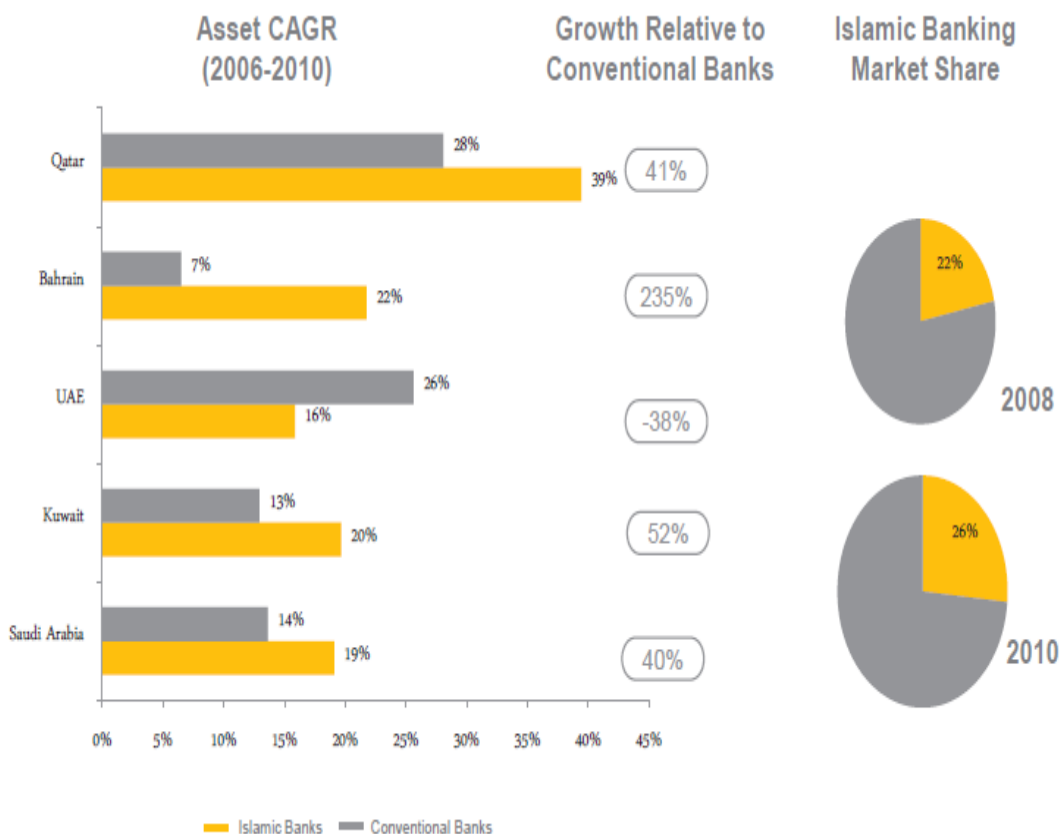
Source : Company reports, Ernst & Young analysis (sample includes selective islamic and conventional banks based on asset size and published information)

PRACTICAL EXPERIENCE

Some of the muslim countries like pakistan,iran,malaysia,U.A.E,jordan and sudan have introduced many islamic financial instruments in order to mobilize the idle resources for long-term productive and development activities on the basis of islamic principles. Islamic financial instruments which have been introduced in these countries differ in nature and characteristics from the interest based ones. The modus operandi of those financial instruments are mostly based on *Mudarabah* mode of finance.

Given that islamic finance does not permit the charging of interest, a bank originally buying the asset on the basis of a variable interest rate may seek an arrangement by which the rental charge is increased, to effectively compensate any increase it faces in financing costs. However, some *shariah* boards may refuse to sanction such agreements, potentially leaving the bank with exposure to interest rate risk.

Figure 2. MENA(middle east & north africa) Islamic banking projection

MENA Islamic Banking Assets - 2015 Forecast (US$bn)
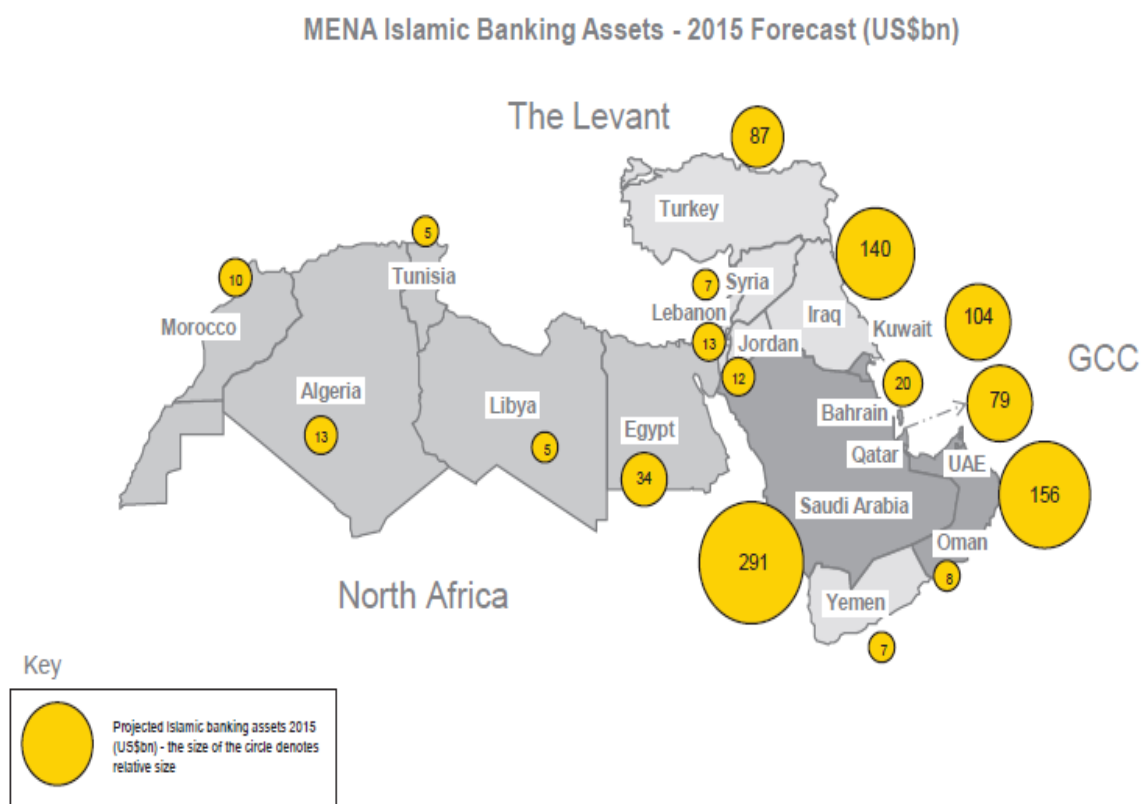
Source : Company reports,Global Insight, Ernst & Young perspective.

SWOT ANALYSIS OF ISLAMIC BANKING AND FINANCE

Strengths

➢ Islamic finance provides a basis for commercial transactions for followers of Islam to enter into, which would be impossible in case of conventional banking.

➢ The adoption of islamic finance principles gives banks access to a substantial new customer base.

➢ The partnership basis on which some islamic businesses are established with banks ensures that the bank has a direct stake in the success of the venture.

➢ The rejection of deals involving short-term speculative activity encourages businesses to invest for the longer term.

➢ Islamic finance contracts offer flexibility in terms of the applicable legal jurisdiction.

Weaknesses

➢ Some financial aspects of *shariah* law can be open to interpretation, with the result that some islamic banks may agree transactions that would be rejected by other banks.

➢ "Grey" areas resulting from inconsistencies in interpretation, can create more uncertainty for clients than conventional banking arrangements.

➢ Some leasing arrangements can become appreciably more complicated when trying to ensure conformity to islamic principles.

➢ Given that the banks are the legal owners of assets under rental or leasing agreements with clients, issues such as liability for insurance and risk can be complicated.

Opportunities

➢ Recognize that the ethical considerations and long-term partnership advantages offered by islamic finance can help islamic nations in improving there socio-economic conditions.

➢ Taking professional advice for tax treatment of islamic banking transactions can help islamic nations in proper financial planning and budgeting.

➢ Proper corpus can be generated for future fundings and activities perceived as speculative could be limited.

Threats

➢ Benchmarking islamic finance as purely "specialty" banking is fast becoming mainstream concept for conventional banking in terms of market share for financial products.

➢ Some consider Islamic finance and banking in isolation, as deals can be structured with a combination of conventional and *shariah*-compliant finance.

➢ Sharia supervisory committees will have to prove their efficiency in there working methods and fight against conventional banking laws.

CONCLUSION

Considering the important role of financial instruments in the mobilisation of financial resources,absolute conviction and commitment to the cause of welfare of people all islamic nations will have to work in tandem to examine the future prospects and possibilities of diversifying and widening the scope, volume and size of islamic financial instruments in the present era of globalisation.

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EURO DEBT CRISIS AND ITS IMPACT ON INDIAN ECONOMY

Mrs.Shital Dhore

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Abstract

The Growth of world's financial market slows down since the united state financial slowdown of 2008-2009, which has exposed the unsustainable fiscal policies of European countries and around the globe. European debt crisis came into limelight with Greece in 2009. Before coming out from the shock of great recession of 2008, Greece gave birth of another global recession.

From late 2009, fear of Euro debt crisis developed among investors due to which government debt levels increased in the world. With Greece, Portugal, Ireland, Spain and Italy also the measure cause for this.

Euro zone debt problem is likely to remain a concern in the near future. European banks withdrew credit in order to shrink their balance sheet. It would deepen impact of the debt crisis on the other economies. Rising fiscal deficit and uncertainties over the economic conditions in most developed countries such as US and European countries is adding to the worries. And notable thing is that the Euro zone still doesn't have any effective solution or approach to come out from its debt crisis, to boost the growth and investment that would help weaker economies return to health.

➢ REASONS BEHIND EURO CRISIS

To discuss reason behind the trouble which European economies are facing, we need to focus on the three factors which these countries share in common.

- **Introduction of common currency EURO:**

Apart from all its benefits, common currency bought some drawbacks with it and those came into focus when crisis fully sprung. Due to common currency, it became cheaper for countries to borrow on the international market which triggered large current account

deficits. They became dependent on credit from abroad and when this credit flow stopped, crisis spread in these countries.

When one country runs a current account deficit, this indicates that it runs a surplus in its capital account. A capital account surplus means an inflow of foreign capital (investments) into a country, which is essentially a good thing since money will always flow to where it expects the highest and safest returns. However, the question is where is the money from abroad being used? If it is used to finance investment (into manufacturing or any other wealth creating activity) instead of consumption, then the deficit can carry on rising as the country is using the inflow of capital to boost its production facilities and increase growth. If it is used to finance consumption and government expenditures focused on politically popular policies, then the outcome might be an asset price boom or an unsustainable fiscal position of the government who is becoming dependent on foreign capital to finance its over-exaggerated expenditures. Ireland, Spain and to some extent US suffered from the first, while Greece, Portugal and Italy suffered from the second.

Before the introduction of euro, Greece had a history of debt defaults, inflation crises and banking crises due to which it has higher bond yield, a sort of a risk premium for investing in its debt. The spread between Greek and German bonds was always high. However, once the euro was introduced, its yields and the spread started decreasing making the Greek debt as safe an investment (financially) as the German debt. The reason behind it was that the European Central Bank thought inflation will never again be the problem of Greece or any other euro country. Soon enough, every euro-zone bond on the market traded as the German Bond.

It meant that all these countries could borrow at cheap rates, while the politicians had no need to be fiscally responsible and could implement policies that would keep them in power. Due to cheap borrowing rate, domestic consumption increases hence GDP also increases above its potential levels. Ireland (like the US) experienced a housing bubble (180% increase since 1998), Greece's government increased its debt in order to support its public sector and win elections by populist policies, Spain in addition to the housing bubble had a construction bubble and so on.

- **Local Instability:**

    Even though each of these countries was characterized by specific conditions those are different than others such as Ireland and Spain experienced housing and construction boom, while other countries were faced different structural imbalances, there are certain similarities that drove to instabilities.

    Use of foreign capital in consumption and government expenditures and an asset price bubble in Ireland and Spain, were fueling growth creating dependency on foreign capital to increase current liabilities rather increasing investment in respective countries. Already existing local instabilities increased heavily in the euro-zone countries due to an increase of systemic risk and outside credit crunch which caused sudden credit stop.

- **Sudden Stop of Credit :**

    Financial crisis that started in the US quickly spread worldwide through decreasing trade, loss of investor and consumer confidence and a credit squeeze. All this made it harder for the European economies to borrow on the international markets, and since their economies became dependent on cheap capital abroad to finance its consumption and government expenditures, the credit crunch became painful. Outside contagion brought the instabilities of the euro-zone economies onto the surface.

    Interest rates were low across the euro-zone, and investors in the other countries caught this opportunity to invest in euro countries. It became more attractive for investors to invest in the euro countries as there was no risk of default because euro was supported by all euro-zone nations, including the most important ones like Germany and France. Credit crunch and the dependence on outside credit forced them into a situation where they were unable to handle their debts, and their economies contracted. Now, due to decrease in confidence, they find it hard to borrow on international markets and are entering into an even higher dependency on foreign fund.

    Following graphs well explain the actual fact of GDP growth and unemployment rate of European countries during 2000-2011.

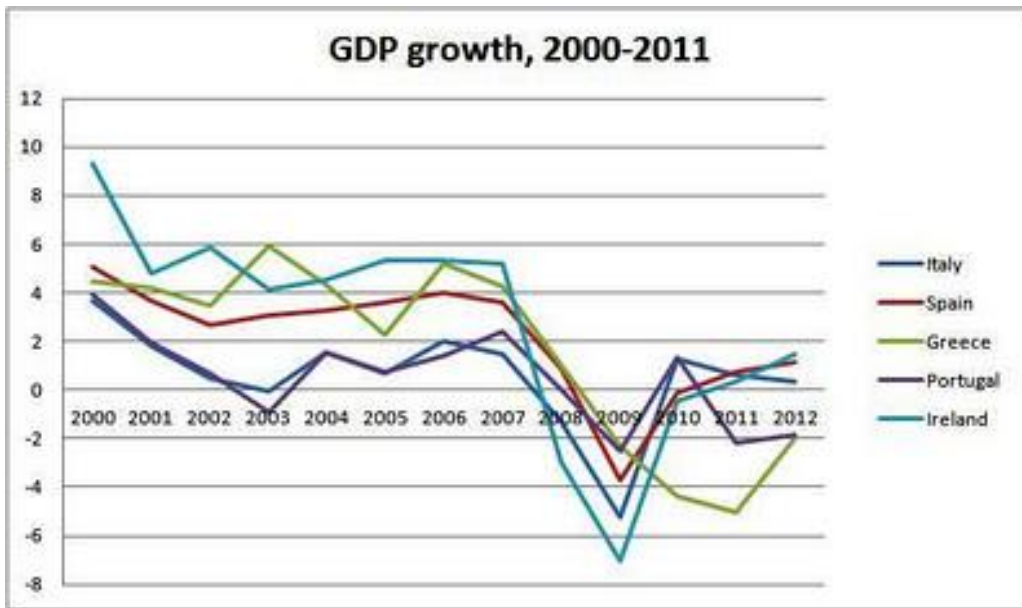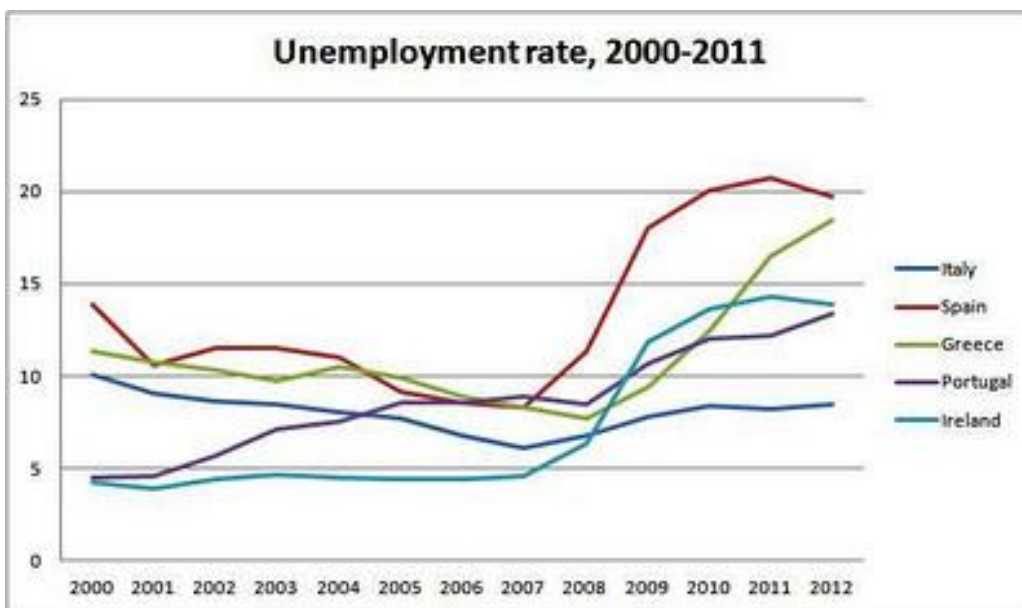**Figure1**. GDP growth in euro-zone economies, 2000-2011.

Figure2. Unemployment rate in peripheral euro-zone economies, 2000-2011.

IT'S IMPACT ON INDIAN ECONOMY

- **Export-Import:**

    In FY10, The European countries had a share of 20.2% in India`s exports. The share of European countries in India`s total exports has declined from 20.2% in FY10 to 18.6% in FY11 due to debt crisis in major economies of this region.

- **Foreign Direct Investment:**

    FDI inflows in India during 2011-12 (Apr-Sept) increased by 74% (USD 19,136 million from USD 11,005 million) for the same period last year. Share of India`s FDI in the emerging and developing markets is low at 5.2% in 2011. Therefore, the FDI flows have been less volatile to the global slowdown.

- **Foreign Institutional Investment:**

    On the other hand, FII have been moderating with the rise in the global uncertainties. FII inflows increased in 2009-10(USD 29,048 million) and the FII inflow were high in 2010-11(USD 29,422 million) flowing into the Indian economy. Share of India`s FII in the emerging and developing markets has declined from 19.2% in 2010 to 3.8% in 2011 due to global slowdown. It can be observed that the FII flows are positively related to the global investment sentiments. With the global uncertainties increases, the FIIs are expected to withdraw from the riskier assets like the emerging market assets and turn towards safe assets.

- **Software Industry:**

    India`s earnings from the software sector have been increasing steadily over the years at a CAGR of 27.7%. In FY09, the world economic growth slowed to -0.7% but software services continued to increase, though at a slower rate. Net software earnings growth rate declined from 28.8% in 2007-08 to 14.9% in 2008-09 and further to 7.4% in 2009-10.

CONCLUSION

 Europe's borrowing capacity should be used to launch a stimulus package boosting member states' growth and therefore enabling them to quickly reach budgetary equilibrium. This stimulus package should encompass areas such as education and infrastructure projects and aim at making Europe a place of opportunities for the coming decade. The borrowing

countries must adopt convincing pro-growth structural reforms, especially in their labor markets, as well as budgetary austerity. Strong countries should buy more Italian and Greek goods and services rather than debt instruments. So that there will be employment generation. The European Central Bank must promptly reduce its policy interest rate and buy sufficient amounts of periphery bonds through the SMP (Securities Market Program) to help push their interest rates down to sustainable levels.

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"Solutions on managerial problems by the self management in the light of Bhaghvad Gita"

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Abstract :

The field of management is becoming so much dynamic, very new thoughts conception, methods and an approach evolving day by day, still new challenges and problems arises in different faces in front of western management oracles and they are striving for searching permanent solutions on these management problems. But, present western management thought provides only superficial solution on the deep causing problems. So it needs to reanalyze our management conception with different and very new dimension of management approaches one of them given into the esteem and prolific ancient Indian literature like Bhaghvad gita and Vedas, Indian thought s of management analyze the problem form deep rooted cause and try to find out the solutions over that problem to eliminate the problem permanently. Bhaghvad gita analyze the organizational problem from deep rooted causes which is hidden into the practices of self management so this paper is dedicated for such organizational problem and their solutions by the self management practices mention into the Bhaghvad Gita. The paper wiil give brief description about organizational leadership, challenges and solution by the gita's way of self management.

Keywords:
1) Self management
2) Serving approach

1. What is Self management?

Self Management means to learn to manage oneself before managing others. We cannot change the consciousness of the organisation without changing the consciousness of the people working within the organisation. The word, 'Management' contains four words :

Management = Man + age + men + t

We always want to manage others, manage men, money, market, material, machines etc. but always forget the man within and therefore it is said that the man is before the men. If I do not know how to manage myself, how can I manage others?

Just as we have the courage to direct others as to what they should be doing, why they should be doing and how they should be doing, similarly, are we able to direct our Mind and sense organs with proper understanding.

For example, the tongue has no bones but it can break bones if not managed properly. On most occasions, the information slips through the tongue in the wrong place, at the wrong time, in front of the wrong person and one cannot avoid the consequences that arise. This is the difficulty in managing oneself. If I am not able to take the responsibility of managing my own sense organs, how can I take up the responsibility of managing my life, my family or my workplace and maintain a balance in all the different areas of my life ? In short, Self Management means to learn the art of gaining the courage to manage our own selves.

We need the maturity when to manage, when not to manage, where to manage, how to manage, to what extent to manage and in which way we have to manage. If we do not have the maturity or understanding then it would be difficult to survive as we can easily become victims.

A PRACTICAL LIFE EXAMPLE :   Emotions that dictate our behaviour

One CEO of a manufacturing company flew into a tirade and shut everything down. His behaviour erupted. He screamed and swore, bellowing criticism at the top of his lungs. Four Vice Presidents and eight board members and fourteen managers cringed sitting in rigid silence in their leather-backed chairs. No one said anything. Not then. You could feel thing coming on. Everyone sensed in hindsight. And none had a clue about how to stop it. Think back on your own experiences. What might you have done differently to better manage the specific situation?

Let us consider a incident from the life of the great philosopher Socrates, that can throw some light on this problem. Socrates used to spend hours in philosophical discussions with his friends in the evening hours. During one such occasion, his wife, who was by nature quarrelsome, shouted at him in front of all his friends about her usual chores of the imagined problems. Socrates continued discussions with a cool head while his friends were a little taken over by anxiety. When Socrates observed that his fellow mates are getting disturbed due to the rash behaviour of his wife, he suggested them that they all better proceed to some

park to continue the discussion. As soon as they came out of the house, all of a sudden there was a downpour of bulk quantity of water from the top right on the head and body of Socrates. Everyone was stunned to notice that it was Socrates wife who went to the first floor to pour a bucket of water on his head as a display of her anger. No one could steal the calmness of Socrates. He smiled and exclaimed, "sometime ago, it was thundering and now its' raining. That's all!"

Socrates was not just a cool headed gentleman, but a great realised philosopher who was deeply aware that 'he' was not this material body. The body is just a covering upon the pure soul, the spiritual personality. When Socrates was administered poison, he laughed at those who wanted to kill him and said that they cannot even see 'him' what to speak of capturing 'him' or killing 'him'!

How is it that even the most learned and educated are deceived and overpowered by such forces like anger, lust, pride, greed, envy and illusion ? The original nature of the soul is that of peace, love, bliss, purity, wisdom and eternity. One who knows the knowledge of soul, God and the eternal loving relationship between them, can never be bewildered by the pushings and pullings of mind and senses.

2. Different Levels of Training

Traditional view of management is that if you could manage the external environment – Work place, Facilities for employees, Salary package, Training courses, better technical know how etc -- then you could manage to attain success in the world of fastly changing technology.

Despite the costly training arranged by HR in technical or functional skills, it is observed that there is no tangible change in the attitude and behaviour of people. Companies wonder how to make one self-motivated, committed and responsible? For this a change in consciousness is required. This requires the core values of a personality to be brought out in all roles, responsibilities, routines and relationships.

In any management training program, development of various aspects of human resources like the Physical, Mental, Social (emotional) are taken care of to tap the inner potential to the maximum.

- **PHYSICAL (Doing) :** For the development of the physical aspect, where the doing capacities are connected, there are various programs relating to stress management, health, safety, nutrition, diet etc.

- **MENTAL (Thinking) :** Likewise, there are many programs for the development of one's mental capacities like : intellectual development program, mind power, creativity, innovation, learning, studying etc, which deal with our thinking abilities.

- **SOCIAL (Feeling) :** Because we are social beings, emotionally connected with each other, there are development programs like Psychological assessment, Transactional analysis, Quality circles, Team work etc.

- **SPIRITUAL (Being) :** But we find that the missing dimension is Spiritual, which is intimately connected with the being or personality. Spirituality is connected with our true nature, innate values like peace joy love tolerance humility etc, innate power, self respect, enhancing the will power through meditation.

The heart of Self Management is how to better manage the inner organisation as a means for more effective leadership of the external organisation.

3. Self Management taught in Bhagavad gita

duùkheñv anudvigna-manäù   sukheñu vigata-spåhaù
véta-räga-bhaya-krodhaù sthita-dhér munir ucyate
TRANSLATION
One who is not disturbed in mind even amidst the threefold miseries or elated when there is happiness, and who is free from attachment, fear and anger, is called a sage of steady mind. [BG 2.56]

4. Need of Self management in modern day scenario

We give here a few examples to show how the principles of self management as given in Bhagavad gita are relevant to the modern man.

a. Ever-increasing Work Pressure : Pressure at work puts unbearable strain on relationships at home; health deteriorates, self confidence falls and stress level rises. Fear becomes the dominant motivator. Faced with this, many people give up their endeavour to meet the stress as the leader to motivate and inspire such people. They carry the problems of home to office and fill their minds with anxiety. They carry the office to home and download the anger on family members. Also the excitement of capturing the market, leaves

them with no time for spouse and children, holidays and hobbies. They become like a constantly running worn out hot machine, fit to be sent for overhauling to a costly doctor.

b. Change Stress : Once Ahmedabad was known for its textile mills but today only six to seven textile industries have survived because the rest were not able to adapt to the changing technology. Modern world is characterised by fierce global competition. There is competition from womb to tomb. Revolutionary new technologies create enormous tension as when one technology becomes obsolete, there is a fear of tremendous financial loss. For example when TV was launched in India, the 'Chandamama' and similar magazines lost their market, as children have no more interest in them. Computers and video games are replacing books and novels. Similarly flashplayers and ipods have replaced CD players and tape recorders. In order to survive in this competition we need to have a great mental presence, an alert state of mind, a lot of creativity and also intuition to act at the right time. Leaders have the responsibility to lead their subordinates through period of change and chaos without losing the cool head and inner stability.

c. Producing Inexpensively, Quickly and with Greater Quality: With globalisation of markets and the increase of technological capacities, it is becoming more and more important for leaders, managers, and CEOs to produce things inexpensively, quickly and with greater quality. The competition between companies is so intense that what often determines corporate survival is a corporation's ability to empower its employees in keeping employees satisfied to meet these requirements. To make employees feel happy, secure, protected and loved, the Leader requires a high character.

d. Team playing : A leader should have the ability to create a team spirit and the power to co-operate. A leader needs to be able to inspire co-operation in others and he can do so only when he himself is able to co-operate well with others. The ability to co-operate with each other is becoming more important as substantial time, money and energy are involved. Co-operation comes from a common purpose and in seeing the specialty of each member of the team, an appreciation of the distinctive contribution that each one can make. A true leader is attuned to people's needs and the resolution of conflicts.   Empowering employees and creating healthy teams is based almost entirely on people feeling good about
- themselves,
- the other colleagues
- the leaders of those institutions
- the institutions for which they work and
- the mission and vision associated with both their leaders and the institutions

In his book 'Coaching for Leadership' Marshall Goldsmith explains that when someone assumes a new leadership role today, he or she has a 40% chance of demonstrating disappointing performance, voluntarily leaving or being fired within 12 to 18 months. Not only will we have wasted time and money in training such a person, but we also may be eliminating our pool of potential candidates as the dissatisfied trainee complains about us to others. Why do these people fail?

- 82% of them fail to build teamwork relationships with subordinates and peers;
- 58% are confused about what is expected of them; and
- 50% lack the required skills and knowledge to be able to be successful.

Thus we see how important it is that each person feels properly valued so that they can stay in the organisation and use what they have learned for the ultimate success of the enterprise.

e. Keeping talent loyal to the Company: Many modern day corporations create a insecure atmosphere. They use employees for production and do not care for them in any human way. Employees often find themselves suddenly without jobs as their companies downsize or reconstruct. Of course, when employees are not cared for, they lose their sense of loyalty. They understand that they are not protected because their leaders do not value them. Keeping talent loyal to a corporation has become one of the greatest difficulties faced by the Fortune 500 companies in the US. Now CEOs are trying to find ways to train and keep the talent that has been recruited by their companies. They are trying to find out ways to protect their employees' interests, self esteem, creativity and the development of trust in the corporation's vision.

f. Focus of Fourth generation Time management - Relationship and Result: In the early 1990s, the American government began to study why Japanese businesses were so much successful than American businesses, even though Americans had better schools and more facility. Stanford University spent millions of dollars to study this phenomenon. The researchers discovered that it had more to do with the Japanese mentality than American ingenuity. The Japanese have more of a family culture. Even in the business world, employers and managers work together better, communicate better, and tend to understand the inside workings of things better than Americans. Their success was based on closer relationships. The Japanese companies were built on team ship, relationship, and especially character. American business schools now teach that management success is about 20% technique and 80% relationship. Relationship, of course, means understanding people's needs and being able to lead more from the inside out—from a platform of strong character.

g. Importance of Character : Character is the ability to rise above the self-interest for the sake of others. Character is who you are, when others are not watching. Character is shaped by how we choose our everyday thoughts, words and actions. Compassion and Humility are the mothers of virtue, but Character, Competence and Courage are the fathers of virtue, particularly character. *With Character one can buy what money cannot buy.* Many people have poor character because they lack courage. Another obstacle in building character is when we become caught up in temporary pleasure. For example, sometimes a company accepts unrealistic deadlines plunging employees into 72 hours of nonstop work to beat the deadline. As it takes courage to accept challenges, it takes courage to say no to quick money that leads to longterm loss. We must become the change that we expect in others.   We should be asking ourselves constantly, "What do I need to change about myself to help others change?" We cannot be good LEADERS if we are not good FOLLOWERS. We cannot BUILD TEAMS unless we are ourselves STRONG TEAM PLAYERS. We cannot TEACH our kids SELF DISCIPLINE unless we are SELF DISCIPLINED. Warren Bennis the distinguished professor of business administration and founding Chairman of the Leadership Institute at the Uty of Southern CLA explains : "I think Leadership is Character. It has got to do with who we are as human beings and what shapes us. I also believe that character evolves as we grow and develop."

5. Role of Self Management on Working smarter, not harder

In any organization, the top 2% who do smart work are Leaders and the other 98% who do hard work are followers.   Hard work doesn't pay; smart work does.

In smart work, the focus is only on two things -
1. How you save on and spend your energy – conservation of your own energy
2. Success of relationships is superior to success in profession

Success in your profession depends on success of relationships.   Ultimately your success come from other people. Practical everyday Examples
- Your marks come from your teacher
- Interview results come from interview board
- Your warmth or love comes from relationships
- Your Job security comes from boss
- Your status, recognition, name, fame comes from society.
- For you to become rich, other people should support you in your venture.
- You'll prefer giving support to your friend, not to an enemy
- You'll buy from a Friendly Shopkeeper, not a arrogant one

- You'll prefer a spouse who is warm, tender, friendly and not arrogant towards you

Your success from beginning to end depends on other people.
Other people should like you emotionally before they support you;
They should open your heart for you before they open their purse for you

Fourth generation Time Management recognizes that "time management" is really a misnomer—the challenge is not to manage time, but to manage ourselves. Satisfaction is a function of expectation as well as realization. And expectations (satisfaction) lie in our Circle of Influence. Rather than focusing on THINGS and TIME, fourth generation expectations focus on preserving and enhancing RELATIONSHIPS and on accomplishing RESULTS. – in short, on maintaining P/PC Balance.

P/PC balance – The Key to enhancing Relationships

Most people think that the more you produce the more you effective you are. For example a person in charge of a physical asset such as a machine may be eager to make a good impression on his superiors. Perhaps the company is in a rapid growth stage and promotions are coming fast. So he produce at optimum levels— no maintenance, no downtime. He runs the machine day and night. The production is phenomenal, costs are down, and profits skyrocket. Within a short time, he is promoted.

But suppose you are his successor on the job. You inherit a worn out machine, which, by this time, is rusted and starts to break down. You have to invest heavily in downtime and maintenance. Costs skyrocket; profits nose-dive. And you get blamed. Your predecessor liquidated the asset, but the accounting system only reported unit production, costs and profit.

Thus the effectiveness lies in the balance of PRODUCTION (P) of desired results and the PRODUCTION CAPABILITY (PC), the ability or asset that produces the desired results.

This P/PC balance can be easily understood by the fable of the goose and the golden egg. A poor farmer who one day discovers in the nest of his pet goose a glittering golden egg. Day after day, he awakens to rush to the nest and find another golden egg. He becomes fabulously wealthy. But with his increasing wealth comes greed and impatience. Unable to wait day after day for the golden eggs, the farmer decides to kill the goose and get them all at once. But when he opens the goose he finds it empty. There are no golden eggs—and now there is no way to get any more.

If you adopt a pattern of life that focuses on golden eggs and neglect the goose, you will soon be without the asset that produces golden eggs. On the other hand, if you only take care of the goose with no aim toward the golden eggs, you soon won't have enough to feed yourself or the goose. Effectiveness lies in the balance of P/PC.

You need to be a Self Manager in order for you to be able to balance P/PC. Greedy farmer lost the golden egg goose. Similarly managers who don't care for their employees exploit them for short-term-big-money-making goal and lose trained employees.

 The three kinds of valuable assets for any organization are – Physical, Financial and Human assets. When you use a saw over and over again, without sharpening the teeth due to laziness or lack of time, you will reduce the efficiency of the job as well as incur a serious loss. Such Physical Assets like car, computer, washer or dryer, even our body or our environment should not be ruined for short-term returns or results. Keeping P and PC balance makes a tremendous difference in the effective use of PHYSICAL ASSETS.

There are organizations that talk a lot about the customer and then completely neglect the people that deal with the customer—the employees. *The PC principle is to always treat your employees as you want them to treat your best customers.* You can buy a person's hand, but you can't buy his heart. His heart is where his enthusiasm, his loyalty is. You can buy his back but you can't buy his brain.   That's where his creativity is, his ingenuity, his resourcefulness. PC work is treating employees as volunteers just as you treat customers as volunteers, because that's what they are. They volunteer the best part—their hearts and minds.

6. Management with Hands, Head And Heart

We cannot change the consciousness of the organization without changing the consciousness of the people working within the organization. According to the need of time, the organizations managed on the basis of American system or Japanese system, used to move forward. But, today even these systems do not seem to work.

In America, after the 2nd world war, industry went through a huge change. When the American generals came back home they had money and education.   When they set up industries, the management system adopted by them was more like military style where the commands and controls where in their hands. As the people were not literate, they asked the

people to come with their hands to work. They said, "Come with your hands and we shall use our heads." This was the American system of management with the Taylorist approach, and was also known as the pyramid style – a much centralised decision making. It successfully went on for about 30 years after which there was unstability and recession. Market started contracting and they shifted the industries from West to East as the labour costs in the East were low.

Twenty years back, the Total Quality Management concept emerged. This was the beginning of the Japanese system of management or networking based on 'we consciousness'. The Japanese realised the creativity of every human mind and said, "Why just come with your hands, bring your creative mind as well". This is known as Kaizen system. This is how they came out with Total Quality Management (TQM) and within the short span of time they became the leaders in the world.

But, today, they are also finding problem. What is their problem ? When too many heads get together, the ideas start contradicting clashing. Due to ego, the best management system can fail.

So the organisational world is looking for another system of management which is more than the hands and heads. And what are they looking for?

The organisational worlds want the hearts of the people, i.e. the organisation wants self-motivated, committed and responsible people. How do we get people motivated and committed? We need to identify their values in order to get motivated, commited and responsible people. Therefore, the cultures with very deep spiritual roots like India have competitive advantage which is now being realised even by the present day management gurus who are trying to find some solutions to the organisational problems from the Indian ethics and its spiritual wisdom.

Some five thousand years ago, India had an ancient cultural heritage of gurukul Sri Rama and Sri Krishna also went for their education. What were they thought in this gurukul? Through the spiritual insights the guru guided them to identify their value-system and function on the basis of those values. They were taught the art of Self-management so that when they take the reins of their kingdom in their own hands, they can rule the kingdom with responsibility, commitment and at same time be motivated to lead and inspire their subjects through their own example. Only a perfect Self Manager can inspire his subordinates and bring their hearts to the workplace.

How do we bring his heart at the work place or

How do we bring the change in his consciousness?

There are various levels of change. The most superficial gross form of change is at the behavioural level, that is, to bring about change in our actions or activities. Sometimes we change at the intellectual level after understanding things in a different way – analyse and separate emotion and situation using reason, but it is pertaining to that situation only, because we always expect others to change. As such, this change is also temporary. The third level of change is at the emotional level that is, bringing a change in our feelings – try to shift paradigm and think positively about a negative situation. But all these changes are temporary.

At the root level, the real change is the change of heart or change of consciousness. Valmiki was a killer of animals and birds; but after meeting Narada, he had a change of heart. He stopped that activity and became a saintly person. This is real change, the change of consciousness. Consciousness is formed on the basis of input to the mind. A circumstance, situations, desires, needs, environment – all these are registered in the memory. It is from the memory that the mind gets the stimulation.

In the West, small children of 10 or 12 years age take guns in their pockets to school and shoot their teachers and students when asked why they did this, their answer was that they did it for fun. A research was done on their psychology. After the research; they found out that there are about 125 channels shown on the televisions in the west and in one day there about 18,000 to 20,000 scenes of violence that are being shown. As the children are not much interested in the educative programmes, those scenes of violence are being registered in their memory, so their thought patterns are changing accordingly. They have begun to think in that way. Their consciousness is built on the basis of their thoughts. Their attitudes, and perceptions towards life and society have changed and also their behaviour. Ultimately, their complete personality has changed. We can thus imagine how their future will be shaped? If we are not aware of the quality of the inputs absorbed by the memory, how can we change their behaviour and personality? When a person gets into this vicious cycle, it is very difficult for him to mange himself and in the later stages there is great frustration created and one even finds difficult to survive.

Where do we break this vicious cycle? We all know that without our conscious awareness the memory is absorbing maximum negative input. Where do we bring the change? According to psychologists, human memory is so powerful in the early morning hours that it

absorbs the inputs like a blotting paper. As such we have to be cautious of the quality of nourishment we are giving to our memory, because accordingly our entire system will function. When I nourish my mind with healthy positive inputs, I empower my self. Spiritual dimension thus enables one to empower the self, which is the only source from where we get quality information or knowledge. Knowledge generates will power and we can thus take the focus of control in our own hands. Once we are self - empowered, we look at the problems and situations in a different way and instead of being influenced and controlled by them; we can manage them in a better way so as to easily control them. We can maintain a positive attitude, a positive thinking process and deal accordingly. This is how we manage our complete inner mechanism.

7. From Self Control to Self Management

To learn restraint in all these situations is called Self Control.   Singers avoid ice cream, cold drinks and hot chilly items to have high pitch. A man with typhoid avoids pooris and oily foodstuffs to get well. A pilot avoids drinking alcohol in order to save the passengers from plane crash. Without self restraint none of these can attain peace and happiness.

Self Control boosts Will Power, Concentration and Memory

The powers by virtue of which you can make your mind do what you wish to do can be termed Will Power. It seems easy to develop will-power, but it is not as easy as it is often spoken in seminars.

Sharu Rangnekar, a famous management consultant, offers a simple suggestion for reducing weight. He says anyone who can shake his head from left to right can reduce weight. Seems so easy, isn't it? But we have to remember that this shaking of head from left to right has to be done even when you see icecream, chocolates, fried stuff and sweets are offered to you!

One may argue what is wrong in enjoying icecreams, sweets, movies, drinks etc. It is of course natural for water to flow from higher to lower level. But only when the water is stored at a higher level by pumping it up and storing it in a water tank, AGAINST the natural laws, that is develops the power to rush through the pipes and reach when you want to have a shower bath. In the same way, great achievements are possible only when lower habits and tendencies that are harmful to the individual's progress are restrained by will power.

Self-restraint develops Will power

When there is a flood, it has no restraints; it inundates houses, uproots trees, carries away cattle, drowns human beings and causes havoc. When the same mass of water takes upon itself two restraints called banks, it gets momentum and moves ahead. When that river faces one more restraint in front of it, called a dam, it becomes a source of great power for the welfare of society. Then the water can be productively used for hydro electric power stations purposes or for irrigation in a regulated way.

The human mind also, like a uncontrolled wind or a flood flows in all directions uncontrollably. For instance when you are reading a book, your mind may desire to close it and see a TV program; while watching TV you might want to meet someone. Only by will power, one can give undivided attention to only one thing at a time. Thus you must control your mind that you can make it do what you want to do. In a tug of war almost all the energy spent by the men playing the game, is wasted. This is because of the opposing forces.

Something similar happens in the human mind all the time. The human mind has the tendency to think of literally hundreds of things. On the average, we have 10,000 random thoughts per day. That is about 7 per minute. It is like seven vectors pulling your mind in seven different directions. A person who has so trained the mind that he can think of only one thing for a period of an hour will have a force at his command.

If you learn…
- to put restraints on your mind and
- learn to prevent it from wandering and
- give your entire attention to whatever you are doing,

you will be able to achieve what seems to be superhuman to an average person.

One with a strong will-power can Relax easily. He can also Concentrate on anything easily. Thus, though concentration and relaxation seem to be two opposite states of mind, both can be easily attained by a person who has will-power. If you learn to relax at will, you can develop will-power. If you learn to concentrate, you can develop your will-power also. Then you will be able to make your mind do what you want.

8. A Simple Meditation Technique for Managing your Mind

While the scientists have hardly begun to understand these emotions that the living beings exhibit and often arrive at wrong conclusions as to considering them to be merely some

chemical secretions in the body, authentic scriptures like Bhagavad gita and Vedic literatures give us a detailed account of such behaviour. Not only do they explain the mechanism of such behaviour, but they offer us tangible solution to how to go about modifying our behaviour, to become a better gentleman for the benefit of home, nation and the world.

Those in the mode of goodness tend to be powerful through humility. They are clean, selfless, pious, humanitarian, considerate, kind and pure. Those in the mode of passion tend to be selfish, egoistic, extremely interested in attracting adoration, distinction, personal profit, greedy and lusty. Those in the mode of ignorance are lazy, unclean, disturbing to others and even obnoxious. These three principles, which are like ropes that bind every human being, govern each thought and action and form the environment in the material world. Most of us embody a mixture of these attributes as various modes of nature work on our minds. People are different in character, habits, needs and desires based on how they are influenced by the modes. And modern day Leaders are no exception to these powerful forces; in fact every living being is orchestrated like a puppet according to the mode they belong to, until they begin to understand their actual position and surrender to God to become an instrument in His hands.

Learn to manage your Mind

You can make your Mind, a Friend or Enemy. The Master Mind dictates, the servants senses follow.   The nature of the mind is flickering and unsteady.

If you have no control over your driver, your driver is your enemy, but if he acts according to your orders, he is your friend. The yoga system is meant to control the mind in such a way that the mind will act as your friend. Sometimes the mind acts as a friend and sometimes as an enemy. Because we are part and parcel of the Supreme God, who has infinite independence, we have minute, or finite, independence. It is the mind that is controlling that independence, and therefore he may either take us to the Krishna temple or to some nightclub.

The mind is a friend when it is under the control of the intelligence. Then it is serene, grave, self-controlled, simple and pure. When the mind is an enemy, it is controlled from within by desire and from without by sense objects.

Chanting and meditating on Hare Krishna maha mantra –

Hare Krishna Hare Krishna Krishna Krishna Hare Hare
Hare Rama   Hare Rama   Rama Rama   Hare Hare

Helps us to control the mind very easily. The meaning of the word, 'Mantra' is 'to deliver the mind'. By chanting this mantra about 108 times a day, one can initially attain peace of mind, and subsequently ever expanding joy leading to love for God and love for all. In his doctorate thesis on 'Effects of the Hare Krishna mahamantra on Stress, Depression and the three gunas' Dr.David Brian Wolf mentions that by chanting hare krishna, persons who habitually think depressing thoughts such as, "I am worthless" train themselves to replace these thoughts with thoughts that are rewarding and supportive of self-esteem.

9. Powerful Self Managing Leaders

Only a leader who exhibits the following Self-managing qualities can be a good team player:

- wants to share the success with his people,
- realizes the contribution of every individual member of the team and values it,
- feels that he needs them and they need him
- can put aside the ulterior motive to gain fame and credit all alone
- can put aside his false ego and treat his people as humans and not machines
- has controlled his own mind and senses
- can celebrate diversity of his team mates and overlook deficiencies
- is capable of involving everyone in the achievement of the final goal

In the ancient gurukulas, children from all background would render menial services to guru together. A classical example is of Krishna and Sudama. They studied together, for a long time, in the same ashram. Their backgrounds were diverse; Lord Krishna hailed from a royal family and Sudama from a poor Brahmana family. They immensely enjoyed each other's company and developed deep bonds of friendship. Emotional bonds develop with long association, and through sharing of common living conditions, joys and adversities. In an organisation special efforts must be made to develop emotional bonds amongst people, in a compressed period of time. And just see, how Lord Sri Krishna treated Sudama so warmly when the latter visited Dwaraka and offered simple chipped rice ! This relationship is beyond all barriers of caste, creed, color, social status, nationality, economic status etc. It is based on divine love.

The purpose of self management is to find a personal way to change and develop these abilities in high degrees so that we do not fluctuate with the changing times but remain stable throughout the week. In Srimad Bhagavatam it is said, "yasyasti bhaktir bhagavaty akincana sarvair gunais tatra samasate sura.." which means that one who surrenders to God in love and follows His instructions faithfully and leads his life in accordance to scriptural injunctions with the aim of pleasing the Supreme, such a person becomes endowed with all godly qualities; on the other hand one who is not a devotee of God, he cannot possess genuinely any quality.

10. Learning the Art of Self Management

Stephen Covey in his bestseller, 'Seven habits of highly effective people' uses the following approach that is perfectly in line with the wisdom of Bhagavad gita. In Bhagavad gita Lord teaches how one should take responsibility for one's emotions and actions (BG 2.55-72, 5.7-13, 5.15). The sum and substance of this knowledge is that, there are things and situations in this world that are…

- within our reach to control and we should take steps to control them. (eg) our anger
- beyond us to control (eg) cyclone, flood, past karma

Lord Sri Krishna instructs in Bhagavad gita to perform one's duty even in adverse situations (BG2.14-15) by overcoming one's passions and feelings. This is possible when one seeks God's help in all situations in one's life.

We have a wide range of concerns—our health, our children, problems at work, the national debt, nuclear war, global competition, economic recession, government policies, wrong attitudes, assumptions etc. we could separate those from things in which we have no particular mental or emotional involvement by creating a 'circle of concern'.

As we look at those things within our Circle of Concern, it becomes apparent that there are some things over which we have no real control and others that we can do something about. We could identify those concerns in the latter group by circumscribing them within a smaller Circle of Influence.

By determining which of these two circles is the focus of most of our time and energy, we can discover much about the degree of our proactivity (effectivity).

Proactive and Reactive Behaviour

Proactive or effective people focus their efforts in the circle of influence. They work on the things they can do something about. The nature of their energy is positive, enlarging and magnifying, causing their circle of influence to increase.

Reactive people, on the other hand, focus their efforts in the circle of concern. They focus on the weakness or faults of other people, the problems in the environment, and circumstances over which they have no control. Their focus results in blaming and accusing attitudes, reactive language, and increased feelings of victimisation. The negative energy generated by that focus, combined with neglect in areas they could do something about, causes their circle of influence to shrink.

As long as we are working in our Circle of Concern, we empower the things within it to control us. We are not taking the proactive initiative necessary to effect positive change. By working on ourselves instead of worrying about conditions, we will be able to influence the conditions.

One way to determine on which circle our attention is focussed is to distinguish between the HAVE's and BE's. the circle of Concern is filled with the HAVE's :
"If only I HAD a project that was as easy as that of others…….."
"If only I HAD respectful friends………"
"If I could HAVE more time to myself……"

the Circle of Influence is filled with the BE's :
"I can BE more patient, BE wise, BE loving." It is the character focus.

Anytime we think the problem is "out there", that thought is the problem. We empower what is out there to control us. The change paradigm is "outside-in" – what is out there has to change before we can change.

The proactive approach is to change from the "inside-out" : to be different, and by being different, to effect positive change in what is out there – I can BE more diligent, I can BE more creative, I can BE more co-operative.

If I really want to improve my situation, I can work on the one thing over which I have control – myself. I can stop trying to shape up my wife/subordinate/friend and work on my own weaknesses. I can focus on being a great partner, a source of unconditional love and support. Hopefully, that person will feel the power of proactive example and respond in

kind. But whether that person does or doesn't the most positive way I can influence my situation is to work on myself, on my BEING.

There are so may ways to work in the Circle of Influence – to BE better listner, to BE more loving marriage partner, to BE a better student, to BE a more cooperative and dedicated employee. Sometimes the proactive thing we can do is to BE happy, just to genuinely smile.

Problem solving through mode of goodness behavior

We can apply this new ability of focusing on our area of influence when we deal with problems. Whether a problem is direct, indirect, or no control, we have in our hands the first step to the solution. Changing our habits, changing our methods of influence and changing the way we see our no control problems are all within our circle of influence.

The Problems we face fall in one of the three areas:

- Direct control – problems involving our own behavior
- Indirect control – problems involving other people's behavior
- No control – problems we can do nothing about such as weather, things of the past etc

☞ Direct control problems are solved by working to improve our own habits like avoiding being aggressive, judgmental, making snap decisions without hearing both sides, downplaying, being sarcastic, impatience in listening, being egomaniac etc. Don't argue for other people's weakness. Don't argue for your own. When you make a mistake, admit it, correct it, and learn from it—immediately. Don't get into a blaming, accusation mode. Work on things you have control over. Look at the weaknesses of others with compassion, not accusation. It is not what they are not doing or should be doing that is the issue. The issue is your own chosen response to the situation and what you should be doing. If you start to think the problem is "out there" stop yourself. That thought is the problem.

☞ Indirect control problems are solved by improving our methods of influence, thereby increasing our circle of influence, (inside-out not outside-in) like Understanding the individual, paying attention to details, keeping commitments, showing integrity, apologizing sincerely when we commit mistakes and Clarifying expectations etc lead to a positive deposit in the emotional bank of those who may cause us problems.

☞ No control problems involve taking responsibility to change the line on the bottom of our face – to smile – to genuinely and peacefully accept these problems and learn to live with

them. There are things beyond human control and one has no other refuge other than the Lord Himself who is the source of everything.

One who acts proactively can appreciate the prayer, "O Lord, give me the courage to change the things which can and ought to be changed, the serenity to accept the things which cannot be changed, and the wisdom to know the difference."

Focusing on our area of concern will do little or nothing to alleviate the problem. Concentrating our energies on those things within our circle of influence will help us to become a part of the solutions to problems gradually increasing our circle of influence.

Also we can work on Quadrant two (not urgent but important) problems in a regular manner to not allow them to turn into crisis— Improving communication with people, Better preparation, Better planning and organizing, Taking better care of self, Seizing new opportunities, Personal development, Preventive maintenance, Empowerment etc.

The Factors Affecting Attrition Rate and Strategies for Retention- With Special reference to BPO Industries

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ABSTRACT

BPO Industry is growing with a tremendous pace escorted by increased investment. BPO-Business Process Outsourcing is transfer of Ownership (Operational) of firm's business process to an external supplier who is responsible for administrating the process as per defined protocols. Since its inception BPO Industry in India has grown at a constant annual rate of 40-45% and in very short time India is perceived as low cost destination for business process outsourcing.

Ironically, in spite of one of the most booming sector, attrition and manpower   planning is dampening the growth of the sector. Through this paper all the factors contributing for the high attrition rate will be highlighted. There are numerous reasons for the attrition to be   high   which   can   be   categorized   into   two   broad   classifications. The first one is "**Drive Attrition**" which is caused due to the employer and the other can be termed as **"Drag Attrition"** which is caused due to the employee. Paper covers prominent factors responsible for both types. The paper speaks about retention strategies being adopted by BPO industries

Keywords- BPO Industry, Attrition Rate, Retention Strategies and Recruitment Model.

Introduction
BPO: An overview
Grossman and Helpman's (2005: 135) statement, "We live in an age of outsourcing," clearly designates that outsourcing has now become an acknowledged, accepted and established business strategy. One of the most familiar forms of outsourcing is business process outsourcing (BPO), i.e., transferring the operational ownership of one or more of the firm's business processes to an external supplier that, in turn, administers the processes according to some predefined metrics (Ghosh and Scott, 2005; Stone, 2004). BPO or Business Process Outsourcing thus refers to the rearrangement of entire business functions to some other service providers, primarily in low cost locations. The service provider may be either self-

owned or a third party. This relocation or transferring of business processes to an external provider is essentially to accomplish increased shareholder value.

Some of the general services provided by the BPOs are Receivables and Payables, Inventory Management, Order Processing, Cash flow Analysis, Reconciliation, Data Entry, Payroll Processing, QuickBooks Accounting, Financial Statement Preparation and Accounting Services. Some of the web based services include live online sales and order entry, E-commerce transaction support, Live online enquiry handling, Web Design/Development.

2.2.1 Market Size of BPO in India

Speedy transformation is taking place in the global BPO market. It is escorted by increased investments in BPO services. Most of the principal business companies of the world are adopting BPO as a strategic business solution. The BPO industry is quite assorted, with several sub-segments, each exhibiting its own unique and exclusive characteristics. The size of the global BPO market was projected to be $173bn by 2007, of which $24.23bn would be outsourced to offshore contractors (Gartner 2005). Of this, India has the potential to generate $13.8bn in revenue. "The projection includes revenues of pure play Indian BPO service providers, captives operations of MNCs operating in India, third party service providers and BPO subsidiaries of IT services firms.

Attrition in BPO

Attrition is defined as a reduction in the number of employees through retirement, resignation or death and attrition rate is defined as the rate of shrinkage in size or number. Attrition of employees in a limited measure is desirable for influx of new ideas in any type of organization. It helps organizations to maintain their agility in fast changing environment. It brings in new blood, opens up new vistas for change, development and improvement, shows avenues to expand operations and add to the creative lines of the organizations. Attrition in a limited measure can thus bring gains to the organization. However if attrition increases beyond a certain level, the gains are transformed into pains. Recruiters explain that high attrition rates significantly increase the investment made on employees (Prakash and Chowdhury 2004). Significant investments in time and money need to be made for acquiring employees in any organization. These can never be translated into profit when attrition is high.

There is an escalating paucity of the appropriate skills gained through the education system, which is short on quality and relevance. Because of dearth, hiring new talent has become more expensive. In 1999, the average pay packet of an entry-level agent was $160–$180; now it is $300–$350. Due to high attrition rates, every employee who leaves costs the company another $900–$1100 to recruit and train a replacement. Finding the right candidate and sustaining it is now becoming a problem. Years ago, the success rate was of choosing the right candidate was 20 percent (Rediff.com, 2005a, 2005b; Sangameshwaran and Rai, 2005). Besides this, BPO employees are experiencing problems related to stress, sexual and racial abuse, and dissatisfaction at work (Walletwatch, 2003; Cacanas, 2004; Singh, 2005b;

Witt et al., 2004; Rose and Wright, 2005; Houlihan, 2002). Inside a BPO organization, HR related issues arising at all levels have become significantly alarming and need to be addressed soon. Major HR-related issues standing as problems in the various levels of management include attrition, HR policies, absenteeism, performance appraisal, and manpower allocation (Mehta et al. 2006). In organizing, the major concerns at the lower management level are related to job design and job requirements, like night shifts, monotony, and long hours. At the middle-management level, critical issues were related to HR, organizing, and motivation. Middle-level managers have difficulty retaining good employees, motivating them to put in their best effort, and keeping them happy. Often managers are not trained to work with teams and directing and motivating numerous teams simultaneously is challenging.

Attrition in the BPO industry is two fold. One part of the attrition is where the employee leaves the industry entirely. The other section of attrition is where the employee joins another firm in the industry. Both the sections have separate reasons which need to be identified. The primary reason for people leaving the industry is due to the cause that the industry is viewed as a gap filler occupation. There seems to be a flaw in the way the industry is structured. The industry has been mainly dependent on youth who take out time to work, make money in the process while thinking of career alternatives.

Hence for this group BPO is never a long term career but only as a part time job. The easy availability of BPO jobs is only a source of easy money till the time there is no other source of funding. Also the unfriendly working conditions, late night work shifts, high tension jobs acts as a deterrent for people to stick to this industry for long time. In addition, the BPO jobs are not being taken with a positive spirit by the society on a large. Research says that nearly 50 per cent of those who quit leave the industry (Prakash and Chowdhury 2004)

Objectives of the Study
1) To find out the major factors contributing for high attrition in BPO Industry.
2) To study the various retention strategies to check the existing attrition rate.

Methodology of the Study
The study is based on the secondary data. The secondary data has been collected from various books, journals and websites

Information Based on Secondary Data

In order to gain a deeper understanding about the phenomenon of high attrition, and identification of the factors behind it, a lot of literature on BPO, particularly what got published during 2010 and 2011 was studied in detail. Major causal factors for high attrition in Indian BPO industry identified in this study were based on qualitative research using secondary data. These were compared with causal factors for attrition identified through

personal interview with a number of BPO employees in the NCR. There was a close similarity between the two results, authenticating the qualitative research on causal agents for attrition identified in this study. The study ranked low perceived value and monotonous work as number one factor attrition. Rank two was shared by high salary expectation and unusual working hours. Next factor was disillusioned employees; rank four was shared by stress and burnout, pressure to perform on metrics, and lack of motivation. Finally rank five was jointly shared by lack of security and social interaction

Summary of ranks from Study of secondary data

On the basis of these ranks and factors, an interesting inference is drawn. Low perceived value stands out as the most significant factor for attrition. Increased dissatisfaction leads to reduced motivation, which in turn results in lowered efficiency. When the efficiency is lowered, employees are not able to deliver their expected output which results in their leaving the job. When employees quit, the perceived value is further lowered. Thus a vicious circle is formed as shown in figure.

Causal Agents / Factors	Score (on 1) (Rank)
Higher Salary Expectation	0.7 (Rank-II)
Lack of Security	0.3 (Rank-V)
Lack of Social Interaction	0.3 (Rank-V)
Monotonous Work	0.8 (Rank-I)
Unusual Working Hours	0.7 (Rank-II)
Pressure to perform on Metrics	0.5 (Rank-IV)
Low Perceived Value	0.8 (Rank-I)
Disillusioned Employees	0.6 (Rank-III)
Stress and Burnout	0.5 (Rank-IV)
Lack of Motivation	0.5 (Rank-IV)

Vicious Circle of attrition

Secondary data in support of high attrition in BPO

These companies are facing high attrition rates. They are facing problems in retaining their employees irrespective of the fact that they are providing an attractive compensation packages to their employees. TCS, infosys and wipro faced high attrition rate as compared to satyam.

1) Wipro: The attrition rate of wipro is 16.2% during the last quarter of 2006-07. On annual basis, the attrition rate of wipro BPO was 48 %. The main reasons being told are the odd working hours and the higher studies. Wipro's attrition rate is the highest in the industry.

2) **Infosys-** Attrition rate of Infosys was 10.45 % in the year 2004. It decreased to 9.7 % in 2005 but then again increased to 11.2 % in 2006 and 13.5 % in 2007.

3) **TCS-** The attrition rate for TCS is 11.5 %, up from 10.6% last year.(from 2006 to 2007) Source- http://retention.naukrihub.com (HR) department heads, particularly of the Business Process Outsourcing (BPO) firms are facing the toughest time due to the sudden jump in the attrition rates.

Even the large BPO firms are hit. During the April-June quarter of the financial year 2010-11, attrition rate in TCS BPO was around 20 per cent, and the same in Wipro was around 16 per cent respectively. According to HR consulting firm Talentar Managing Director Abhishek Udayai, "The job market is opening up and this has the highest job provider in the IT industry and the attrition rate is also very high in this segment."

Source- Pradeesh Chandran, Bangalore, July 30, DH News Service

Factors responsible for attrition in BPOs

The reason for the high rate of attrition in the BPO sector particularly call centre segment range from lack of comfort of enrichment potential in terms of career growth. The growth of BPO industry is mainly depending on the cost effectiveness and quality of the manpower. Attrition is not a new problem and it has existed earlier and will continue to exist in any industry.

In spite of the salaries and facilities being high (especially for a graduate who starts his / her career with a BPO company) the average attrition rate is very high in this industry. There are numerous reasons for the attrition to be high which can be categorized into two broad classifications.

The first can be coined as **"Drive Attrition"** which is caused due to the employer; the second one can be termed as **"Drag Attrition"** which is caused due to the employee.

The reasons for **Drive Attrition** are due to employer's policy / policies of terminating the employee at the end of the contract period for employment. Also the quality policy of the BPO companies guides them to retain only the most productive employee and hence makes them to terminate employee at regular intervals. A BPO company operates 24 hours a day and 365 days a year. **Graveyard shifts** and odd hours which suit the foreign clients create lot of problems to the employees. Symptoms of **Insomnia** and even **depression** are caused due to change of 24-hour biological rhythm of the body, and also, loss of employee's personal life hence Drive attrition rate shoots up.

The companies do not have a particular day as weekly off for its employees. The employees are not even entitled for national holidays declared by Government of India, as the company works with client calendar. The call agents can avail leave (which should not affect the schedule) only with prior consent, and any unauthorized absence is a sufficient reason for terminating an employee.

Drag Attrition is basically due to the host of insecurities and vulnerabilities associated with the taking up a career with a BPO company. They are:-

1. No Career Prospects

The job of a call center agent (to start off) can be compared to a telemarketing or a telephone operator. Hence the scope to take up any other job (in case needed) or change of field is ruled out, as the experience gained in a call center will not be an iota of importance. Many others quit, as the chance to climb up the corporate ladder is bleak. Only a few very get promoted to the cadre of team leader and as soon as promotions are announced the many of frustrated employees quit.

2. Lack of Creativity

The work in the BPO Company needs no new creativity which adds to the enthusiasm of the employee. Voice Calls are the only thing which governs the activity of the BPO. Further BPO company work does not provide any scope for skill up gradation for the employee. The employer trains the employee to speak good English and nothing else which adds to the Drive attrition rate.

3. Monotony of work

The job remains same as to call clients and talk business. Same kind of lines repeated in the calls from the login point to logout point. Employees are bored of the same talks all through their working hours which lead to mental fatigue. Also the same kind of techniques and no

manual intervention, everything is done technologically which makes a person as a robot which ultimately leads to fatigue.

4. Stressful Job

Also the nature of job in a typical BPO company is psychologically very stressful. The working hours are artificially created which affect the natural rhythm of human body. The symptoms of chronic fatigue, gastrointestinal problems, peptic ulcer, insomnia and even d The daily targets fixed to achieve push employees to work harder and harder leading to stress.

5. Switching jobs for high salaries

Poaching of employees by other competitive BPOs for higher salaries drives them to change jobs. The employees expect salary revision once in 4-6 months and if not they move to other organizations because of the rapid growth of the industry. Some times due to personal reasons like getting married (especially for the male employees) or falling in love or change of place.

6. Drive towards Higher Education

Most of the employees with professional degrees like BE, MCA and others appear for higher education or grooming them, for highly specialized courses quickly move out.

HR Strategies Adopted to control Attrition Rate

Companies have different other kinds of strategies adopted to tackle the problem of retaining human capital. It ranges from cash incentives to career concern for the employee. As only 5 out of 150 employees become team leaders in a year, companies like Daksh services and Global Vantedge believe that cash incentives are a great way to get employees to stay on. They are also offering management diplomas and MBA courses to their employees, as most fresh graduates want to study further.

Group Medi-claim Insurance Scheme; Personal Accident Insurance Scheme;
 This scheme is to provide adequate insurance coverage for Hospitalization expenses arising out of injuries sustained in an accident. This covers total / partial disablement / death due to accident and due to accidents.

Subsidized Food and Transportation;
 BPO'S provide transportation facility to all the employees from home till office at subsidized rates or even at zero cost. Lunch is also provided free of cost.

Company Leased Accommodation;
 Some of the companies provides shared accommodation for all the out station employees,

Recreation, Cafeteria, ATM, gym and Concierge facilities;
 The recreation facilities include pool tables, chess tables and coffee bars. BPO'S Companies also have well equipped gyms, personal trainers and showers at facilities.

Personal Health Care
(Regular medical check-ups); Some of the BPO'S provides the facility for extensive health check-up. For employees with above 40 years of age, the medical check-up are given once in a year.

Loans; Many BPO companies provide loan facility on different occasions like, during the times of medical emergency, at the time of their wedding, also new recruits are provided with interest free loans to assist them in their initial settlement at the work location

Giving employees a **choice of rewards**; Rewards are as different as the people who receive them and it doesn't make sense to give rewards that recipients don't find rewarding. Some people are excited about sports events, others about movies. Some employees would love a dinner in a romantic restaurant, others a book by their favorite author. Food, fun, education, improved work environment, gifts, travel, and family-oriented activities - the options are endless.

Performance Incentives; Bonuses and incentives are paid after every quarter if the employee sustains in the organization and he gets extra rewards if his performance exceeds the target assigned to him.

Present Recruitment Strategies to Check Attrition

The Recruitment Manager keeps on innovating new techniques to hire the best of the best people and the strategies are continuously renewed as per the changing scenario. Considering the High Attrition rates the organization plans a very effective policy at the entry level (recruitment) which ultimately helps in sustaining human resource for the benefit of the organization.
Exl Service.com and **ICICI** one source hires outstation candidate Mainly Non-Metros. Also for leading call centers like **24/7 customer** and **MsourceE** non metro talent currently constitutes nearly 25-35 per cent of total hiring, and the main reason for this to happen is to reduce attrition rate Many companies like **HCL Tech BPO Services**, **GTL**, **Tracmail**, and **Vertex** India use various IQ and EQ tests to get people who can work at night and can handle the monotony. They also believe that giving career counseling and planning career paths to its employee help to control attrition. Some of the BPO firms have adapted to the strategy of employing housewives and retired school teachers. They believe that this would help in controlling attrition, as they feel that the tendency and the potential of the employed

to get shifted would reduce drastically. Where as some other BPO majors like **Wipro's Spectramind** believes that recruiting the undergraduates itself is a strategy to control attrition. Spectramind removed the graduation prerequisite for their employees in order to keep human resource level from waning. Selection of able individuals in the interview process with a tough HR Selection round , Which identifies able executives who have the innate skills required for the job and who are more likely to play a long innings in the organization.

As per **IBM** policy, recruitments are done in bulk considering the high attrition rate and recruitments are done regularly. Hiring in bulk reduces the supply factor of the equilibrium and it keeps the work of the organization going. The demand supply disparity is lessened with high availability of the staff and keeps the company at the safer side.

Employees with short span of experience (4 – 6 months) are hired and they are likely to be placed at a higher level which keeps them stable in the job and saves the training costs to the company.

RECRUITMENT PLANNING MODEL TO CONTROL THE RATE OF ATTRITION1

1. Evaluating the Recruitment Channels

Analysis of all the recruitment channels available namely:-
•Employment agencies which account for bringing large number of interviewees and which is also widely used medium,
•Employee referrals - Good source as they are bring best quality people but sometimes bring people with fake resumes and false work experience.
•Campus recruiting – Not popular in BPOs yet, mostly used in undeveloped BPO markets.
*Non-traditional channels – Targets retirees, housewives, expatriate spouses. Good source for stable employees.
•Advertising/Web sites – Good medium, used in developed BPO markets Targets large audience.
•Internal transfers – Brings in Seasoned Management, Setting example for subordinates to excel.

2. Careful Analysis of the Background of the Employee
This is the most crucial activity for the recruitment manager. An employee's past matter's a lot for his performance in the future. Family background, Cultural background and Job background all are very important in assessing the employee's worth to fit for the job. The employee's efficiency and effectiveness in the past job and the amount of value addition he did to the company are to be considered. If the employee is frequent in switching jobs it is quite possible that he will continue this behavior. The ability to work under stressful conditions and the ability to fulfill targets are of due importance in this area.

3. Assessing the Reasons for opting the Job

An employee may join a BPO for several reasons. The recruitment manager has to evaluate the reasons and select the candidate who is likely to stay in the company for making a career in the industry. Employees coming for short term easy money or students working in the holidays are to be identified and should not be selected. People who plan to earn some money and further go for higher studies lack the zeal to give growth to the organization. The core motive behind the job is to be identified so as to assess the stability in the job.

4. Selecting the Right person for the Right Job

Taking note of the skills required in the job. The amount of verbal communication skills needed in the work, the marketing and convincing abilities to sell and achieve targets, the ability to make the similar kind of activities interesting and above all the ability to handle stress and crises are required to ascertain the perfect person for the perfect job. Selecting the best person for the best place is a vital activity of the recruitment manager.

5. Clarity about the Job Profile and Appraisal System

A very important activity of the recruitment manager is to depict the real picture of the job. The quality and quantity of work required in the particular job profile is to be clearly defined. Lacking in depicting the practical image of the job profile is the main factor of high attrition because the employees do not know the clear image of the work they are to put in and just the outer fascination drives them in and later on the when they face the real ups and downs of the job they are not in a position to handle stress and they quit. With the Clear job profile the Clarity in expectations that is the employees should be made very clear about the appraisal system, parameters to measure their performance, consequences of failure in meeting the expectations, rewards awarded if they exceed the expected level of expectation.

6. Change the employable target audience

Neither age nor physical appearance is a hurdle for call center employment. So the BPO firms should take in those who are physically handicapped, and hence in a way become socially responsible. This could be the best adopted strategy BPO companies, the reason being that two percent of the population are physically challenged, this would mean that two percent of One billion, which is a real big number. Also there are many schools in India, who give formal education to the physically challenged. So the Indian BPO's can definitely look this as a viable strategy for bringing down the rate of attrition. Also this strategy will make target employees to be more committed and loyal to work, as they would look at this job as a career and would not shift jobs very frequently. Another reason for not shifting jobs would be that any other job would not give them a salary comparable to BPO company standards. Creating new areas to fill in the posts creates wider boundaries and gives a different chunk of people who are more likely to sustain.

7. Innovative Techniques to Recruitment

Use of Psychometric tests to ascertain the level of compatibility with the job. Tests such as MBTI determine the inner picture of the employee which is helpful in determining its effectiveness to the job. The level of mind set required in the particular type of work is directly related to the amount of work the employee puts in the job. Psychological testing is a proved methodology and it identifies the most suitable people for the desired work

8. **Changing perception of employees from life style to career**

The perception of the employee about the BPO has to change from being a life style to a career option. One way of doing this is to re-construct the organization structure. The chances to climb the corporate ladder should be made to look bright. Some modification done to this corporate ladder in increasing the number of levels, can give a prospective picture to the path ahead for a call center agent, and also will aid to change the perception from life style to career, which will control attrition to a reasonable extent. The modified version is shown here.

<div align="center">

Senior Manager

↑

Junior Manager

↑

Team Leader

↑

Associate Team Leader

↑

Senior Call Centre Officer

↑

Junior Call Centre Officer

↑

Call Centre Executive

</div>

Giving all these hierarchies gives the employee a sense of motivation towards the next level and it develops enthusiasm to work more and achieve a better status in the organization.

The Recruitment Planning Model emphasizes on these 8 points which intern gives a new medium to hire competent people who can stay in the organization for a longer duration. The Model focuses from the channels available further going to the background of the employees which encompasses the social and cultural background. Giving clarity about the Job is the most important factor which gives the employee a transparent idea about the real side of the job. This factor enables the employee to know before hand the amount of work required. Further the model describes to target new audience as to disabled people who are more likely to sustain in the organization. Finally the model stresses on the innovative techniques to hire people where psychology has an effective role to play.

Conclusion

Major factors contributing for high attrition are monotony of work and selection of unsuitable candidates who are not so psychologically strong and perception of employees. People working in BPO's hold perception that there is no career in this industry.

Methods for retention-

1) Use of Psychometric tests to ascertain the level of compatibility with the job. Tests such as MBTI, FIRO B etc. determine the inner picture of the employee which is helpful in determining its effectiveness to the job. The level of mind set required in the particular type of work is directly related to the amount of work the employee puts in the job. Psychological testing is a proved methodology and it identifies the most suitable people for the desired work.

2) It is very essential to pay competent salary decided on the basis of wage survey to retain employees.

3) Providing loan Facility and insurance schemes better than what market offers can inculcate sense of loyalty among employees.

4) The perception of the employee about the BPO has to change from being a life style to a career option. This can   be done by modifying corporate ladder in increasing the number of levels giving a prospective picture to the path ahead for a call center agent, and also will aid to change the perception from life style to career, which will control attrition to a reasonable extent

Foreign Direct Investment and Growth

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INTRODUCTION

Retailing is the interface between the producer and the individual consumer buying for personal consumption. This excludes direct interface between the manufacturer and institutional buyers such as the government and other bulk customers. A retailer is one who stocks the producer's goods and is involved in the act of selling it to the individual consumer, at a margin of profit. As such, retailing is the last link that connects the individual consumer with the manufacturing and distribution chain.

One of the most striking developments during the last two decades is the spectacular growth of FDI in the global economic landscape. This unprecedented growth of global FDI in 1990 around the world make FDI an important and vital component of development strategy in both developed and developing nations and policies are designed in order to stimulate inward flows. Infact, FDI provides a win – win situation to the host and the home countries. Both countries are directly interested in inviting FDI, because they benefit a lot from such type of investment. The 'home' countries want to take the advantage of the vast markets opened by industrial growth. On the other hand the 'host' countries want to acquire technological and managerial skills and supplement domestic savings and foreign exchange.

BACKGROUND

The historical background of FDI in India can be traced back with the establishment of East India Company of Britain. British capital came to India

during the colonial era of Britain in India. Before independence major amount of FDI came from the British companies. British companies setup their units in mining sector and in those sectors that suits their own economic and business interest.

After Second World War, Japanese companies entered Indian market and enhanced their trade with India, yet U.K. remained the most dominant investor in India. Further, after Independence issues relating to foreign capital, operations of MNCs, gained attention of the policy makers. Keeping in mind the national interests the policy makers designed the FDI policy which aims FDI as a medium for acquiring advanced technology and to mobilize foreign exchange resources. The first Prime Minister of India considered foreign investment as "necessary" not only to supplement domestic capital but also to secure scientific, technical, and industrial knowledge and capital equipments.

The industrial policy of 1965, allowed MNCs to venture through technical collaboration in India. However, the country faced two severe crisis in the form of foreign exchange and financial resource mobilization during the second five year plan (1956 -61). Therefore, the government adopted a liberal attitude by allowing more frequent equity participation to foreign enterprises, and to accept equity capital in technical collaborations. The government also provides many incentives such as tax concessions, simplification of licensing procedures and de-reserving some industries such as drugs, aluminum, heavy electrical equipments, fertilizers, etc in order to further boost the FDI inflows in the country. This liberal attitude of government towards foreign capital lures investors from other advanced countries like USA, Japan, and Germany, etc. But due to significant outflow of foreign reserves in the form of remittances of dividends, profits, royalties etc, the government has to adopt stringent foreign policy in 1970s. During this period the government adopted a selective and highly restrictive foreign policy as far as foreign capital, type of FDI and ownerships of foreign companies was concerned.

Government setup Foreign Investment Board and enacted Foreign Exchange Regulation Act in order to regulate flow of foreign capital and FDI flow to India.

The soaring oil prices continued low exports and deterioration in Balance of Payment position during 1980s forced the government to make necessary changes in the foreign policy. It is during this period the government encourages FDI, allow MNCs to operate in India. Thus, resulting in the partial liberalization of Indian Economy. The government introduces reforms in the industrial sector, aimed at increasing competency, efficiency and growth in industry through a stable, pragmatic and non-discriminatory policy for FDI flow.

In fact, in the early nineties, Indian economy faced severe Balance of payment crisis. Exports began to experience serious difficulties. There was a marked increase in petroleum prices because of the gulf war. The out flowing of foreign currency which was deposited by the Indian NRI's gave a further jolt to Indian economy. The continued political uncertainty in the country during this period adds further to worsen the situation.

As a result, India's credit rating fell in the international market for both short-term and long term borrowing. All these developments put the economy at that time on the verge of default in respect of external payments liability. In this critical face of Indian economy the then finance Minister of India Dr. Manmohan Singh with the help of World Bank and IMF introduced the macro – economic stabilization and structural adjustment programme. As a result of these reforms India open its door to FDI inflows and adopted a more liberal foreign policy in order to restore the confidence of foreign investors.

Further, under the new foreign investment policy Government of India constituted
FIPB (Foreign Investment Promotion Board) whose main function was to invite and facilitate foreign investment through single window system from the Prime Minister's Office. The foreign equity cap was raised to 51 percent for the existing companies. Government had allowed the use of foreign brand names for domestically produced products which was restricted earlier. India also became the member of MIGA (Multilateral Investment Guarantee Agency) for protection of foreign investments. Government lifted restrictions on the operations of MNCs by revising the FERA Act 1973. New sectors such as mining, banking,

telecommunications, highway construction and management were open to foreign investors as well as to private sector.

FDI Inflows in India

One of the most prominent and striking feature of today's globalised world is the exponential growth of FDI in both developed and developing countries. In the last two decades the pace of FDI flows are rising faster than almost all other indicators of economic activity worldwide. Developing countries, in particular, considered FDI as the safest type of external finance as it not only supplement domestic savings, foreign reserves but promotes growth even more through spillovers of technology, skills, increased innovative capacity, and domestic competition. Now a day, FDI has become an instrument of international economic integration.

Located in South Asia, India is the 7th largest, and the 2nd most populated country in the world. India has long been known for the diversity of its culture, for the inclusiveness of its people and for the convergence of geography. Today, the world's largest democracy has come to the forefront as a global resource for industry in manufacturing and services.

Economic reforms taken by Indian government in 1991 makes the country as one of the prominent performer of global economies by placing the country as the 4th largest and the 2nd fastest growing economy in the world. India also ranks as the 11th largest economy in terms of industrial output and has the 3rd largest pool of scientific and technical manpower. Continued economic liberalization since 1991 and its overall direction remained the same over the years irrespective of the ruling party moved the economy towards a market.

Role of Social and Environmental Concerns in Gaining a Leading Edge over Competitors

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ABSTRACT

Corporations around the world are struggling with a new role, which is to meet the needs of the present generation without compromising the ability of the next generations to meet their own needs and to gain a leading edge over competitors. The role of work has changed throughout the world due to various factors which includes social and environmental factors also. The purpose of this research paper is to provide an overview how an organization can make important savings and will be able to boost the reputation among customers and will gain edge over its competitors by committing the business to comply with environmental and social legislation and by using the available resources in the best possible manner. Much has been written on corporate social responsibility (CSR), stakeholder analysis, business strategy and competitive advantage etc, In this paper the different ways to enhance the social and environmental performance of the business, and how one can then capitalize on those improvements has been shown. This paper aims to show how Corporations can gain competitive advantage by managing Social and environmental variables, guidance on long-term steps that can be taken to make the business as sustainable as possible. This paper explains the concept of 'environmental technologies' as a competitive force and a tool for competitive advantage. Environmental technologies offer a new substantive orientation and a management process for minimizing ecological impacts of economic production while enhancing Competitiveness of firms

Keywords: Social Factors, Environmental Factors, Competitive Edge

INTRODUCTION

Meaning of Social: The term social refers to a characteristic of living organisms as applied to population's humans and other animals. It always refers to the interaction of organisms with other organisms and to their

collective co-existence, irrespective of whether they are aware of it or not, and irrespective of whether the interaction is <u>voluntary</u> or <u>involuntary</u>. The term "social" is used in many different senses and regarded as a <u>fuzzy concept</u>, referring among other things to <u>attitudes</u>, orientations, or behaviors which take the interests, intentions, or needs of other people into account.

Meaning of Social Issues: Social issues are controversial issues which relate to people's personal lives and interactions. Social issues are distinguished from <u>other issues</u>. The impact of social issues works over the people living in the society. Some of the major social issues are:

- <u>Corruption</u>
- <u>Poverty</u>
- <u>Discrimination</u>
- <u>Crime</u>
- <u>Injustice</u>
- <u>Human Rights</u>
- <u>Unemployment</u>
- <u>Financial Freedom</u>
- <u>Debt</u>
- <u>Capital punishment</u>
- <u>Bullying</u>
- <u>Age of consent</u> etc

<u>SOCIAL ISSUES AND SOCIAL RESPONSIBILITIES OF BUSINESS</u>

What does it mean to say that "business" has responsibilities? Only people can have responsibilities. A corporation is an artificial person and in this sense may have artificial responsibilities, but "business" as a whole cannot be said to have responsibilities, even in this vague sense. The first step toward clarity in examining the term social responsibility of business is to ask precisely what it implies for whom.

Corporate Social Responsibility (CSR)

Corporate social responsibility (CSR) is:

- An obligation beyond that required by the law and economics, for a firm to pursue long term goals that are good for society
- The continuing commitment by business to behave an contribute to economic development while improving the quality of life of the workforce and their families as well as that of the local community and society at large
- About how a company manages its business process to produce an overall positive impact on society

Corporate social responsibility (CSR) means:

- Conducting business in an ethical way in the interests of the wider community

- Responding positively to emerging societal priorities and expectations
- A Willingness to act ahead of regulatory confrontation
- Being a good citizen in the community

In other words we can say that corporate social responsibility (CSR) promotes a vision of business accountability to a wide range of stakeholders, besides shareholders and investors. Key areas of concern are environmental protection and the wellbeing of employees, the community and civil society in general, both now and in the future. The concept of CSR is underpinned by the idea that corporations can no longer act as isolated economic entities operating in detachment from broader society. Traditional views about competitiveness, survival and profitability are being swept away. Some of the drivers pushing business towards CSR include:

1. The shrinking role of government

In the past, governments have relied on legislation and regulation to deliver social and environmental objectives in the business sector. Shrinking government resources, coupled with a distrust of regulations, has led to the exploration of voluntary and non-regulatory initiatives instead.

2. Demands for greater disclosure

There is a growing demand for corporate disclosure from stakeholders, including customers, suppliers, employees, communities, investors, and activist organizations.

3. Increased customer interest

There is evidence that the ethical conduct of companies exerts a growing influence on the purchasing decisions of customers. In a recent survey by Environics International, more than one in five consumers reported having either rewarded or punished companies based on their perceived social performance.

4. Growing investor pressure

Investors are changing the way they assess companies' performance, and are making decisions based on criteria that include ethical concerns. The Social Investment Forum reports that in the US in 1999, there was more than $2 trillion worth of assets invested in portfolios that used screens linked to the environment and social responsibility. A separate survey by Environics International revealed that more than a quarter of share-owning Americans took into account ethical considerations when buying and selling stocks.

5. Competitive labor markets

Employees are increasingly looking beyond paychecks and benefits, and seeking out employers whose philosophies and operating practices match their own principles. In order to hire and retain skilled employees, companies are being forced to improve working conditions.

6. Supplier relations

As stakeholders are becoming increasingly interested in business affairs, many companies are taking steps to ensure that their partners conduct themselves in a socially responsible manner. Some are introducing codes

of conduct for their suppliers, to ensure that other companies' policies or practices do not tarnish their reputation.

DIMENSIONS OF SOCIAL RESPONSIBILITY

There are four dimensions of corporate responsibility:

- **Economic:** Responsibility to earn profit for the owners
- **Legal:** Responsibility to comply with the law
- **Ethical:** not acting just for profit but doing what is right, just and fair
- **Voluntary and Philanthropic:** Promoting human welfare and goodwill

LINK BETWEEN SOCIAL RESPONSIBILITY AND ETHICAL ISSUES

1. Is CSR the Same Issue as Business Ethics?

There is clearly an overlap between both the two. Both concepts concern values, objectives and decision based on something than the pursuit of profits. Social Responsible firms must act ethically. We will find lots of examples of business ethical decisions and dilemmas in areas such as:
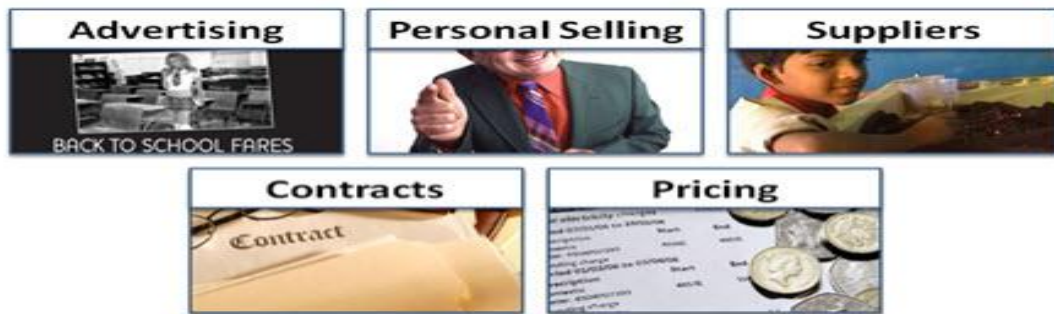
For Ex: A business cannot claim to be ethical firm if it ignores unethical practices by its suppliers – e.g.

- Use of child labor and forced labor
- Production in sweatshops
- Violation of the basic rights of workers
- Ignoring health, safety and environmental standards

An ethical business has to be concerned with the behavior of all businesses that operate in the supply chain – i.e.

- Suppliers
- Contractors
- Distributors
- Sales Agents etc

The two articles below provide a good example of the ethical issues that arise in the supply chain:

2. Is Ethical Behavior Good or Bad for Business?

As with all issues in business studies, there are two sides to every argument:

The advantages of ethical behavior include:

- Higher revenues – demand from positive consumer support

- Improved brand and business awareness and recognition

- Better employee motivation and recruitment

- New sources of finance – e.g. from ethical investors

The disadvantages claimed for ethical business include:

- Higher costs – e.g. sourcing from Fair-trade suppliers rather than lowest price

- Higher overheads – e.g. training & communication of ethical policy

ENVIRONMENTAL ISSUES OR CONCERNS

Environmental issues are negative aspects of human activity on the biophysical environment. Environmentalism, a social and environmental movement that started in the 1960s, addresses environmental issues through advocacy, education and activism. Major current environmental issues may include:

- Climate change,

- Pollution,

- Environmental degradation

- Resource depletion

- Environmental health

- Intensive farming

- Land degradation Soil

- Land use

- Nanotechnology

- Nuclear issues

- Overpopulation

- Ozone depletion

- Reservoirs

- Resource depletion etc

A. Environmental Issues that Affect Business

Key environmental issues affecting business include industrial waste, sustainable development of raw materials and water and air emissions. These issues affect business because laws require businesses to change equipment and procedures to meet imposed standards, which costs businesses money. Many businesses undertake stricter changes in an effort to preserve the environment. These businesses pay for the protective and proactive environmental measures and attempt to recoup the expenses through consumer good will or the added consumer base gained from an environmentally friendly policy.

1. Waste: Businesses that manufacture products create, at some point in the manufacturing process, manufacturing waste. Environmental laws and good environmental citizenship prohibit the indiscriminate dumping of manufacturing byproduct, so businesses must decide how best to dispense with it. Many implement recycling programs, others sell what they can of the waste to other manufacturers who use it in their own manufacturing processes as raw material. Either way, the effect is additional cost to the business in man hours, procedures, equipment and handling all specific to moving the waste products out of the business & manufacturing process and facilities.

2. Sustainable Development of Raw Materials: All manufacturers use raw materials to put together their goods. When these raw materials are natural, such as wood, laws and good environmental citizenship require that the business take measures to replace what it uses. Christmas tree farms are a prime example, as sellers buy from growers who harvest and replant in order to keep from depleting entire forests of naturally occurring pine trees. Again, the affect on business is cost in terms of higher raw materials costs, which usually include the supplier cost etc.

3. Emissions: Manufacturing processes often generate air and/or water emissions, which include particle or chemical-filled smoke, ash and particles and chemicals that seep into ground water through run-off. Environmental protection laws require businesses to protect the environment from exposure to these emissions. Remedial process include placing screens of specified gauges over smoke stacks, filtration of waste water and lining of retention ponds with clay and poly liners. New regulations are implemented frequently that require retrofitting of manufacturing facilities with increased protections, such as screens of even finer gauges and pond liners of newer and safer materials. All of these measures are costly to business and affect businesses first by decreasing profit margins.

B. Business Environment factors that affect Business

The different business environmental factors that affect the business can be broadly categorized as internal ands has its own external factors.

INTERNAL FACTORS are those factors which exist within the premises of an organization and directly affect the different operations carried out in a business. These internal factors are:

- **Value System:** It implies the culture and norms of the business. In other words, it means the regulatory framework of a business and every member of the <u>organization</u> has to act within the limits of this framework.

- **Missions and Objectives:** Different priorities, policies and philosophies of a business is guided by the mission and objectives of a business.

- **Financial Factors:** A financial factor like financial policies, financial position and capital structure also affects a business performance and its strategies.

- **Internal Relationship:** Factors like the amount of support the top management enjoys from its shareholders, employees and the board of directors also affects the smooth functioning of a business.

EXTERNAL FACTORS include all those factors which exist outside the firm and are often regarded as uncontrollable. These external forces can further be categorized as MICRO ENVIRONMENT and MACRO ENVIRONMENT.

MICRO ENVIRONMENT includes the following factors.

- **Suppliers:** Suppliers are those people who are responsible for supplying necessary inputs to the organization and ensure the smooth flow of production.

- **Competitors:** Competitors can be called the close rivals and in order to survive the competition one has to keep a close look in the market and formulate its policies and strategies as such to face the competition.

- **Marketing Intermediaries:** Marketing intermediaries aid the company in promoting, selling and distribution of the goods and services to its final users. Therefore, marketing intermediaries are vital link between the business and the consumers.

MACRO ENVIRONMENT includes the following factors.

- **Economic Factors:** An economic factor includes economic conditions and economic policies that together constitute the economic environment. These include growth rate, inflation, restrictive trade practices etc. Which have a considerable impact on the business?

- **Social Factors:** Social factors includes the society as a whole alongside its preferences and priorities like the buying and consumption pattern, beliefs of people their purchasing power, educational background etc.

- **Political Factors:** The political factors are related to the management of public affairs and their impact on the business. It is important to have a political stability to maintain stability in the trade.

- **Technological Factors:** A latest technology helps in improving the market ability of the product plus makes it more consumers friendly. Therefore, it is important for a business to keep a pace with the changing technologies in order to survive in the long run

RISK MATRIX SHOWING THE RELATIONSHIP BETWEEN THE RISK OF ENVIRONMENTAL FORCES AND VARIOUS OTHER FACTORS
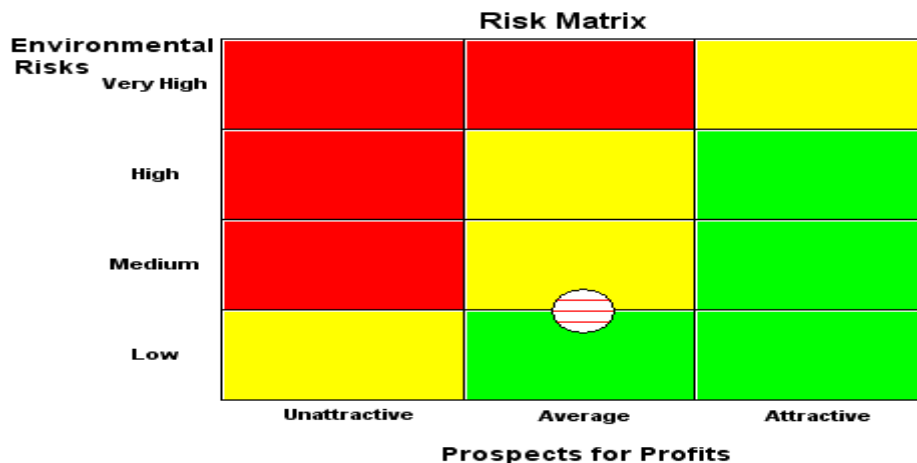
This matrix illustrates the relationship between the risk of environmental forces affecting a business area and the other factors affecting the prospects for developing and maintaining long-term profits. The prospect for profitability is based on factors including:

- the bargaining power of buyers
- the bargaining power of suppliers
- the threat of new entrants
- the threat of substitutes
- the competitive rivalry among existing firms in the industry

The expert system will position the enterprise on the chart based upon environmental factors:

- economic
- cultural
- technology
- demographic
- government

BENEFITS FOR A BUSINESS AFTER ADOPTING SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES

Some of the positive outcomes that can arise when businesses adopt a policy of Social Responsibility include:

1. Company benefits over competitors

- Improved financial performance;
- Lower operating costs;
- Enhanced brand image and reputation;
- Increased sales and customer loyalty;
- Greater productivity and quality;

- More ability to attract and retain employees;
- Reduced regulatory oversight;
- Access to capital;
- Workforce diversity;
- Product safety and decreased liability.

2. Benefits to the community and the general public:

- Charitable contributions;
- Employee volunteer programmes;
- Corporate involvement in community education, employment and homelessness programmes;
- Product safety and quality.

3. Environmental benefits:

- Greater material recyclability;
- Better product durability and functionality;
- Greater use of renewable resources;
- Integration of environmental management tools into business plans, including life-cycle assessment and costing, environmental management standards, and eco-labeling.

Some of the positive outcomes that can arise when businesses adopt a policy of Environmental responsibility include:

In this we have taken one of the external environmental factor as an example, in this we have tried to explain what would happen if company differentiates its products/services from those of its competitors
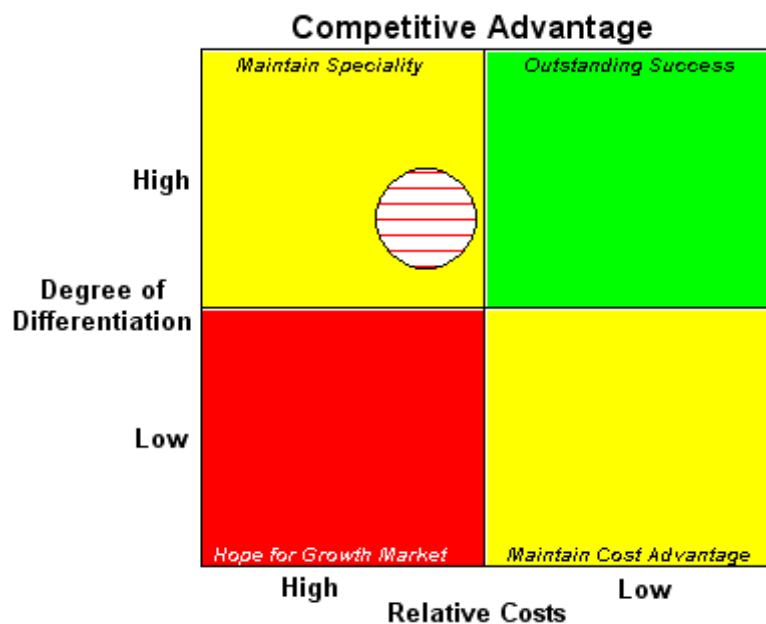
This matrix examines how an organization might gain a competitive advantage if it measures relative costs and the degree to which the organization can differentiate its. The expert system will position the enterprise on the chart based upon the description of:

- Ability to create barriers to entry
- Market prominence & tenure
- Brand recognition
- Product uniqueness
- Switching costs
- Distribution channels

Analysis of Enterprise Position on the above basis:

Maintain Specialty	Outstanding Success	Hope for Growth Market	Maintain Cost Advantage
Differentiation: High Relative costs: High	Differentiation: High Relative Costs: Low	Differentiation: Low Relative costs: High	Differentiation: Low Relative costs: Low
Indicates a specialty company that markets unique products at premium price.	Outstanding opportunity for success. Freedom to compete at any price.	One is having high costs and a commodity type of product. The only hope for success is rapid growth of the market.	The products or services are much like as of competitors. If one can maintain its cost advantage, then only he can compete well as the lowest cost producer.

BENEFITS OF IMPROVING THE ENVIRONMENTAL PERFORMANCE

Making the business more environmentally friendly can help in gaining wide-ranging and significant benefits over competitors and by committing the business to comply with environmental legislation, penalties could be avoided. By using raw materials more efficiently, minimizing waste and reducing your insurance risks, important savings can be made. Reputation among customers, suppliers, regulators, investors, staff and the local community will be improved and it will give a leading edge over competitors. It will increase employee morale - making it easier to attract, keep and motivate staff. The long-term steps that can be taken to make business as sustainable as possible:

1. *Reduce costs by improving the environmental performance of Business: Good environmental practices can* **reduce the costs** *by cutting business' use of raw materials, energy, water and packaging.*

2. **Use energy more efficiently:** Saving energy is the easiest way f to save money and - in doing so - reduce business' carbon footprint. Changing employee behavior, using more efficient equipment and designing more efficient processes are all ways to lower your bills.

3. **Minimize waste:** Waste is the result of using materials inefficiently. Waste costs are twofold, once for materials that one don't use and then a second time to get rid of them. By using raw materials more efficiently, recycling, reducing packaging and making production processes more efficient, money can be saved and help protect the environment.

4. **Invest to save:** Paying for regular inspection and maintenance of equipment may save the money in the longer term - for example by improving energy efficiency, reducing use of raw materials or avoiding breakdowns. There are also significant benefits to investing in technology that reduces energy and water waste. A lot of equipment costs far more to run than to buy. Money could be saving by spending more in the first place to buy more energy-efficient machinery and equipment.

5. **Save on the tax bill:** If the investment is made in energy and water-saving technologies - and environmentally friendly vehicles – the business could qualify for **Enhanced Capital Allowances (ECAs)**. These can help in reducing the tax bill. There are three ECA schemes:

- Energy-saving plant and machinery
- Low carbon dioxide emission cars, and natural gas and hydrogen refueling infrastructure
- Water conservation plant and machinery

6. **Improve employee performance:** Becoming a more sustainable business can have a real impact on the staff. Increase in productivity would be seen, as people often enjoy working for ethically driven companies. It could also reduce staff turnover and save on recruitment costs.

7. *Reduce insurance costs by managing environmental risks: Being able to show that the business has sound environmental policies and procedures is essential if one wants to get competitive insurance premiums. Some businesses have associated environmental risks - such as gradual environmental pollution, clean-up costs or product liability. These costs can be huge, e.g. if land has to be decontaminated. From a business point of view, insurance against such risks are needed Insurers will want to assess the measures that have been put in place to minimize the risks of an incident occurring. This may involve an audit business premises to assess the approach that has been applied to health, safety and the environment. A poor audit will result in increased premiums or may even prevent from getting insurance cover in future. On the other hand, if it has been shown that the risk*

management seriously has been taken seriously , that will surely reduce the insurance premium to be paid One way to do this is to use a systematic approach to manage the environmental impacts

8. **Improve employee relations with good environmental practices:** If one wants to improve the environmental practices**,** it is essential to get the support of all the employees - these are the people who will implement any changes. Also, some environmental practices - such as cutting carbon emissions from travel to and during work – may significantly impact the life of employees' lives**.** So their proper understanding and approval for such fundamental changes are required to get success.

9. **How to win employee support:** It's important to involve employees in environmental discussions. They may have a better understanding of the risks and problems and will be well placed to offer solutions. They'll also see that whether someone is considering and giving value to their opinions and are taking steps to protect their interests. Staff may also appreciate the fact that they work for an environmentally responsible business. This could reduce staff turnover and cut recruitment costs. It would help in attracting high-caliber staff.

10. **Gain marketing benefits through improving environmental performance:** The approach to environment is an important factor in developing a good reputation for the business. Some businesses have built their success largely on a reputation for doing the right thing. A good reputation:

- Helps in attracting and retaining customers
- Makes it easier to recruit new employees and improves employee motivation
- Improves relationship with suppliers
- Improves standing with your local community
- Improves the relationship with shareholders.
- Increases the chance that banks or investors will provide financial support

11. **Communicate about environmental performance to Stakeholders:** Business will be a huge success if it will keep its stake holders i.e. customers, employees, the local community, suppliers and other stakeholders aware of the environmental commitment. Publicizing measures taken to become 'greener' are becoming an essential part of marketing Customers in particular might be interested in:

- How one minimizes and reduces the waste
- What steps has been taken to make business energy - and water - efficient
- The environmental credentials of the raw materials and supply chain
- What steps has been taken to minimize the environmental impact of various products or services
- Environmental reporting is another way to communicate this information to business stakeholders. It may even be mandatory for the business to include this information in the annual report. To find out

whether one should report on the environmental impact he has made **Get certified against the Carbon Trust Standard (CTS):** The CTS is an award for organizations that can prove they have measured, managed and reduced their carbon emissions. If the business is certified as having achieved the standard, then that business can use the CTS logo to market its carbon credentials. The Carbon Trust has launched a new online assessment service to encourage more small and medium-sized enterprises (SMEs) to get certified.

12. **Open up new markets:** By improving the environmental performance, one may also be able to access a wide range of government-sector contracts.

13. *Makes the business more sustainable: Sustainable business is about implementing environmentally friendly and socially responsible practices while still maintaining commercial success. First steps often include improving resource efficiency, and considering renewable resources and technologies. If the business is really serious about becoming sustainable, then it needs to take a long-term approach. This could involve measuring the overall performance, managing its impact on the environment and getting commitment to improve from the employees. Taking a sustainable approach can also improve the performance and profitability through lower costs, better stakeholder relations and greater innovation.*

14. **Competitive advantage:** By producing sustainable goods or services, one can achieve more than simply reducing costs. For example, a product that uses less energy while still meeting consumer needs will give the business a competitive advantage**,** now and in the future.

CONCLUSION

This aim of this paper has been to show that the various issues i.e. social and environmental issues regarding energy, natural resources, pollution, social responsibility of business etc offer competitive opportunities though along with constraints, but still working of corporate in the directions of these issues have changed the competitive landscape in many industries. Corporations can gain competitive advantage by managing ecological variables. This paper explains the concept of 'environmental technologies' as a competitive force and a tool for competitive advantage. Environmental technologies offer a new substantive orientation and a management process for minimizing ecological impacts of economic production while enhancing Competitiveness of firms. This paper has explained how a company affects society in various ways and how does society affects the competitiveness and has also explained why many companies have done much work to improve the social and environmental consequences of their activities. This paper has thrown light on the principle of sustainability which appeals to enlightened self-interest, often invoking the so called triple bottom line of economic, social, and environmental performance. In other words, companies should operate in ways that secure long-term economic performance by avoiding short-term behavior that is

socially detrimental or environmentally wasteful. The principle works best for issues that coincide with a company's economic or regulatory interests and overall welfare of the society.

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Unemployment a Key Issue of Indian Economic Development

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Abstract:
Unemployment is the mother of numerous problems in the society. Several problems like substantial increase in the population, age, physical disabilities and vocational unfitness, technological and economic factors have given the birth of this problem. Other problems including socio-economic problems like poverty, malnutrition, antisocial and criminal activities, drug and substance abuse, also contribute towards unemployment. Five year plans in India has introduced several employment generating schemes over the years but due to lack of proper implementation and monitoring didn't achieved the required targets. It is such a poison that pollutes the society, endangers the democratic fabric of the country and putting the break on Indian growth story.

Key words: Unemployment, Employment generation, Population

Unemployment a key issue of Indian Economic Development

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Key words: Unemployment, Employment generation, Population

People with jobs are employed. People who are jobless, looking for jobs, and available for work are unemployed. People who are neither employed nor unemployed are not in the labor force. When workers are unemployed, they, their families, and the country as a whole lose. Workers and their families lose wages, and the country loses the goods or services that could have been produced. In addition, the purchasing power of these workers is lost, which can lead to unemployment for yet other workers. To know about unemployment—the extent and nature of the problem—requires information. How many people are unemployed? How did they become unemployed? How long have they been unemployed? Are their numbers growing or declining? Are they men or women? Are they young or old?

The problem of unemployment has becoming a colossal. Various problems have caused this problem. There are individual factors like age, vocational unfitness and physical disabilities which restrict the people. External factors include technological and economic factors. There is enormous increase in the population. Every year India adds to her population afresh. More than this every year about 5 million people become eligible for securing jobs. Business field is subject to ups and downs of trade cycle and globalization. Economic depression or sick industries are often close down compelling their employees to become unemployed. Technological advancement contributes to economic development .But unplanned and uncontrolled growth of technology is causing havoc on job opportunities. The computerization and automation has led to technological unemployment. Strikes and lockouts have become inseparable aspect of the industrial world today. Due to these industries often face economic loses and production comes down.

EDUCATION SYSTEM AND UNEMPLOYMENT

 Our educational system has its own irreparable defects and its contribution to the unemployment is an open truth. Our education does not prepare the minds of young generation to become self-employed on the contrary it makes them dependent on government vacancies which are hard to come. Our State right from the beginning of Five year plans has introduced several employment generating schemes and programme over the years but in the absence of proper implementation and monitoring have failed to achieve the required targets. "India is coming into its dividend as an unusually young country in an unusually ageing market a young, fresh-faced nation in a graying world," Nandan Nilekani observed in his book, Imagining India: Ideas for the New Century. That's not just another observation. By 2025, 25% of the world's workers will be Indians, points out the TeamLease report. Three hundred and fifty universities, 18,000 colleges and 6,000 ITIs will till then continue to churn out five lakh technical graduates, along with around 2.3 million graduates (or maybe more). Unfortunately, just 10-25% of them will be 'employable', according to the Confederation of Indian   Industry   (CII). According to a 2008 report of the Boston Study Group, India by 2012 will have 1.3 million surplus of un-trained and under-educated people and the country will fall short (by 5.3 million) of real talent. An inefficient human resource development regime in the country, absence of an academia-industry interface, lack of focus on skill development of individuals and an almost non-existent quality assurance framework are the root causes of the poor outcomes of the current educational regime. With no returns expected in terms of jobs, there is a significant drop-out rate leading to an under-trained and under-skilled workforce.

UNEMPLOYMENT   SURVEY
For the first time ever – the Labour Bureau of the Government of India has conducted a survey on employment – unemployment, and has come up with an unemployment rate based on that.

National Sample Survey Organization (NSSO) also calculates unemployment rates, but these surveys are done with a gap of 5 years, so there is a dire need to have unemployment numbers in between.

UNEMPLOYMENT RATE IN INDIA

The survey was conducted in 28 States/UTs spread across the country in which about 99 per cent of the country's population resides.

It estimates that the population of the country is 1182 million with 63.5% in the working age of 15 – 59 years, however, not everyone who is in the working age is interested in joining the work force, so the worker population ratio is much lower. There are an estimated 238 million households, of which 172 million are rural and 66 million are urban. Out of the total population of the States/UTs covered, 872 million persons (73.8 per cent) live in rural areas and 310 million persons (26.2 per cent) live in urban areas.
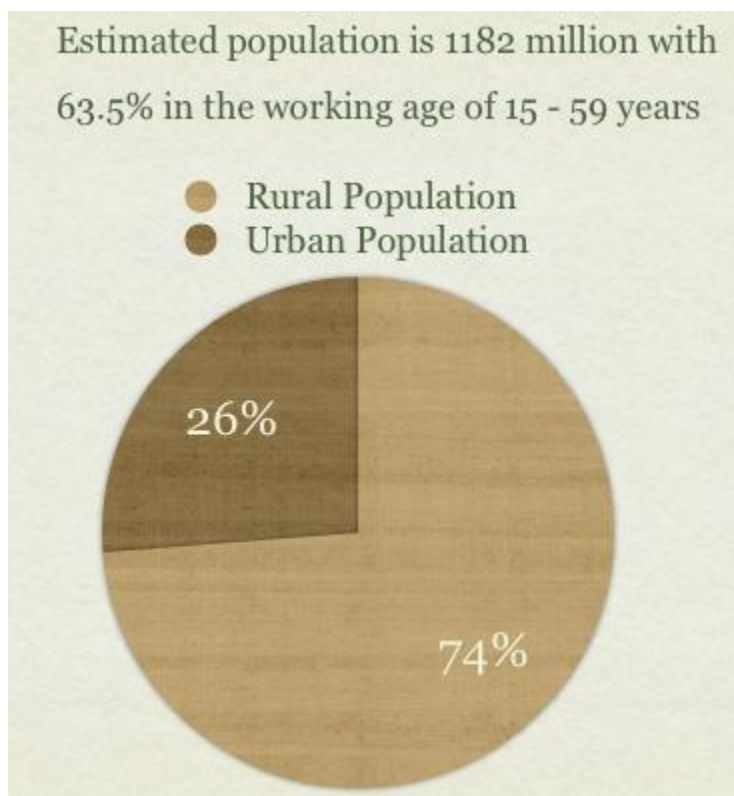
Population Split: Rural and Urban

The overall unemployment rate is 9.4%, and it is split out as 10.1% in rural areas, and 7.3% in urban areas. Now, a key thing to remember about unemployment rate is that it is calculated as a percentage of labor force, and not the total population. So, this means that 9.4% of that part of population which is interested in working is unemployed, and not 9.4% of the entire population is unemployed.

In the Indian context, – 359 persons per 1,000 are either working or interested to work, and this is called the Labor Force Participation Rate.

So, out of an estimated population of 1,182 million – 424 million persons are either employed or are interested in working.

The unemployment rate of 9.4% means that out of those 359 persons per thousand, or 424 million people – there are 9.4% or about 40 million who were unemployed. Here are the numbers in millions.
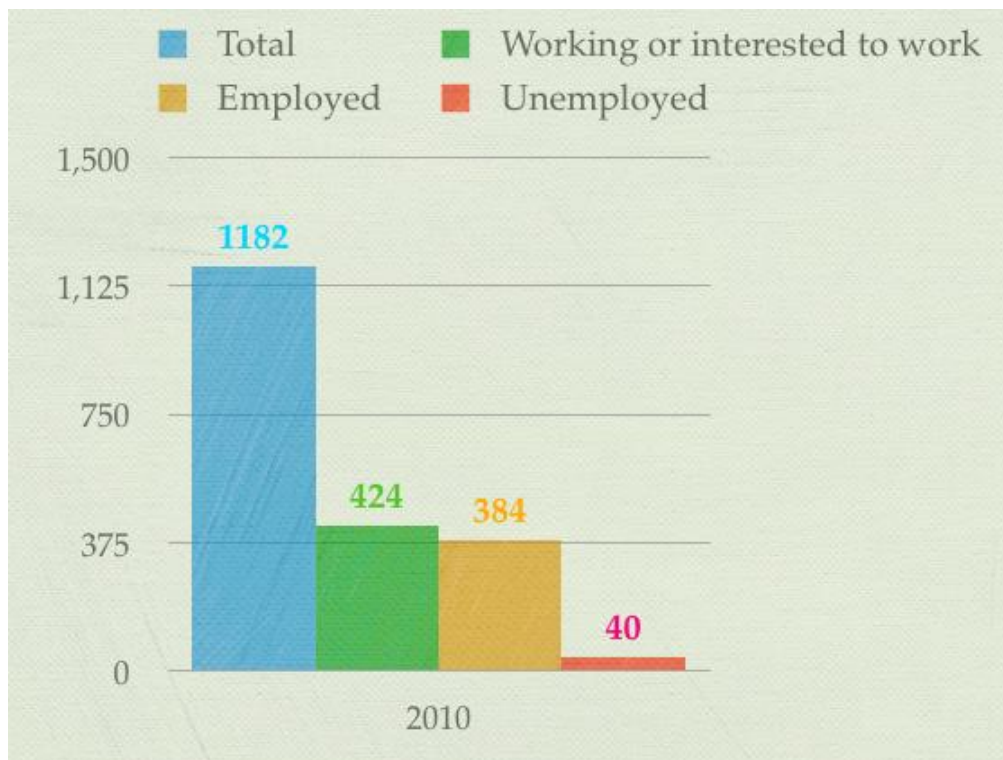
India Unemployment Numbers (numbers in millions)

For males, the unemployment rate is 8%, whereas for females the unemployment rate is 14.6%. The rural unemployment rate is 10.1% and the urban unemployment rate stands at 7.3%.

One thing to be noted about this unemployment rate is that the report states that compared to the NSSO survey the unemployment rate is quite high probably due to under-estimation in the agriculture sector employment.

From the report:

Comparison of Labour Bureau's present survey results for the year 2009-10 with NSSO's Employment-Unemployment survey results for 2007-08, reveals that the unemployment rate derived on the basis of the Bureau's survey is quite high. Higher unemployment rate may be parting attributed to as much as 10 per cent difference in the contribution of agriculture sector to total employment estimated in the present survey vis-à-vis the NSSO 2007-08 survey estimates. While the shift of workforce from agriculture to other sectors is a positive trend for a fast growing economy, the steep reduction in lower share of agriculture employment based on the Bureau's survey could be attributed to lack of adequate probing skills of the Contract Investigators. There could be some underestimation in the agriculture sector employment due to lesser-

probing by the contract investigators especially in case of women workers who tend to be employed more casually in the agriculture and allied sectors such as forestry, livestock and fisheries.

According to this survey – Goa is the state with the highest unemployment rate, Here is the table that shows the unemployment rate for different states (click for a bigger readable picture).

Table (9.1) : Unemployment Rate (UR) by different age groups (in Per 1000)
Rural + Urban

Sl. No.	Name of the State/UT	5 years & above			15-59 years			15 years & above			All ages			Sex ratio of un-employed	Sample persons
		Male	Female	Person	Male	Female	Person	Male	Female	Person	Male	Female	Person		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	Andhra Pradesh	73	83	76	75	84	78	71	83	75	73	83	76	538	3321
2	Assam	53	111	61	56	115	64	52	113	60	53	111	61	325	1858
3	Bihar	152	306	168	154	301	170	147	309	164	152	306	168	234	4385
4	Chhatisgarh	39	24	34	40	26	35	38	24	34	39	24	34	301	2114
5	Delhi	6	26	8	6	23	8	6	23	7	6	26	8	476	1125
6	Goa	206	468	281	209	451	282	206	469	281	206	468	281	922	351
7	Gujarat	90	126	100	85	125	96	89	125	99	90	126	100	536	3411
8	Haryana	70	218	87	68	221	86	70	217	86	70	218	87	386	2589
9	Himachal Pradesh	63	45	59	69	45	64	63	45	59	63	45	59	192	1286
10	Jammu & Kashmir	45	89	49	50	61	51	45	61	47	45	89	49	175	1155
11	Jharkhand	224	422	274	229	413	276	221	420	271	224	422	274	637	1851
12	Karnataka	25	39	29	26	39	30	24	38	28	25	39	29	626	4732
13	Kerala	75	205	107	74	219	110	75	205	107	75	205	107	891	1463
14	Madhya Pradesh	66	122	79	68	134	83	65	125	79	66	122	79	558	4616
15	Maharashtra	45	88	60	45	86	58	44	88	59	45	88	60	980	5230
16	Meghalaya	132	94	117	123	97	113	132	94	117	132	94	117	462	283
17	Orissa	83	173	96	79	169	92	79	171	92	83	173	96	350	4201
18	Punjab	101	141	105	106	142	111	101	140	105	101	141	105	177	2429
19	Rajasthan	119	349	180	116	358	181	116	351	178	119	349	180	1049	4988
20	Sikkim	47	91	63	47	97	65	42	91	60	47	91	63	1081	366
21	Tamil Nadu	45	91	60	46	86	59	44	89	58	45	91	60	930	5515
22	Uttaranchal	52	40	49	49	34	46	52	40	49	52	40	49	220	1685
23	Uttar Pradesh	73	179	82	73	190	82	72	176	80	73	179	82	217	10595
24	West Bengal	83	257	113	81	263	114	80	256	111	83	257	113	662	2581
25	Chandigarh	13	41	16	15	42	19	13	41	16	13	41	16	416	282
26	Dadra & Nagar Haveli *														
27	Daman & Diu	48	81	53	53	96	58	48	81	53	48	81	53	252	227
28	Pondicherry	77	476	168	71	476	165	77	476	168	77	476	168	1812	82
	Overall	80	146	94	80	149	95	78	145	93	80	146	94	510	72744
	Estimated persons at Overall in (000)	26464	13499	39963	24105	12594	36700	25668	13214	38882	26464	13499	39963	X	X

* Reliable estimates couldn't be derived due to very low coverage including non-coverage of urban sample

Unemployment in India by State

The unemployment rate in India was last reported at 9.4 percent in 2009/10 fiscal year. From 1983 until 2000, India's Unemployment Rate averaged 7.20 percent reaching an historical

high of 8.30 percent in December of 1983 and a record low of 5.99 percent in December of 1994. The labor force is defined as the number of people employed plus the number unemployed but seeking work. The nonlabour force includes those who are not looking for work, those who are institutionalised and those serving in the military. This page includes: India Unemployment Rate chart, historical data and news.

SOURCE: WWW.TRADINGECONOMICS.COM | INDIA MINISTRY OF LABOUR

UNEMPLOYMENT AND INFLATION

Unemployment and inflation are two linked economic concepts .over the year there have been number of economists trying to interpret the relationship between the concepts of inflation and unemployment. There are two possible explanations of this relationship one in the short term and another in the long term. In the short term there is an inverse correlation between the two. As per this relation, when the unemployment is on the higher side, inflation is on the lower side and the inverse is true as well.

This relationship has presented the regulators with a number of problems. The relationship between unemployment and inflation is also known as the Phillips curve. In the short term the Phillips curve happens to be a declining curve. The Phillips curve in the long term is separate from the Phillips curve in the short term. It has been observed by the economists that in the long run the concepts of unemployment and inflation are not related.

As per the classical view of inflation, inflation is caused by the alterations in the supply of money. When the money supply goes up the price level of various commodities goes up as well. The increase in the level of prices is known as inflation. According to the classical economists there is a natural rate of unemployment, which may also be called the equilibrium level of unemployment in a particular economy. This is known as the long term Phillips curve. The long term Phillips curve is basically vertical as inflation is not meant to have any relationship with unemployment in the long term.

It is therefore assumed that unemployment would stay at a fixed point irrespective of the status of inflation. Generally speaking if the rate of unemployment is lower than natural rate, then the rate of inflation exceeds the limits of expectations and in case the unemployment is higher than what is the permissible limit then the rate of inflation would be lower than the expected levels. The Keynesians have a different point of view compared to the Classics.

The Keynesians regard inflation to be an aftermath of money supply that keeps on increasing. They deal primarily with the institutional crises that are encountered by people when they increase their price levels. As per their argument the owners of the companies keep on increasing the salaries of their employees in order to appease them. They make their profit by increasing the prices of the services that are provided by them. This means there has to be an increase in the money supply so that the economy may keep on functioning. In order to meet this demand the government keeps on providing more money so that it can keep up with the rate of inflation.

CONCLUSION

The problem of unemployment causes loss of human resources. labourers waste their maximum time in search of employment. Unemployment deprives a man of all sources of income. As a result he grows poor. Therefore, unemployment generates poverty. Unemployment also gives birth to political instability in country. Unemployed persons can easily be enticed by antisocial elements. They lose all faith in democratic values and peaceful means. They consider that Government is worthless which fails to provide them work. In the state of unemployment, labourers are exploited to the maximum possible extent. Those labourers who get work have to work under adverse condition of low wages.

All this tells upon the efficiency of labourers greatly influence the pattern of employment opportunities in the country. Being poor, a person does not make any gainful use of existing resources.

The education system in our country too has failed to respond to the existing inter-generation gap. It simply imparts general and literary education devoid of any practical content.

India's education policy merely produces clerks and lower cadre executives for the government and private concerns. The open door policy at the secondary and university level has increased manifold unemployment among the educated that are fit only for white collar jobs.

The traditional handicraft has a glorious past and was the main source of employment especially to the village crafts-men, artisans as well as non-agricultural workers.

Unfortunately, most of rural traditional crafts have been ruined or faded partly due to the unfavorable policy of the foreign rulers and partly due to tuff competition from the machine made goods. Consequently, these laborers were out of job. Most of them turned as landless laborers.

As, already discussed, our education system is defective as it provides purely academic and bookish knowledge which is not job oriented.

The need of the hour is that there must be sufficient number of technical training institutions and other job oriented courses at village level. Most of the students in rural areas remain ignorant of possible venues of employment and choice of occupation.

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Employee Relationship Management -A Tool for Organization Excellence

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Abstract :

Employee relationship management emerged as a tool for organization excellence .Employee relationship management is basically a relationship development & management between employer & employees. Earlier there was a phenomenon that if company is having good CRM than it ensures the success of any organization. But due to the emergence of knowledge workers. & growing tendency of job switching by company's key employees the CRM concept is need to coordinate with the concept of ERM. Because if the company is able to maintain good ERM its output will be come in the form of CRM.this paper focused on reasons of growing importance of ERM ,it relevance & role of ERM in maintaining CRM ,its Challenges & opportunities.

Key Words: Relevance of ERM in maintaining CRM, Challenges & opportunities
Kota, Rajasthan

Introduction of ERM:

An organization can't perform only with the help of chairs, tables, fans or other non living entities. It needs human beings who work together and perform to achieve the goals and objectives of the organization. The human beings working together towards a common goal at a common place (organization) are called employees. Infact the employees are the major assets of an organization.

Employee relationship management refers to managing the relation between the various employees in an organization. The relationship can be between employee and the employer as well as between employees at the same level. Employees are the major assets of an organization. It is essential that the employees perform together as a collective unit and contribute equally towards the realization of a common goal. No task can be accomplished if the individuals are engaged in constant conflicts and misunderstandings. It has been observed that targets are achieved at a much faster rate if the employees work together and share a warm relationship with each other. Employees must be comfortable with each other to deliver their best and enjoy their work.

WHY ERM:

Every individual shares a certain relationship with his colleagues at the workplace. The relationship is either warm, so-so or bad. The relationship can be between any one in the organization - between co workers, between an employee and his superior, between two members in the management and so on. It is important that the employees share a healthy relationship with each other to deliver their best performances.

. Human beings are not machines who can start working just at the push of a mere button. They need people to talk to, discuss ideas with each other and share their happiness and sorrows. An individual cannot work on his own, he needs people around. If the organization is all empty, no body will feel like sitting there and working. An isolated environment demotivates an individual and spreads negativity around. It is essential that people are comfortable with each other and work together as a single unit towards a common goal.it is important for the employees to share healthy relationship at work place.

The relevance of maintaining Healthy ERM in an organizations are:

* *There are several issues on which an individual cannot take decisions alone. He needs the guidance and advice of others as well. Sometimes employees might miss out on important points, but their fellow workers may come out with a brilliant idea which would help them to achieve their targets at a much faster rate.. On their own, they will never come to know where they are going wrong, they need people who can act as critic and correct them wherever they are wrong. If they do not enjoy a good relation with others no one will ever come to help them.*

* *Work becomes easy if it is shared among all. A healthy relation with fellow workers would ease the work load and in turn increases productivity. One cannot do everything on his own. Responsibilities must be divided among team members to accomplish the assigned tasks within the stipulated time frame. If employees have a good rapport with their colleagues, they will always be eager to assist inall assignments making work easier.*

* *The organization becomes a happy place to work if the employees work together as a family. An individual tends to lose focus and concentration if his mind is always clouded with unnecessary tensions and stress. It has been observed that if people talk and discuss things with each other, tensions automatically evaporate and one feels better. Learn to trust others, will give feelingof relaxation. One doesn't feel like going to office if he is not in talking terms with the person sitting next to him. An individual spends around 8-9 hours in a day at his workplace and practically it is not possible that one works non stop without a break. Each should have people*

with whom he can share lunch, discuss movies or go out for a stroll once in a while.. It is important to respect others to expect the same from them.

- *An individual feels motivated in the company of others whom he can trust and fall back on whenever needed. One feels secure and confident and thus delivers his best. It is okay if you share your secrets with your colleagues but you should know where to draw the line. A sense of trust is important.*

- *Healthy employee relations also discourage conflicts and fights among individuals. People tend to adjust more and stop finding faults in each other. Individuals don't waste their time in meaningless conflicts and disputes, rather concentrate on their work and strive hard to perform better. They start treating each other as friends and try their level best to compromise and make everyone happy.*

- *A healthy employee relation reduces the problem of absenteeism at the work place. Individuals are more serious towards their work and feel like coming to office daily. They do not take frequent leaves and start enjoying their work. Employees stop complaining against each other and give their best*

- *It is wise to share a warm relation with fellow workers, because no body knows when they need them.. They would come to help only when there is a healthy relationship among them.trusted. Moreover healthy employee relations also spread positivity around.*

Strategies to achieve CRM FROM ERM:

Customer relationship management has emerged as an important component in the area of marketing to cater to the modern marketing dynamics that involves various newer facets and dimensions. but a very crucial aspect has been found towards successful implementation of CRM program is the employee's involvement and willingness. the success of CRM lies in the ways it has been implemented.thus,selling the CRM program to the internal customers. Motivating the employees to implement the CRM program successfully is the key. There are following ways through which ERM can play a crucial role in the Success of CRM:

- ***Establishing employee –customer parity***:*there are companies who request their valued customers to help them hire right kind of employee.it is all about matching up the right employees with the right customers and the right job.to get the fruitful result company may provide a forum for employees and customers to become mutually acquainted.*

- *Designing recruitment strategy from customer perspective:* the quest to match employees to the best customers is critical in building customer relationship management. it may at time requires revamp the recruitment strategy from the customer perspective.

- *Training the employees with customer first approach:*hiring customer oriented employees is important from the prespective of strong customer relationship management.but organization also needs to provide staff with training and support they need to make good decision and in a way to make good relationship with customers.

- *Educating employees about listening the customers first:*one of the greatest things the company can teach new recruits is to listen to the customer first.there have been companies who created night-time classes.some company follow the practice of "Don't try to solve someone else problem:help the person to arrive at their own solution"this principle is based on the principle of "making assumption about cutomer's needs does not get you the sale"listening does.

- *Imbibing empathy for customers*:to help build empathy for customers,people working in whatever department can be made to experience the environment and the conditions with which the customers undergo.this is one hand enables employees understand the cutomers problems better and generate a feel for it,on the other helps in creating an enterprise wide CRM orientation.

- *Sharing the customer profiles with employees*: communicating employees about the profile of a best customers is a best because segmentation is a key in implementing CRM program.so,the employees must be aware of who "butter their bread "and accordingly they need to recipocrate.hence along with the companies,employees should also be actively engaged in a exploring the characteristics of top customers.

- *Directing employees to remain focused:*mere hiring good employees or teaching and training them to be customer oriented would not sufficient.as one moves further in a job,the work environment be it monotony or any other thing distracts them from the focus generated initially.it is difficult task to keep the focus alive and sustained.

Challenges for ERM:

The relationship between employees working in a common organization is called as employee relationship. Every employee should ideally be comfortable with others to stay motivated and stress free. No conclusion has ever come out of disputes; instead it is just a mere wastage of time and lead to a negative environment at work.

The employees should work together as a single unit to come out with more creative plans and accomplish the tasks at a much faster rate.

Employees enjoying a warm relationship with each other tend to discuss things among themselves and always think in the favour of their team which eventually benefits the organization also. Sometimes it is really difficult to satisfy everyone. Someone or the other would have an objection to ideas leading to major unrest in the team and spoiling the relationship among themselves.there are some challenges that the companies might face inmaintaining ERM:

- ***It is really difficult to meet the expectations of each and every employee:****. Employees should not expect monetary benefits which exceed the company's budget. The moment the management refuses to offer the desired incentives or perks to the employees they become negative and tend to spread rumours around. They badmouth their superiors, lose interest in work and hence their relationship suffers. To avoid such a situation, it is essential for the employees to have realistic expectations.*

- ***Favoritism:*** *it's a biggest challenge in maintaining healthy employee relationship management.favoutism is a part of human nature .partial and discriminatory behavior of management towards employees create big obstacle in a way of ERM. so it is always better to avoid taking unnecessary favor of anyone.*

- ***thought process of employees:****One can never get into anyone's head to find out what he is thinking. Someone might speak something in a casual way but the other person might misunderstand it and make an issue out of it.It can become a big reasons of conflicts among various important pillars of an organization.It is always better to be crisp and precise at workplace Avoid lose talks at work and don't discuss things not related to work.*

- ***Lack of realistic attitude:*** *sometimes unrealistic attitude and expectations from both management and employees side become a big reason of spoiling healthy work environment. so for avoiding both must have the attitude of adjustment and should avoid unrealistic expectations.*

Keys for healthy ERM:

A good ERM is a key to get successful.but formaiantaining there are some issues that must considerd by the companies .these issues can also be considered as keys for healthy ERM.

These issues are:

Communication – Open communication both amongst employees and between the employees and the management team is imperative. When employees feel that they can't be heard, they may become frustrated, leading to lowered employee morale. Lowered morale can result in lowered productivity and an uncomfortable, or even hostile, work environment. By creating open and participative communication system employees morale can be improved, in that way helps in improving ERM.

Conflict management – When problems arise, it is important to understand how to handle them. This is a fundamental aspect of employee relationship management. Sometimes those conflicts occur between employees and employers. EmployeeSurveys.com can provide you the necessary tools to help negotiate and manage conflicts in business.

Employee growth – Employees that feel they are only required to put in their hours and go home will do just that. Employees that feel they can become a valuable asset based on their work, as well as their ability to provide important ideas, offer input, and perhaps pursue growth opportunities within the company, will create a positive atmosphere within the corporate culture.company can also play a crucial role in that concern by providing ample opportunities to their employees to grow & developed.

Conclusion:

CRM is always considered as new panacea to get successful in today's competitive environment. company having a satisfied and secured customer will always lead the world. but we cannot deny the fact that healthy CRM cannot be achieved without the loyal and committed employees.the implementation of CRM program would lead to customer loyalty if and only if the organization enjoys employees loyalty.hence the real and modern buzzword is **Employee relationship management**.

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Branchless Banking

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Abstract :

The Indian banking sector is predominantly the most dominant segment of the financial network in the economy. Branchless banking is a comparatively cheaper alternative distribution channel strategy used for delivering financial services by banks and financial institutions without depending on traditional bank branches. Use of information communication technology (ICT) like internet, automated teller machines (ATMs), point of sale (POS) devices, electronic funds transfer point of sale (EFTPOS) devices and mobile phones etc have made it possible to reach even the unbanked rural villages.

Motivation:-

As we see in India Banking sector is vast sector all the financial transaction is carried out by bank and mainly some Fraud and Human Mistakes to reduce this and to reduce Workload of bank, Branchless Banking is need of today's world.

Problems statements:-
1. Increasing in the work load of Bank.
2. Delay in the transaction time.
3. Increases of the Branch expenses.
4. Paper work is high.

If this Branchless banking is applied then the face of the Indian banking sector will be change. The growth of Indian banking per se and some of the models of branchless banking like ATM mode are impressive. As the technological innovation has taken its roots in all aspects of banking. The internal mechanism to redress the consumer issues and complaints are in place with all banks.

Introduction

 The Indian banking sector is predominantly the most dominant segment of the financial network in the economy. The sector was exposed to global standards with the initiation of liberalization process in 1991 to make it more competitive and self-sustaining. Since then the sector is continued to build on its strengths under the watchful eye of the government and the regulator the Reserve Bank of India (RBI). The regulatory framework has made the sector more vibrant and over the time it has emerged stronger (FICCI, 2010). Sisodia's study (2009) suggests that Indian banks can be compared favourably with banks of other emerging economies in the world on parameters like growth, asset quality and profitability. This fact can be established from the corroborative evidence that building on their strength, Indian banks have consolidated their position on the Brand Finance @ Global Banking 500 ranking for 2011, with 13 of the 18 listed banks improving their brand performance against last year. The top 5 Indian banks listed in 500 ranking were State Bank of India (34), ICICI BANK (69), HDFC Bank (151), Punjab National Bank (195), and Axis Bank (202). The annual survey also finds that Indian banks contributed 1.7 per cent to the total global brand value at $14,741 million and grew by 19 per cent in 2011 (www.brandirectory.com).

The growth of the Indian banking industry has been impressive during the last decade. "The total asset size has increased five times between 2000 and 2010, from US$ 250 billion to more than $ 1.3 trillion, registering a CGAR growth of 18 per cent compared to average GDP growth 7.2 per cent during the period. Consequently, the ratio of commercial banking assets to GDP increased to nearly 100 per cent. The growth has been profitable with improvement in efficiency and productivity" (Nair, 2010). The industry has witnessed a dramatic change after the implementation of financial inclusion policies and programmes in 2006. The objective is to deliver the financial services to all the unbanked areas/ villages having population of over 2000 by 2012. By 2015 all the villages will be covered by banking services. This is being achieved with the help of branchless banking system by leveraging information communication technology (RBI, 2010).

Branchless banking is a comparatively cheaper alternative distribution channel strategy used for delivering financial services by banks and financial institutions without depending on traditional bank branches. Use of information communication technology (ICT) like internet, automated teller machines (ATMs), point of sale (POS) devices, electronic funds transfer point of sale (EFTPOS) devices and mobile phones etc have made it possible to reach even the unbanked rural villages. This banking model is cost effective both to the banker and to the customer. Branchless banking services through these modes have improved the service quality, reduced transaction time and traffic in branches (CGAP study, 2010).

Technology now has ingrained itself in every aspect of bank's functioning. Report on Trends and Progress of Banking in India (RBI, 2010) reveals that out of 69,160 number of branches of all scheduled commercial banks (SCBs) comprising 27 public sector banks, 22 private sector banks, and 34 foreign banks, 97.8 per cent are fully computerized and the rest 2.2 are partly computerized as on end March 2010. Out of these total numbers of branches about 90 per cent were under core banking solutions. With this revolutionary networking delivery channel, the Indian banking industry has 60,153 ATMs throughout the country which cater to   the need of about 8000 million account holders (RBI, 2010). Since April 2009, customers irrespective of their specific bankers have availed the ATM network of all the banks without any fee on cash withdrawals. While the ATMs and internet banking serves more the urban populations better than the needs of the rural poor, the new business model known as "banking correspondent and facilitator model' has been in place since 2006. This model is an outsourcing process of transactions by banks to selected third party agents to reach the unbanked rural villages. Branchless banking modes have now with biometric devices/ solutions to reach the unbanked villages/ unreached people.

The problem associated with branchless banking is stemmed from both technology and fraud. ATM related complaints addressed to Banking Ombudsman are on the rise. The increase in complaint is directly proportional to the increase of ATM (www.scribdd.com). Since rural populations seem to have poor in financial literacy, more risks are involved in transactions through third-party agency leading to fraud and allied complications.

Against this backdrop, this article provides an overview of the current development in branchless banking in India, and discusses the consumer protection measures initiated by the RBI in banking sector in general and branchless banking in particular. The article is based on literature survey and secondary data published by mainly by RBI, Indian Banking Association, banks, FICCI, and CGAP. The data collected were tabulated, analyzed and presented through tables and graphs and inferences have been drawn.

2. Trends in Branchless Banking

The choice of the RBI as well as the government to opt out for branchless banking system is a very significant feasible proposition to pursue the policy objectives of inclusive growth and thereby to make it possible universal access to financial services. Though both bank-based and nonbank-based models of branchless banking have been adopted in many countries, India has adopted only bank-based models to

achieve its objectives. The model has two options i.e (i) models directly operated by banks, (ii) models operated by banks through correspondents/ facilitators (**Exhibit-1).** The models are discussed below:

2.1 Directly operated branchless banking models by banks

ATMs are user friendly and it has caught the fancy of both banks and clients. Now it has become indispensable part of banking system because of ease of efficient handling of customers' services. Besides, it has become possible to account for transactions in real time. During the last decade (2001-10) ATMs penetration has happened in a big way. It can be seen from **Exhibit 2** that the people covered per ATM has come down from 43,000 per ATM in 2007 to 19,700 in 2010. During this period the rural penetration has been significantly improved from 125,600 per ATM to 43,500, registering an increase of about 33 per cent (RBI, 2010). Further analysis of penetration of bank branches and ATMs in the country through **Table 1**, it is seen that public sector banks have more rural and semi-urban branches with lesser ATMs in rural areas. Phenomenally, most new private sector banks have more ATMs than branches. Percentage of ATMs to branches in case of foreign banks was very high with 333 per cent, followed by new private sector banks with 297 per cent. This trend implies that foreign and private sector banks are also committed to more financial inclusion and nation building.

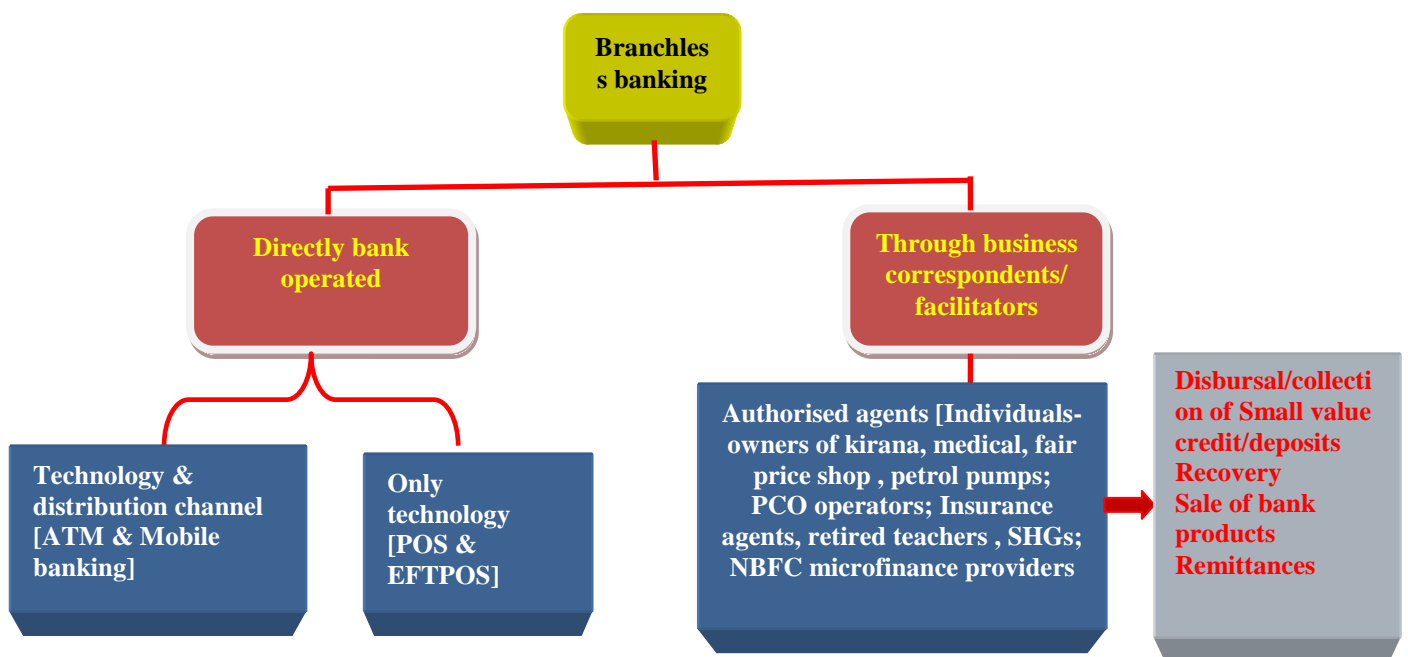### Exhibit 1: Models of Branchless Banking

Table 1: Penetration of Bank Branches and ATMs (As at end-March 2010)

Sr. No	Bank	Branches			ATMs			% of ATMs to branches
		Rural	**Urban**	**Total**	**Rural**	**Urban**	**Total**	
1	**Public sector banks**	**34,162**	**24,663**	**58825**	**15,257**	**25,423**	**40,680**	69.2
	(i) Nationalized banks (20)	23,028	18,568	45,596	5,994	13,708	19,702	47.4
	(ii) State bank group (7)	11,134	6,095	17,229	9,263	11,715	20,978	**121.8**
2	**Private sector banks**	**4,238**	**5,789**	**10,027**	**4,400**	**10,047**	**18,477**	**184.0**
	(i) Old private sector banks (15)	2,487	2,465	4,952	1284	2106	3390	68.5

	(ii) New private sector banks (7)	1,751	3,324	5,075	3116	11941	15,057	296.7
3	**Foreign banks (34)**	11	297	308	17	1,009	1,026	333.1
	Total (1+2+3) Scheduled Commercial Banks	38,411	30,749	69,160	32,679	27474	60153	87.0

N.B: "Rural" includes rural and semi-urban centers and "urban" includes urban and metro centers

Source: RBI, Report on Trends and Progress of Banking in India, 2010, pages 178-180
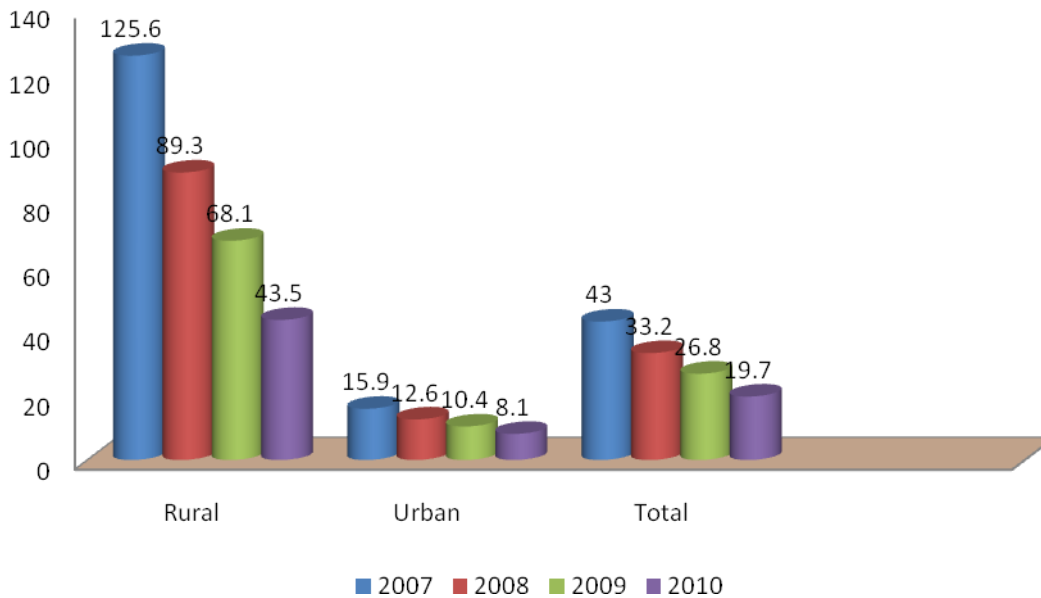
2.2. Branchless models operated by banks through correspondents

Banking activities in India were conducted only by licensed banks until 2006 and no outsourcing was permitted. Outsourcing system has been introduced by adoption of banking correspondent (BC) and facilitator (BF) models by RBI in 2006. While BCs are agents of financial services who are expected to process cash transactions on behalf of the bank, BFs are support providers to banks for customer identification, verification, collection and acquisition of information, etc. The difference between BCs and BFs is that BCs provide all the services but BFs provide only non-financial services. None of them can verify know your customer (KYC) compliance or take credit decisions. A brief comparison between these two is presented below:

Parameters	Banking correspondents	Banking facilitators
Identification	Individual owners of kirana/medical/ fair price shops/petrol pumps/ public call office operators (PCOs); Retired teachers; Agents of small savings schemes of Government of India/ insurance companies; Authorized functionaries of well run self-help groups (SHGs) linked to banks	NGOs, Farmers' clubs, cooperatives, community based organizations, Post Offices, Insurance agents, well functioning Panchayats, Village Knowledge Centers, Agri Clinics/Business Centres, Krishi Vigyan Kendras, and KVIC/KVIBs
Nature of job	All the activities of BFs plus collection and disbursal of small value deposit/credit, recovery of principal/ collection of interest, sale of micro-insurance/ mutual fund products/ pension products and other third party products, receipt and delivery of small	Identification of borrowers and Fitment of activities, Collection and preliminary processing and verification of loan applications, creating awareness about savings and other banking products, advice on money management and debt counseling, submission of applications to banks, promotion and

	value remittances/ other payment instruments	nurturing of SHGs/ Joint Liability Groups, Post-sanction monitoring, follow-up for recovery
Roles	Represent the bank as its financial service agent and bind the banks in financial transactions as agents	Represent the bank as its agent for non-financial limited services. Hence, can not bind the bank in financial transactions because they are not authorized to deal with funds in any form.

Source: RBI Circular No. **RBI/2005-06/288 (www.rbi.org.in**

3. Customer protection in Indian banking industry

The main player in financial consumer protection in the banking industry is the RBI. Besides, the other main institution which ensure consumer protection in the banking industry are Indian Banks Association, as an industry-level network organization functioning since 1946 and Banking Codes and Standards Board of India, an independent body constituted by member banks in 2003 to evolve standards and to act as banking industry watch dog to ensure that consumers of banking services get what they are promised to get. Outside these purview, consumer courts as the statutory quasi-judicial bodies have instituted by the government at district, state and national level under Consumer Protection Act 1986 to redress the complaints of aggrieved customers on account of deficiency in banking service.

3.1 Customer service initiated by RBI after liberalization

RBI being the main regulator of the Indian financial sector particularly the banking industry, it has taken several measures for delivery of customer driven financial services. The important measures are as follows:
- Emphasis was laid on efficiency and courtesy in customer service as per Goiporia Committee recommendation in 1990(after the financial sector reformation/ deregulation process started.
- Introduction of technology driven banking services like, Debit Cards, Credit Cards, ATMs by new private sector banks
- Launching of cost effective alternative dispute resolution mechanism in the form of Banking Ombudsman scheme in 1995
- Providing risk management guidelines for fair treatment of customers by banks to avoid discrimination in interest rate
- Direction to banks to provide information like bank specific prime lending rate in website
- Proper care taken for the poor and vulnerable group in the society about provision for spread below prime rate lending (PLR) system
- Direction to banks to host their Fair Practices Code (Lender's liability) in the public domain
- Fixing pricing for Payments system initiatives like RTGS/ NEFT and speed clearing
- Formation of Banking Codes and Standard Board of India for customer-centric services in 2003 and its first code of conduct was launched in 2006 and updated in 2009
- Available of banking information for common man in 15 regional languages in RBI websites
- Guidelines to banks for payment of timely pension
- Introduction of "Business Correspondent "model for financial inclusion to reach the unreached

3.2 Grievance Redressal Mechanism

BCSBI code suggests that all the member banks are required to put in place a help desk/ helpline at the branch, have a code of Compliance Officer at each controlling office above the branch, display at each branch name and contact number of code compliance officer and display name and address of the banking Ombudsman. A customer is expected to approach the help desk of the bank/ branch and in case the grievance is not resolved, he is to approach the Code Compliance Officer. In case the customer is not

satisfied or the complaint is not resolved, he may approach the banking Ombudsman. Ombudsman in turn can enquire into complaints not (properly) resolved by the concerned bank. Beyond grievance redressal mechanism within the banking system, an aggrieved customer can approach consumer courts at district, state or national level under Consumer Protection Act 1986. The grievance redressal mechanism is presented through a diagram

Exhibit 3: Grievance redressal mechanism in banking

industry

3.2.1: Banking Ombudsman Scheme

Banking ombudsman scheme introduced by RBI under its umbrella in 1995 is to provide inexpensive and expeditious platform to bank customers for resolution of their complaints relating to deficiency in banking services. The scheme was first amended in 2002 to include rural banks and again amended in 2006, 2007 and 2009 to widen the scope to cover customer complaints in new areas like credit card complaints, levying service charge without prior notice, non-adherence to the fair practice codes adopted by individual banks, and internet banking etc. As on date the Ombudsmen function from 15 Office located at RBI offices in state capitals and metro city. Ombudsman acts as the arbiter of customers' disputes with banks. An aggrieved customer not satisfied with the resolution of his complaint by the bank can approach the Ombudsman within one month if his grievance relates to 27 identified matters specified in the scheme by the RBI. **Annexure 1** exhibits the grounds of complaint to Ombudsman.

Complaints are essentially required to be resolved within a month from date of receipt. Banking Ombudsman is guided by available evidences submitted by contending parties, BCSBI Code, banking law and practice under Banking Regulation Act 1948 and the RBI directions/ guidelines issued from time to time. The limit of compensation awarded by Ombudsman arising out of omission or commission of the bank is Rs. 1 million.

The ombudsman office receives complaints relating to deficiency in banking services. Over these years since Banking Ombudsman Scheme launched, there has been substantial increase in number of complaints. As it can be seen from **Table 2** that during the last three years ending 2009-10, no. of complaints received by the Ombudsmen were 47,887, 69117 and 79,266 respectively registering a growth rate of 24, 44 and 15 per cent respectively over the previous year. Foreign banks have more number of complaints per branch where as public sector banks have very less number of complaints (less than one) per branch. There has been quick disposal of the complaints. Most of the complaints between 85-94 per cent were resolved within three months of receipt during the period 2007-10. The pending rate between 6-13 percent   is comparatively much lesser during these years and the rate is coming down. The number of appeals ranged from 186 to 308 (less than 0.04 %) during these periods which may be inferred that the customers are very satisfied with the redressal mechanism of the Banking Ombudsman scheme and it may also be considered as the efficiency of the system. **Exhibit-4** shows the total number of complaints received during these years, total complaints pending and pending for more than three months. Bank group wise receipt of complaints is presented through **Exhibit-5.** .

Table 2: Classification of consumer complaints

Category of bank	No. complaints received/[No of branches]/(No of complaints per branch)		
	2007–08	**2008-09**	**2009-10**
Public sector	25,694,[52,880],(0.49)	33,141, [55438],(0.60)	41,924[58825],(0.71)
Private Sector	13,950,[7,975],(1.75)	21,982,[8,877],(2.48)	22,553,[10027],(2.25)
Foreign	6,128,[277],(22.12)	11,700,[293],(39.97)	11,450,[308],(37.79)
UCB/RRB/ Others*	2119	2,294	3,339
Total	**47,887,[61,132],(0.75)**	**69,117,[64,608],{1.07)**	**79,266,[69,160],(1.10)**
Rate of Complaint increase	24	44	15
Total complaints handled/ pending**	49,100,[10.7]	65,576,[12.6]	83,336,[6.1]
No of appeals received	186	269	308

N.B: * Complaints per branch not calculated due to insufficiency of data; ** Figure in per cent
Source: Annual Report 2009-10 on Banking Ombudsman Scheme 2006, RBI

Bank group wise complaints received (%)

Nature of complaints received
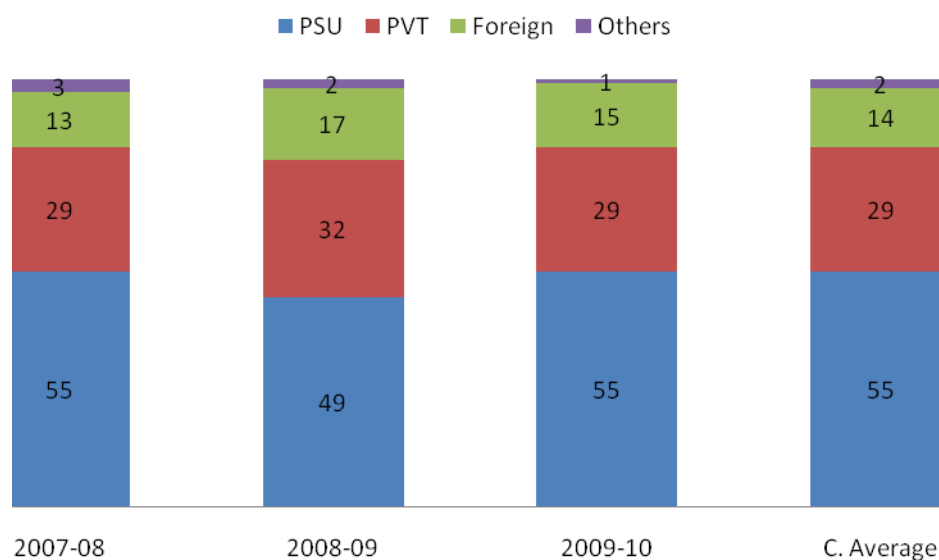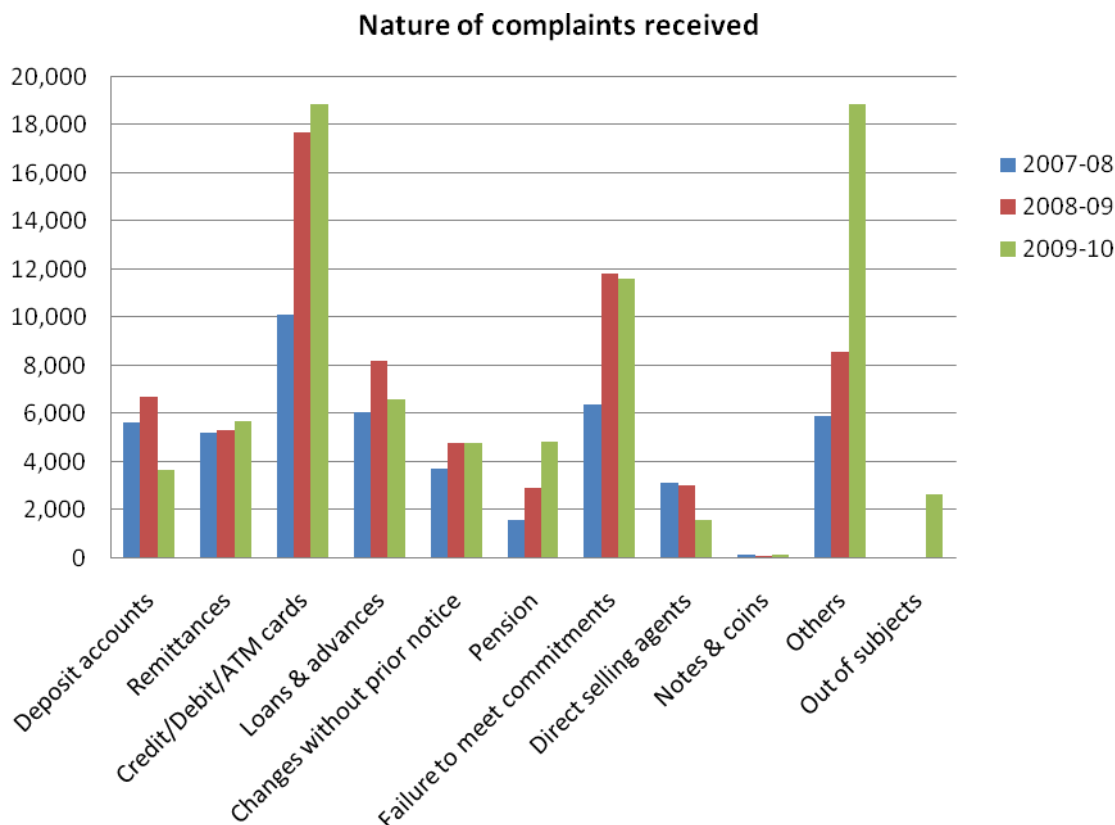
3.2.2: Consumer Courts

Consumer courts under Consumer Protection Act 1986, adjudicate consumer disputes and complaints relating to defects and deficiency in banking products and services. Since consumer courts are quasi judicial bodies, aggrieved consumers can file complaints to get damage/ compensation. **Exhibit 7** shows that an aggrieved consumer can go to different consumer courts depending upon his amount of claim and/ appeal.

Exhibit 7: Alternate Mechanism-Three Tier Consumer
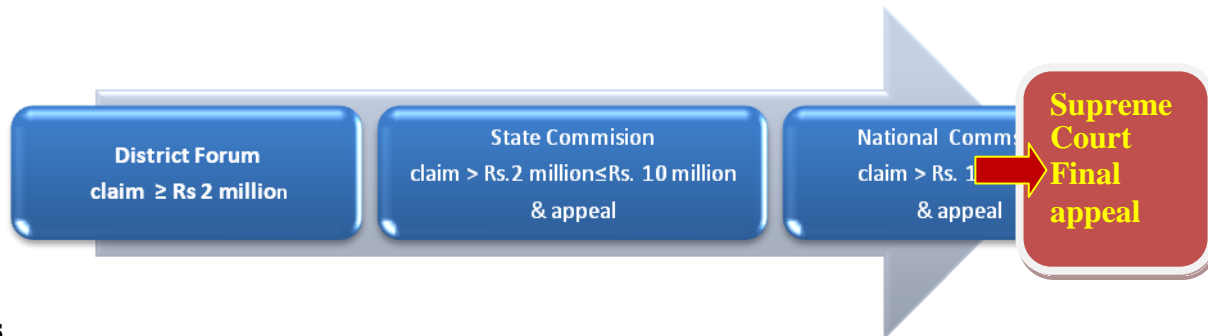
Courts

The specific data regarding consumer complaints on account of deficiency in banking services are not available. But the RBI's analysis/review of consumer cases on banking filed before the Consumer Courts and the Supreme Court reveals that the complaints are mainly related to failure/delay in repaying deposits, wrongful dishonor of cheques due to negligence or mistake, refusal to grant loans in eligible cases, higher rate of interest, non-return of documents even after full repayment of loans, lien on personal account without agreement. consent by the customer, failure to honour bank guarantee, loss of article in locker, lack of security in banks, non-release of securities after expiry of period of limitation and other banking services all leading to deficiency in service by concerned bank (http://www.rbi.org.in/scripts/Cn_AgainstBank.aspx). Since interim orders are also possible from consumer

courts, aggrieved consumers file cases for injunction in case of debt recovery and property attachment and other such action by banks considered to be inappropriate and illegal.

3.2.3: Consumer protection issues in branchless banking

Branchless banking in India is at the developmental stage. Since branchless banking is primarily technology related, the problems and issues related to it are stemmed from technology and the agents who provide the services through this technology.ATM is more popular than internet banking and mobile banking. Technology related problems with ATMs have been taken care of by the banks as per RBI guidelines to settle the issue within 7 days. To avoid security related problems with ATMs, banks have introduced biometric solutions in ATMs. Indian Bank has already tested it in rural areas.

Though internet-banking services are not commonly used, it is more familiar with urban and metro consumers. The private sector and foreign banks offer high-quality Internet banking services. This kind of banking option is more prone to cyber fraud like phishing. Consumer awareness on use of safe banking on net by the banks and the use of 3D secure pin system has reduced the chances of fraud. .

Mobile banking issues relating to consumer protection that are likely to cause loss/financial injury to the consumer are mainly leakage/ theft of personal and financial information, and delay or deny of contract service by the banks. The other issues related to consumer services provided by banks are satisfaction of the customer in regard to quality, timeliness and appropriateness of response of interface with the banks.

The banking correspondent models have been in operation for the last two/three years. These models mostly used by the public and private sector banks operate primarily in urban, semi-urban areas and in few cases in rural areas. Expansion to rural areas as a policy initiative to achieve greater financial inclusion within the time frame will be visible once the hiring of banking correspondents and adoption of accompanying technology stabilize. Since this model is in experimental stage, associated problems are only assumed.

4. Conclusion

The growth of Indian banking per se and some of the models of branchless banking like ATM mode are impressive. As the technological innovation has taken its roots in all aspects of banking, problems associated with it inter alia have also been on the rise. Consumer protection issue in the banking sector in the country is mainly governed by RBI regulations, guidelines and directives. The internal mechanism to redress the consumer issues and complaints are in place with all banks. A consumer, dissatisfied and aggrieved with the internal mechanism, finally approaches the Banking Ombudsman. The major complaints redressed by Ombudsmen are related to credit/debit/ATM cards and failure to meet other commitments and promises. However, the very high rate of grievance disposal within three months suggests that the system appears to be working well. RBI, the regulator, also reviews the issues and brings timely guidelines and directives. Besides the internal mechanism within the banking, a customer can redress his grievance on account of deficiency in service in consumer courts under the relevant provisions of the Consumer Protection Act 1986.

Branchless banking through ATMs, internet banking and mobile banking, all electronic delivery channels has penetrated its roots in India. Banking correspondent which is the agent based physical delivery channel in branchless banking introduced in 2006 is yet to take proper shape to deliver the desired result. By being a manned channel using technological devices, the consumer protection issues are observed similar to those seen in branches. As such, there has not been any specific mechanism to address the customer issues in branchless banking; but the existing process in the banking system has taken care of these issues. The guidelines and directives issued by the RBI from time to time have been shaping the mechanism of consumer complaints issues. The recent emphasis on online complaint registration and tracking of the same enables the complainant to know the status of the complaint. Since the government is rigorously pursuing

the policy strategy of financial inclusion to reach the unbanked and unreached areas and provide banking and other financial services to the poor, BC model of branchless banking, if pursued vigorously, will have the potential of being not only be visible but also be effective. This will eventually help in redress of customer problems and efficient management of customer relationship.

[Source: Annual Report 2010, The Banking Ombudsman Scheme 2006, RBI, Mumbai]

Branchless banking technologies (Options)
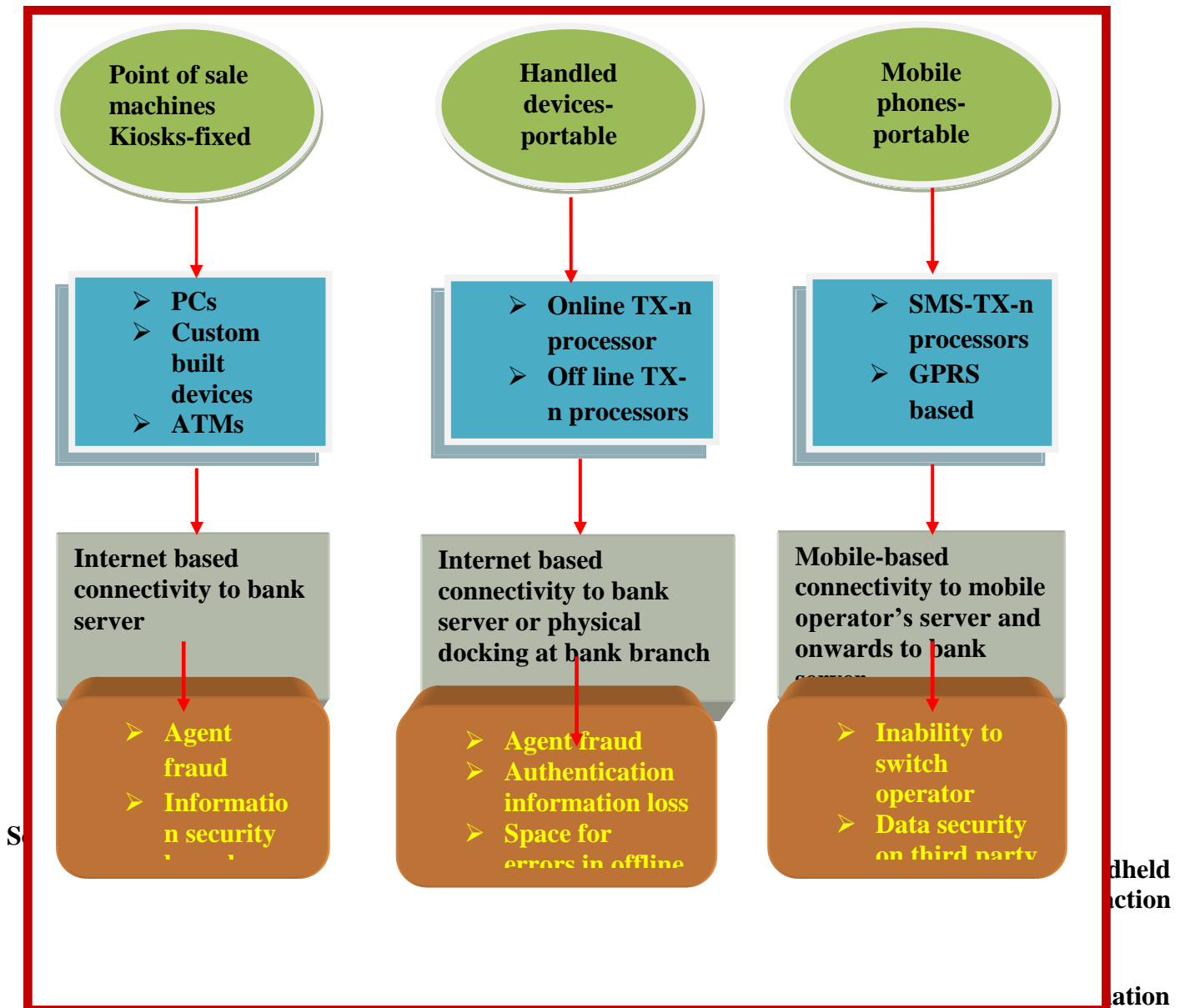
• Mobile phones with SMS-based transaction processing capabilities. Most of these can work both offline and online.

While some POS machines are desktop computing devices stationed in kiosks, others are portable devices carried by banking correspondents.

Human Resource Development

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Abstract :

Human Resources Development (HRD) as a theory is a framework for the expansion of human capital within an organization through the development of both the organization and the individual to achieve performance improvement Adam Smith states, "The capacities of individuals depended on their access to education". The same statement applies to organizations themselves, but it requires a much broader field to cover both areas. A set of systematic and planned activities designed by an organization to provide its members with the necessary skills to meet current and future job demands. Develop human resource of the company continuously for better performance to meet objectives. Provide opportunity for development of different level of employees. Suitable need based training programs Prepare newly inducted staff to perform their work with high level of competency and excellence. Meet social obligations of industry to contribute towards the excellence of technical and management education. HRD Functions Providing skill input to apprentices and trainees Identifying training needs and imparting training outside deputation for competency enhancement Competency mapping Organizational development activities conducting sessions and workshops Training and development (T&D) The Need For HRD Business And Economics Changed: It can be 'a platform for organizational transformation, a mechanism for continuous organizational and individual renewal and a vehicle for global knowledge transfer'. Implementing a new policy implementing a strategy Effecting organizational change changing an organization's culture Meeting changes in the external environment solving particular problems.

DEFINITION OF HRD:-

A set of systematic and planned activities designed by an organization to provide its members with the necessary skills to meet current and future job demands.

Human Resource Development (HRD) is the framework for helping employees develop their personal and organizational skills, knowledge, and abilities. Human Resource Development includes such opportunities as employee training, employee career development, Performance management and development, coaching, mentoring, succession planning, key employee identification, tuition assistance, and organization development

The focus of all aspects of Human Resource Development is on developing the most superior workforce so that the organization and individual employees can accomplish their work goals in service to customers.

Organizations have many opportunities for human resources or employee development, both within and outside of the workplace.

Human Resource Development can be formal such as in classroom training, a college course, or an organizational planned change effort. Or, Human Resource Development can be informal as in employee coaching by a manager. Healthy organizations believe in Human Resource Development and cover all of these bases.

❖ **OBJECTIVES :**

Develop human resource of the company continuously for better performance to meet objectives. Provide opportunity for development of different level of employees. suitable need based training programs Prepare newly inducted staff to perform their work with high level of competency and excellence. Meet social obligations of industry to contribute towards the excellence of technical and management education.

Assist the existing and potential customers in the better use of our equipments by training the employees. Promote a culture of creativity, innovation, human development, respect and dignity. Achieve excellence in every aspect of working life. Create environment for the trainees conducive to their character building.

Evolution of HRD :

Early apprenticeship programs Early vocational education programs Early factory schools Early training for unskilled/semiskilled Human relations movement Establishment of training profession Emergence of HRD.

HRD   Functions:-
Providing skill input to apprentices and trainees Identifying training needs and imparting training Outside deputation for competency enhancement Competency mapping Organisational development activities Conducting sessions and workshops Training and development (T&D).

Training and Development for Employee Motivation and Retention

One key factor in employee motivation and retention is the opportunity employees want to continue to grow and develop job and career enhancing skills. In fact, this opportunity to continue to grow and develop through training and development is one of the most important factors in employee motivation.

There are a couple of secrets about what employees want from training and development opportunities, however. Plus, training and development opportunities are not just found in external training classes and seminars. These ideas emphasize what employees want in training and development opportunities. They also articulate your opportunity to create

devoted, growing employees who will benefit both your business and themselves through your training and development opportunities.

Training and Development Options: Job Content and Responsibilities

You can impact training and development significantly through the responsibilities in an employee's current job.

- Expand the job to include new, higher level responsibilities.
- Reassign responsibilities that the employee does not like or that are routine.
- Provide more authority for the employee to self-manage and make decisions.
- Invite the employee to contribute to more important, department or company-wide decisions and planning.
- Provide more access to important and desirable meetings.
- Provide more information by including the employee on specific mailing lists, in company briefings, and in your confidence.
- Provide more opportunity to establish goals, priorities, and measurements.
- Assign reporting staff members to his or her leadership or supervision.
- Assign the employee to head up projects or teams.
- Enable the employee to spend more time with his or her boss.
- Provide the opportunity for the employee to cross-train in other roles and responsibilities.

Training and Development Options: Internal Training and Development

Employees appreciate the opportunity to develop their knowledge and skills without ever leaving work or the workplace. Internal training and development brings a special plus. Examples, terminology, and opportunities reflect the culture, environment, and needs of your workplace.

- Enable the employee to attend an internally offered training session. This session can be offered by a coworker in an area of their expertise or by an outside presenter or trainer.
- Ask the employee to train other employees with the information learned at a seminar or training session. Offer the time at a department meeting or lunch to discuss the information or present the information learned to others. (Make this an expectation when employees attend external training and conferences.)
- Perform all of the activities listed before, during, and after a training session to ensure that the learning is transferred to the employee's job.

- Purchase business books for the employee. Sponsor an employee book club during which employees discuss a current book and apply its concepts to your company.
- Offer commonly-needed training and information on an Intranet, an internal company website.
- Provide training by either knowledgeable employees or an outside expert in a brown bag lunch format. Employees eat lunch and gain knowledge about a valuable topic. (Some ideas include: investing in a 401(k), how to vary and balance investments, tips for public speaking, how to get along with the boss, and updates on new products that make work easier. These opportunities are unlimited; survey employees to pinpoint interests.)
- The developers and other interested employees at a client company recently put on a day long conference with lunch and all of the trappings of an external conference at a local conference center. Attended by interested employees, the conference sessions were almost all taught by internal staff on topics of interest to their internal audience. Picture a "real" day long conference and you'll see the opportunity. Employees were pumped up beyond belief; they learned and enjoyed the day and gained new respect for the knowledge and skills of their coworkers.

Training and Development Options: External Training and Development

Especially to develop new skills and ideas, employee attendance at external training is a must. Attaining degrees and university attendance enhance the knowledge and capabilities of your staff while broadening their experience with diverse people and ideas.

- Enable the employee to attend an external seminar, conference, speaker, or training event.
- Perform all of the activities listed before, during, and after a training session to ensure that the learning is transferred to the employee's job.
- Pay for the employee to take online classes and identify low or no cost online (and offline) training.
- Pay for memberships in external professional associations with the understanding that employees will attend meetings, read the journals, and so forth and regularly update coworkers.
- Provide a flexible schedule so the employee can take time to attend university, college, or other formal educational sessions.
- Provide tuition assistance to encourage the employee's pursuit of additional education.

Training and Development Secrets

I promised several motivation and retention "secrets" relative to employee training and development. These are key factors in multiplying the value of the training and development you provide.

- Allow employees to pursue training and development in directions they choose, not just in company-assigned and needed directions.
- Have your company support learning, in general, and not just in support of knowledge needed for the employee's current or next anticipated job. Recognize that the key factor is keeping the employee interested, attending, and engaged.

The development of a life-long engaged learner is a positive factor for your organization no matter how long the employee chooses to stay in your employ. Use these training and development activities to ensure that you optimize the employee's motivation and potential retention.

TRAINING:-

The right employee training, development and education, at the right time, provides big payoffs for the employer in increased productivity, knowledge, loyalty, and contribution. Learn the approaches that will guarantee your training brings a return on your investment.
Important Aspects of Training

How training needs are determined, how training is viewed by employees, and how training is delivered become critically important issues. Training trends and methods for gaining knowledge, other than traditional classroom training, such as coaching and mentoring, take center stage.

New employee orientation, or new employee onboarding, is a significant factor in helping new employees hit the ground running. Training that helps each employee grow their skills and knowledge to better perform their current job is appreciated as a benefit. Training also increases employee loyalty, and thus retention, and helps you attract the best possible employees.

Transfer of training from the training provider, whether online or in a classroom, to the job, is also increasingly reviewed as you invest more resources in training.

Learn the approaches that will guarantee a return on your investment and ensure employee loyalty. Organizations are increasingly asking for monetary justification that the training provided produces results - be prepared to demonstrate your results.

Options for Training and Education for Employees

Options for employee training and development are magnifying due to these factors:

- technological innovations,
- employee retention strategies, and
- the need for organizations to constantly develop their employees' ability to keep up with the pace of change.

So, sending an employee off for training at a one-day seminar or a week-long workshop is only one of many options that exist now.

The American Society for Training and Development has traditionally recommended a minimum of 40 hours of training a year for every employee. This is consistent with the emphasis employees place on the opportunity to grow and develop both their skills and career while in your employ. The chance for ongoing development, is one of the top five factors employees want to experience at work. In fact, the inability of an employee to see progress is an often cited reason for leaving an employer.

As a retention strategy for your preferred employees, training and development rates highly. Only their perception of their salary and benefits as competitive, and reporting to a manager they like, rate higher.

Options for Employee Training and Development

When you think about education, training, and development, options exist externally, internally, and online. Choices range from seminars to book clubs to mentoring programs. Here are the existing alternatives to help your employees continue to grow. For recruiting, retention, and managing change and continuous improvement, adopt all of these practices within your organization.

External Education, Training, and Development

- Seminars, workshops, and classes come in every variety imaginable, both in-person and online.
- Take field trips to other companies and organizations.
- Colleges and universities, and occasionally, local adult education, community colleges or technical schools provide classes. Universities are reaching out to adult learners with evening and weekend MBA and business programs.

- Professional association seminars, meetings, and conferences offer training opportunities.

Internal Education, Training, and Development

- Onsite seminars and classes provide training customized to your organization.
- Coaching gives employees the opportunity to share knowledge.
- Mentoring is increasingly important in employee development and training as are formal mentoring programs.
- Form a Book Club at work.
- Create a learning environment. Communicate the expectation for learning.

- Offer work time support for learning. Make online learning and reading part of every employee's day.
- Provide a professional library.
- Offer college tuition reimbursement.
- Enable flexible schedules so employees can attend classes.
- Pay for professional association memberships and conference attendance annually for employees.

Training is crucial to the ongoing development of the people you employ and their retention and success. Be creative to provide diverse opportunities for training.

Help to Develop Employee Strengths - Not Weaknesses

A management philosophy, that flies in the face of conventional thinking, compels you to help employees develop their strengths by deliberate practice. This is a substitute for helping employees develop their weaknesses, a concept more traditional in management thinking.

This theory was proposed by Marcus Buckingham and Curt Coffman in *First, Break All The Rules: What the World's Greatest Managers Do Differently* as a result of the Gallup organization's interviews with 80,000 effective managers.

On top of trying to complete their daily work and achieving their annual goals, employees have a finite amount of time for development. Spend the time on what matters. Develop employee strengths - not weaknesses, and in the process, train your management philosophy and company culture.

Using myself as an example, I'm good with people and good at conveying common sense, applicable information. I'm not very good with mathematical story problems though I can add columns of numbers like a speed demon. No matter what, I will never be good at solving complex mathematical problems. Could I get better? Probably. But, why not spend my time honing my strengths? I'll bet you have a parallel in your life?

Yet, the traditional approach to developing employees, one of the critical factors in employee motivation, has been to identify weaknesses, often during an annual performance appraisal meeting. The employee is then sent to training or just told to "get better" at whatever his or her weak area is. Now, if the area of weakness is critical to the employee's job success, developing the weaker area might make sense. But, more likely, the employee is in the wrong job. Consider matching the employee's best skills to your company needs in a different job.

In another personal example, I have always been a good writer. But, strengthening that skill over the past eight years, writing online and for publications, has made me a better writer and a faster writer. Writing is definitely a skill that can be developed if you approach it with deliberate practice.

Once I started writing every single day, with hours of practice and a deliberate commitment to growth, I continued to develop the strength. I still work on my writing every day. I'm sure you have a parallel in your life - or you could. What skill should you develop daily for your own career and your employer's needs?

Why Develop Employee Strengths With Deliberate Practice

Stephen J. Dubner at the *Freakonomics* blog weighs in with these thoughts:
"A while ago, we wrote a *New York Times Magazine* column about talent — what it is, how it's acquired, etc. The gist of the column was that 'raw talent,' as it's often called, is vastly overrated, and that people who become very good at something, whether it's sports, music, or medicine, generally do so through a great deal of 'deliberate practice,' a phrase used by the Florida State psychologist Anders Ericsson and his merry band of fellow scholars who study expert performers in many fields."
In the column cited in the quote above, Anders Ericsson concludes that:
"…the trait we commonly call talent is highly overrated. Or, put another way, expert performers — whether in memory or surgery, ballet or computer programming — are nearly

always made, not born. And yes, practice does make perfect. These may be the sort of clichés that parents are fond of whispering to their children. But these particular clichés just happen to be true.

"Ericsson's research suggests a third cliché as well: when it comes to choosing a life path, you should do what you love — because if you don't love it, you are unlikely to work hard enough to get very good. Most people naturally don't like to do things they aren't 'good' at. So they often give up, telling themselves they simply don't possess the talent for math or skiing or the violin. But what they really lack is the desire to be good and to undertake the deliberate practice that would make them better."

So, it seems there is truth to the power of developing your strengths and deliberately practicing the areas you want to improve. I also liked the plug for **love your work**, a concept I discuss frequently because of it's power to impact your work life. Do you agree?

Performance appraisal:-

Performance appraisals, performance reviews, appraisal forms, whatever you want to call them, let's call them gone. As a stand-alone, annual assault, a performance appraisal is universally disliked and avoided. After all, how many people in your organization want to hear that they were less than perfect last year? How many managers want to face the arguments and diminished morale that can result from the performance appraisal process?

How many supervisors feel their time is well-spent professionally to document and provide proof to support their feedback - all year long? Plus, the most important outputs for the performance appraisal, from each person's job, may not be defined or measurable in your current work system. Make the appraisal system one step harder to manage and tie the employee's salary increase to their numeric rating.

If the true goal of the performance appraisal is employee development and organizational improvement, consider moving to a performance management system. Place the focus on what you really want to create in your organization - performance management and development. As part of that system, you will want to use this checklist to guide your participation in the Performance Management and Development Process. You can also use this checklist to help you in a more traditional performance appraisal process.

In a recent Human Resources Forum poll, 16 percent of the people responding have no performance appraisal system at all. Supervisory opinions, provided once a year, are the only

appraisal process for 56 percent of respondents. Another 16 percent described their appraisals as based solely on supervisor opinions, but administered more than once a year.

If you follow this checklist, I am convinced you will offer a performance management and development system that will significantly improve the appraisal process you currently manage. Staff will feel better about participating and the performance management system may even positively affect - performance.

Preparation and Planning for Performance Management

Much work is invested, on the front end, to improve a traditional employee appraisal process. In fact, managers can feel as if the new process is too time consuming. Once the foundation of developmental goals is in place, however, time to administer the system decreases. Each of these steps is taken with the participation and cooperation of the employee, for best results.

Performance Management and Development in the General Work System

- Define the purpose of the job, job duties, and responsibilities.
- Define performance goals with measurable outcomes.
- Define the priority of each job responsibility and goal.
- Define performance standards for key components of the job.
- Hold interim discussions and provide feedback about employee performance, preferably daily, summarized and discussed, at least, quarterly. (Provide positive and constructive feedback.)
- Maintain a record of performance through critical incident reports. (Jot notes about contributions or problems throughout the quarter, in an employee file.)
- Provide the opportunity for broader feedback. Use a 360 degree performance feedback system that incorporates feedback from the employee's peers, customers, and people who may report to him.
- Develop and administer a coaching and improvement plan if the employee is not meeting expectations.

Immediate Preparation for the Performance Development Meeting

- Schedule the Performance Development Planning (PDP) meeting and define pre-work with the staff member to develop the performance development plan (PDP).

- The staff member reviews personal performance, documents "self-assessment" comments and gathers needed documentation, including 360 degree feedback results, when available.
- The supervisor prepares for the PDP meeting by collecting data including work records, reports, and input from others familiar with the staff person's work.
- Both examine how the employee is performing against all criteria, and think about areas for potential development.
- Develop a plan for the PDP meeting which includes answers to all questions on the performance development tool with examples, documentation and so on.

As the leader of your organization, one of your many responsibilities is to find ways to motivate your employees. It is important to understand what factors influence maximum performance and how.

Many managers practice the system of using negative reinforcement to motivate their employees. This practice is out-dated and useless. Employees are rarely motivated to work more effectively by reprimanding or embarrassment. Managers unknowingly create complacent workers that work just hard enough not to get fired.

A more appropriate way to motivate employees is through praise and recognition. It can increase a positive work environment but still not increase employee productivity. Sometimes this form of motivation will improve productivity but only temporary. In order for praise and recognition to work effectively, the organization must be consistent. Employees begin to expect to be routinely recognized and will lose motivation if they feel overlooked or ignored.

No matter how much recognition you give your employees, they want to eventually see how valuable they are to the company. This comes in the form of monetary incentives and increased responsibility. The best way to get maximum performance from your employees is to incorporate both of these factors in your performance improvement policy.

Employees are motivated when they are paid more for excellence and they are trusted to perform important tasks. A motivated employee is one that feels a sense of pride in what they do every day.

THE NEED FOR HRD:BUSINESS AND ECONOMICS CHANGED :

Business and economies changed HRD can be 'a platform for organisational transformation, a mechanism for continuous organisational and individual renewal and a vehicle for global knowledge transfer'.

THE NEED FOR HRD :

Implementing a new policy Implementing a strategy Effecting organisational change Changing an organisation's culture Meeting changes in the external environment Solving particular problems

THE NEED FOR HRD:TECHNOLOGICAL CHANGES :

Technological change creates requirements for training and development

THE NEED FOR HRD:ORGANISATIONAL CHANGE :

Organisations that work in less time will have a competitive advantage. A customer and quality focus will permeate tomorrow's superior organisation. The arena for an organisation's planning and action will be global. Business strategies now depend on quality and versatility of the human resource. Work structure and design will change dramatically.

THE NEED FOR HRD:SOCIAL,LEGEL & OTHER CHANGES :

Social attitudes, legal requirements, industrial relations and so on generate training and development needs. They demand new skills in the workplace.

Training and Development (T&D) :

Training and Development (T&D) Training – improving the knowledge, skills and attitudes of employees for the short-term, particular to a specific job or task – e.g., Employee orientation Skills & technical training Coaching Counseling.

Training and Development (T&D) Development – preparing for future responsibilities, while increasing the capacity to perform at a current job Management training Supervisor development.

Benefits of Training and Development :

Benefits of Training and Development Training and development helps the employees to achieve their personal goals which in turn help to achieve the overall organizational objectives. Thus, we can bifurcate the benefits of training and development into two broad heads: Organizational benefits Personal benefits.

Organizational benefits:

Organizational benefits: Improves the morale of the workforce. Leads to improve profitability and more positive attitudes towards profit orientation Improves the job knowledge and skills at all levels of the organization. Aids in organizational development Improves relationship between superior and subordinate.

Personal benefits :

Personal benefits Helps the individual in making better decisions and effective problem solving. Aids in encouraging and achieving self-development and self-confidence. Provides information for improving leadership, knowledge, communication skills and attitudes. Helps

a person handle stress, tension, frustration and conflicts. Helps a person develop speaking and listening skills. Helps eliminate fear in attempting new tasks.

Impact on Training :

Training practices rapidly changing in response to pressures Impacting instruction design, delivery, and evaluation processes Global interest in E-learning is growing .

Evaluation Phase :

Determining program effectiveness – e.g., Keep or change providers? Offer it again? What are the true costs? Can we do it another way?

Strategic   Management   &   HRD   :

Strategic Management & HRD Strategic management aims to ensure organizational effectiveness for the foreseeable future – e.g., maximizing profits in the next 3 to 5 years HRD aims to get managers and workers ready for new products, procedures, and materials .

Supervisor's Role in HRD :

Supervisor's Role in HRD Implements HRD programs and procedures On-the-job training (OJT) Coaching/mentoring/counseling Career and employee development A "front-line participant" in HRD

Organizational Structure of HRD Departments :

Organizational Structure of HRD Departments Depends on company size, industry and maturity No single structure used Depends in large part on how well the HRD manager becomes an institutional part of the company – i.e., a revenue contributor, not just a revenue user .

HR Manager Role :

HR Manager Role Integrates HRD with organizational goals and strategies Promotes HRD as a profit enhancer Tailors HRD to corporate needs and budget Institutionalizes performance enhancement.

HR Strategic Advisor Role :

HR Strategic Advisor Role Consults with corporate strategic thinkers Helps to articulate goals and strategies Develops HR plans Develops strategic planning education and training programs.

Challenges for HRD :

Challenges for HRD Changing workforce demographics Competing in global economy Eliminating the skills gap Need for lifelong learning Need for organizational learning,

Summary :

Summary HRD is too important to be left to amateurs HRD should be a revenue producer, not a revenue user HRD should be a central part of company You need to be able to talk MONEY .

Logistics & Supply Chain Management

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Abstract:

        Supply chain management is basically information based Processed that intagrates the various activities, from raw material supply to manufacturing & finally the Supply of finished products. And service to the end customer. It as an approach to controlling the physical flow of products and services from suppliers and users by co-coordinating the activities of suppliers, manufactures, and end customers. Supply chain management is aimed at managing complex and dynamic supply and demand networks.

Features of Indian Logistics Industry

- ✓ A number of small-integrated players
- ✓ Transportation costs account for nearly 40% of production costs.
- ✓ Logistics costs around 13% of GDP, compared to 8% in the US.
- ✓ Growth in Indian economy is the major driving factor for the demand in logistics industry.
- ✓ Chemicals, metals, FMCG, cement and textiles have been identified as the top five contributors to logistics revenues.

Cross - cultural diversity and its impact on Global Business

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Abstract

Diversity is the magic. It is the first manifestation, the first beginning of the differentiation of a thing and of simple identity. The greater the diversity, the greater the perfection." ~ Thomas Berry

Cultural diversity is the variety of human societies or cultures in a specific region, or in the whole world. Cultural issues in the workplace have a huge impact on the way MNC's conduct day-to-day business across the globe. As well as the more obvious cultural differences that exist between people, such as language, dress and traditions, there are also significant variations in the way societies organize themselves, in their shared conception of morality, and in the ways they interact with their environment.

Local businesses must learn how to successfully sell their products in foreign markets and employers and employees must learn to respect and work with the cultural differences of diverse workers. Employees also must learn skills that are internationally recognized, so that they can move without difficulty between today's jobs in this country and tomorrow's jobs in another. The key implication for managers is that the successful implementation of global corporate strategies works best not just with due acknowledgement of local workforce identities, but with positive engagement with local historical and cultural traditions. Culture affects the way problems are perceived and solved.
This Research paper will attempt to introduce-impact of cultural diversity on global business of McDonald and KFC.
Keywords- cultural diversity, global business , ethnicity, workplace,

1.1INTRODUCTION

The economy and the world marketplace are becoming increasingly diverse and interconnected. Cultural diversity is the variety of human societies or cultures in a specific

region.Culture refers to the fundamental values and norms that a group of people—such as an ethnic group, a nation, a corporation, or some other organization or profession—holds or aspires to hold. Every culture distinguishes itself from others by the specific ways it prefers to solve certain problems, such as those that arise from relationships with other people, from the passage of time, and in dealing with the external environment.

Those who work in international business, it is sometimes amazing how different people in other cultures behave. We tend to have a human instinct that 'deep inside' all people are the same - but they are not. Therefore, if we go into another country and make decisions based on how we operate in our own home country - the chances are we'll make some very bad decisions.cultural differences that exist between people, such as language, dress and traditions, there are also significant variations in the way societies organize themselves, in their shared conception of morality, and in the ways they interact with their environment.

Globalization occurs at the macroleveland mostly impacts cultural artifacts and behavior, whereasmulticulturalism occurs at the micro-level and affects lower cultural levels suchas assumptions, values and attitudes.It is not easy to reach this goal when both sides share a common culture. It is even more difficult to reach compromise across borders when not only language, but also cultural differences can impede communication and understanding.

McDonald's is one of the most successful American companies in terms of exporting not only its products, but its entire method of operations to foreign markets. Begun by an enterprising milkshake machine salesman who was curious why a single hamburger store would need multiple machines, McDonald's is a combination of capturing and riding changing American trends with a savvy marketing program. Known for hamburgers, french fries and milkshakes, the company has built its original humble beginnings into a worldwide operation that spans nearly 90 countries and which has one of the most recognized brand names in the world (Whalen, 1995, p. I4). This research considers the success of McDonald's, with a particular emphasis on the company's foreign operations, the cultural and economic factors which help make the company successful in its widely diverse markets.

Kentucky, is the world's most popular chicken restaurant chain, specializing in Original Recipe, Extra Crispy, Kentucky Grilled Chicken and Original Recipe Strips with home-style sides, Honey BBQ Wings, and freshly made chicken sandwiches.

Every day, more than 12 million customers are served at KFC restaurants in 109 countries and territories around the world. KFC operates more than 5,200 restaurants in the United States and more than 15,000 units around the world. KFC is world famous for its Original Recipe® fried chicken -- made with the same secret blend of 11 herbs and spices Colonel Harland Sanders perfected more than a half-century ago. Customers around the globe also enjoy more than 300 other products -- from Kentucky Grilled Chicken in the United States to a salmon sandwich in Japan.

KFC is part of Yum! Brands, Inc., the world's largest restaurant company in terms of system restaurants, with more than 36,000 locations around the world. The company is ranked #239 on the Fortune 500 List, with revenues in excess of $11 billion in 2008.

1.2 CULTURE AND DIVERSITY

Culture refers to the fundamental values and norms that a group of people—such as an ethnic group, a nation, a corporation, or some other organization or profession—holds or aspires to hold. Every culture distinguishes itself from others by the specific ways it prefers to solve certain problems, such as those that arise from relationships with other people, from the passage of time, and in dealing with the external environment.

Diversity is the similarities, as well as the differences, among and between individuals at all levels of the organization, and in society at large. Diversity of thought is critical to reaching the most innovative, customer-focused solutions to the many issues, problems and challenges confronting our business. As such, it is the responsibility of every manager to value and secure diversity of thought in his/her work unit by employing and developing the highest-caliber individuals differing from one another culturally, intellectually and experientially, as well as by race, gender, physical and mental abilities, and other factors.

2 . IMPACT OF CULTURE

2.1IMPACT OF CULTURE ON MACDONALD'S GLOBAL BUSINESS

McDonald's is operating in many countries being so much different, in terms of culture, from the United States of America, and how it had to adjust to fit in the likes of the people. We will see how the company had to adjust not only in terms of culture but also in terms social life of the citizens of many countries. McDonald's restaurants are everywhere. Capitalizing on brand recognition, McDonald's is known for selling consistent, simple, low-priced American <u>food</u>. As a result, it has become the world's largest restaurant chain. McDonald's stores number more than 30,000 and are located in more than 120 countries. They collectively serve 52 million people every day.

McDonald's has weathered every storm and responded with efforts to improve its image. Besides its many critics, there are some who see in its success an example of the power of the American dream. Indeed, the story behind the rise of McDonald's is the stuff of legends. Since its humble beginnings, it has succeeded due to its dedication to streamlined service, but it was an ambitious visionary who took the idea of fast food and ran with it.

McDonald's Globalization has affected almost every aspect of life in almost every nation. From economic to social to culture, this widespread exchange of goods, services and ideas have influenced changes around the world. Even though the cultural influence in globalization is of slight significance to policy makers, its power has tremendous consequences to the nations involved and its people. Food is an important element in defining culture. Britannica (2007). "Food is the oldest global carrier of culture." .Any changes in the foods that we eat, in its preparation, the way it is served and consumed diminishes the traditional beliefs of the people.

McDonald's devotees can get McArabia's in the Middle East (grilled chicken in Arabic bread); Shogun Burgers in Hong Kong (Teriyaki pork); McShawarmas in Israel (Kosher meat); BuburAyamMcDs in Malaysia (chicken porridge); McPaltas in Chile (a burger with avocado paste); Bulgogi Burgers in South Korea (thinly sliced meat in bulgogi marinade); and lots of others.

McDonald's into foreign countries. Transformations have taken place which could be perceived as beneficial or corrupting to that culture. According to William Gould (1996), before the introduction of McDonald's overseas "fast food was almost unknown. McDonald's was the first company to try to export America's love of fast food and changes in eating habits of other nations."

The Indian operations may have required extra effort, but McDonald's executives say the dedication to local cultures is not new for the company: In the last 50 years, the chain has opened more than 30,000 restaurants in 120 countries (155 in India), adapting its menu and operations to complement existing eating-out options. While the iconic all-beef Big Mac has been replaced by the mutton and chicken Maharaja Mac in India, a kosher variant in Israel is served minus the cheese. In China, McDonald's introduced red bean pies, while Norwegian restaurants offer the salmon McLaks burger. Of course, it helps to have local partners in these markets; about 70% of the chain's restaurants are owned and operated by local entrepreneurs. "Local owners understand what their customers want and, perhaps more important, what is acceptable within local customs and values," Bakshi says.

McDonald's, for instance, has already realized the potential of exporting its Indian offerings. Since 2004, the company has been exporting McAlooTikki burgers, Pizza McPuff and Veg Surprise -- products developed especially for India -- to West Asia.

Throughout the Middle East, McDonald's offers a "McArabia" sandwich, which is a piece of flat bread with chicken or beef patties. They also serve a special wrap called the Paneer Salsa wrap, which takes fried, seasoned cottage cheese and wraps it in flat bread with veggies.

Most Indian menus are largely different than those in America, as pig and cow products are not served outside of Southern India. The chicken and fish are also prepared in separate areas because or strict religious laws regarding the preparation of food for vegetarians. One of the area's specialties is the Maharaja Mac, which was originally made with lamb meat but now is made with chicken. They also serve a dish called the McCurry pan, which consists of a bowl made from flakey dough filled with chicken in a tomato-curry sauce. Of all the international McDonald's menu items, I think this is the one I'd want to try the most. Throughout Asia, you can order a side of McRice in place of fries, this is just an order of plain rice with a cool name.

In China, you can enjoy pineapple and taro pies and a Shogun burger with teriyaki pork. You might also consider the Rice Fantastic, which is like a beef or chicken sandwich with rice patties in place of buns.

On the Chinese island of Cheung Chau, you can also enjoy mushroom burgers in place of beef during the local Bun Festival.In Japan, they serve something called the Ebi Fillet-O, which is a fried shrimp sandwich. There is also a Tamago Double Mac, which has three beef paties, a poached egg, bacon and pepper sauce. You can even top off your meal with tea milkshakes.

In Thailand they sell corn pies.In Finland and Norway, you can have wraps with fried fish instead of chicken or beef.In El Salvador, you can often have French fries made with yucca instead of potatoes.In Mexico, a popular breakfast option is the McMolletes, English muffins with refried beans, cheese and pico de gallo salsa.In New Zealand, a popular favorite is the Kiwiburger, which has beef, a poached egg, veggies, cheese and beetroot.

MNCs like KFC and McDonals are giving their primary concern to the price they charge from Sri Lankans since people in Sri Lanka are more conscious about the prices of product than the quality. Even the displays they use to show their products, specifically display the price of each product. This proves that these MNCs are amending their marketing strategies regarding price to suit Sri Lankan market.

2.2 IMPACT OF CULTURE ON KFC'S GLOBAL BUSINESS

Kentucky Fried Chicken is one of the well-known fast food restaurants in the world. It operates in 74 countries and territories throughout the world. KFC began with Colonel Harland Sanders. He discovered his penchant for cooking when he was only 9 years old. Through the years he grew up to become a personage the world knows as Colonel Sanders, founder of KFC. KFC has more than 11,000 branches in more than 80 nations and territories all over the world. KFC now regarded as the most chicken restaurant chain. With the chicken's natural juices sealed-in, leaving a special mouth watering taste that cannot be replaced. KFC prides itself as a fast-food restaurant that give customers great tasting chicken with a selection of home-styled side dishes and desserts to make a wholesome, complete and satisfying meal.

KFC rules the roost when it comes to serving chicken. One of the world's largest fast-food chains, the company owns and franchises more than 16,200 outlets in about 100 countries. (More than 5,100 locations are in the US.) The restaurants offer the Colonel's trademark fried chicken (in both Original Recipe and Extra Crispy varieties) along with chicken sandwiches, chicken pot pies, crispy chicken strips, mashed potatoes and gravy, and potato wedges. Its locations can be found operating as free-standing units and kiosks in high-traffic areas. More than 25% of the restaurants are company-operated. KFC is a unit of fast-food franchisor Y um Brands, which also operates Pizza Hut and Taco Bell.

Like most multinational companies, KFC was first attracted to China by the size of the country's market potential: 1.3 billion people, 20% of the world's total. Even after China's economic reform that began in 1978, China remained a high-risk investment destination for multinationals during the ensuing decade due to political and economic uncertainties.a company needs to be prepared to adapt its products, services, business practices, even management systems and processes in order to fit into the local context – different customer habits and needs, social and cultural values, political systems, government regulations, industry structure and drivers, and competitive forces. When Yum Restaurants India opened the first Kentucky Fried Chicken (KFC) outlet in Bangalore in the mid-1990s, locals

protested about the brand's multinational origins. As the ensuing months proved, it wasn't only KFC's parentage that was too foreign; the chicken wings and wraps it offered were too alien for Indian taste buds. In just a few years, Yum closed all its KFC restaurants in India, and did not relaunch the brand until 2004.

KFC also faced problems in the form of protests by angry farmers in India led by the Karnataka RajyaRyotaSangha (KRRS) who considered KFC is promoting junk and fried food and is unethical in a poor country like India with several malnutrition problems. KFC fast food is extremely popular in India, where 35 percent of population is vegetarian. The restaurant chain has modified its menus in order to suit local tastes. The sauces and toppings have been changed, taking into considerations preferences of various localities. Thus, KFC fast food menu in Europe and the United States differs from that in India and Asia. Indian menu has been changed to include rice meals, sides and wraps. The changes are considerable, since Western tastes differ very much from Eastern ones. The company's new, balanced strategy appears to be working: In four years, KFC has increased its presence in India to 34 outlets, and plans to cross the 100-outlet mark in the next two years. "The vegetarian offerings have made the brand more relevant to a larger section of consumers.

KFC has a variety of options for children. Kids' meals include Colonel Burger, Kentucky Nuggets. For the Muslims, eating Halal is an identity issue, especially for those of us who live in a predominantly non-Muslim country.Halal was a good move for Quick, and they may well be increasing the number of restaurants with Halal menus in France.

3.RESEARCH METHODOLOGY

My research paper is based on the secondary data. The data has been collected from different sources like internet, magzines, journals and several books.

4.ANALYSIS

McDonald's is known for selling consistent, simple, low-priced American food.McDonald's is viewed as American and the movement away from traditional foods towards fast food is

considered to be "Americanization" of the diet. This concept has more far reaching effects than is seen on the surface. The "Americanization" of the food also means that of the culture and a way of thinking which in not acceptable to many nations. There has been a loss of traditional values with the introduction of non traditional food into the culture of foreign countries. McDonald's was the first company to try to export America's love of fast food and changes in eating habits of other nations." the first is not to hurt religious feelings of the citizens and the second is not to get oneself involved in political confrontations with some political activists. Maharaja Mac is meant for those 83% of Indians who do not eat beef or pork whereas another cultural fit, McDonald's has thought of, is "Veggie Burger" for 20% of complete vegetarians. All the food is very carefully segregated into that consisting of vegetarian and nonvegetarian ingredients because, otherwise, some religious feelings might be offended. McDonald's, who are on one hand destroying entire food cultures of the world and on the other hand not giving healthy food to people, One of the most influential changes came with the introduction of fast food restaurants like McDonald's into foreign countries. Transformations have taken place which could be perceived as beneficial or corrupting to that culture. The McDonald's corporation notes that most of its overseas franchises are locally owned, andthus make efforts to buy from local communities. McDonald's also alters its regional menus to conform to local taste.It wasn't only KFC's parentage that was too foreign; the chicken wings and wraps it offered were too alien for Indian taste buds. In just a few years, Yum closed all its KFC restaurants in India, and did not relaunch the brand until 2004.Reaching to the Muslim world by serving **'halal'** fried chicken with rice or chips means changing the perception that the western world can neither adapt nor assimilate with local conditions.

5.CONCLUSION

Thai people like the spicy taste, McDonald adopted this idea to launch the Spicy Burger which is popular McDonald's menu in Thailand. In addition, in South America, McDonald created particular recipe burgers which have many spices with spicy taste. In Arabian countries, most people are Islam then most of McDonald's menus are cooked from chickens

and fish. Moreover, some countries adopted the idea of fast-food to adapt to national food that can keep their traditional style and also they could response the change of eating habits.

Fast food restaurants like KFC and McDonald's are distinct American brands. Differences between China and US politics, economics, social development and ideology became obstacles to international enterprises operating in China. Corporate culture could not be understood or accepted here, especially in the restaurant field, where culture plays a crucial role. KFC and McDonald's use the localization strategy to re-express American business culture, with profound traditional Chinese cultural emblems, catering to local customs on the basis of standardized management.

After doing analysis it has been found that in the global businessenvironment culture plays very important role in their success. Adoption of local culture of the country gives success.

McDonalds and KFC working in many countries with local cultural strategy.

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Detangling E-commerce for Marketers

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Abstract:-

Marketers are dodged by various circumstances and are expected to provide solutions for the same. E-commerce mesmerizes them further, with a lot of options. E-commerce, refers to the buying and selling of goods, services and advertising space, online. The selling can take place amongst different players viz., business to business (B2B), business to customer (B2C), Customer-to-customer (C2C), Government to business (G2B), etc. All categories are important in their own space. For the purpose of this paper, we have concentrated our efforts on studying the B2B and the B2C category. The debate on whether there is a huge difference between targeting customers in B2B or B2C category has been analyzed in the paper.

The questionnaire based quantitative analysis has been done using various statistical techniques viz., ANOVA, Spearman Correlation Coefficient and absolute frequency. In all 51 e-marketers have been studied, with the help of personally or web based questionnaire. The results revealed that the reasons to set up web presence online are starkly different from each other, where more of B2C marketers came online to launch their business and to provide new services to the customers as compared to B2B which is inclined to reach out and increase responsiveness from them. Geographic disposition is of utmost important to marketers, irrespective of the marketers domain. Both B2C and B2B, consider 'communication' as the most significant use of the web but for 'buying products/services and 'gleaning information about the products/services' B2B hold a stronger view. Since in the case of B2B marketers, the payment security issues are in place, they are not much concerned about the same, which are of high concern for the B2C category. The study revealed that though insignificant, the difference in the opinions of the two categories exists.

Keywords: E-marketer, B2B, B2C, Categories of E-commerce

Introduction

Marketers are dodged by various circumstances and are expected to provide solutions for the same. E-commerce, mesmerizes them further, with a lot of options. E-commerce, refers to the buying and selling of goods, services and advertising space, online. The selling   can take place amongst different players viz., business to business (B2B), business to customer (B2C), Customer-to-customer (C2C), Government to business (G2B), etc. All categories are important in their own space. For the purpose of this paper, we have concentrated our efforts on studying the B2B and the B2C category. Business to Business marketers have been considered as the more successful category as compared to Business to Customer ones. B2B success stories are aplenty. It is debatable, whether marketing strategies should vary according to the target i.e. whether the things are being bought for self consumption or for some business.

Criteria	B2B	B2C
Focus	Product Logic	Product Benefits
Target Market	Niche	Large
Transaction Value	Very high	Low
Ordering system	Complicated	Simple
Rationale of buying	Rational	Emotional
Offline counterparts	Wholesalers	Retailers

Marketing Message	Lengthy	Short and apt

Table 1: Comparative of B2B and B2C.

In case of B2B transactions online, the buying quotient is rational and requires the reason as to why the product should be bought, the product rationale. Since in B2c the buying is for individual consumption, it follows the emotional path by just evaluating the features of the products. The clientele for the B2B is niche and limited as compared to the vast target market for B2C. The transaction value for the former is much higher than the later. The detailed marketing message suits the needs of businesses whereas the individual customers rely more on short and apt messages.

Objectives of the Study

The following are the specific objectives of the paper, aiming to analyze the marketers on the basis of transaction i.e. B2B or B2C, with respect to:

a) Purpose of making a web presence

b) Basis of targeting the customer

c) Comfort level of different age groups in making online transactions

d) Use of web

e) Decisive features to buy online

Methodology

The data has been collected with the help of a framed questionnaire with close-ended questions. The same was administered to 51 marketers, either personally or through a web

based questionnaire. Out of the total strength of 51, 24 belonged to the B2C category and 27 to B2B category. For the purpose of this paper, in order to derive meaningful inference the analysis has been made on the basis of transactions (whether business to customer or business to business, henceforth called B2C and B2B), to which the marketers belong.

For the purpose of the paper, wherever applicable absolute frequencies are studied, ANOVA or Spearman Correlation Coefficient is applied.

Findings

1. Reasons to Make Web Presence

An effort was made to study the reasons, which induced the marketers to make an online presence. Some reasons were identified and the marketers were asked to select the reasons which motivated them to reach the target customer online.

Their responses in this regard have been presented on the basis B2C and B2B in table 2. The marketers were asked to give reasons as to why they decided to make a web presence. The marketers were asked to give reasons as to why they decided to make a web presence. When the marketers were studied as a total sample, the results showed that they realized the important standing that the customer has attained and so they decided to come online mainly 'to provide new services to the customer', nearly 66.67 percent marketers vote for it. As once online presence is established the reach is global and hence a wider share can be captured by making a web presence, so 56.86 percent of the marketers decided to come online to 'expand

market reach' and 54.90 percent made web presence with an intention 'to gain market share'.

52.94 percent of the marketers came online to 'launch a new business' and others decided to fuse the benefits of both online and offline presence. 43.14 percent wanted to 'increase responsiveness from the customer' which would help them in serving the latter better; 35.29 percent expected 'to strengthen business relationships', 31.37 percent aimed 'at cost reduction' and 23.53 wanted 'to gain professional satisfaction' by making a web presence.

The analysis reveals that the primary reason for making a web presence has been to provide 'new services' to the customers, this is because customers have become quite demanding and to attract and retain them, new services need to be provided to them. Providing 'new services' would lead to 'expand market reach' and there by gain market share. In order to provide better services to the customer, they want increased responsiveness from the customer hence knowing him better in the process and increased feedback is obtained much conveniently in case of web presence. Aim of strengthening business relationships, cost reduction and gaining professional satisfaction were also considered while deciding to come online by some of the marketers.

Table 2: Reasons to Make Web Presence(Transaction Wise)

No. of respondents → ↓ Reasons for making web presence	B2C n=24	B2B n=27	Total n=51
a)to expand market reach	11 (45.83)	18 (66.67)	29 (56.86)
b) to gain market share through visibility	11 (45.83)	17 (62.98)	28 (54.90)
c) to increase responsiveness from customers	8 (33.33)	14 (51.85)	22 (43.14)
d) to provide new services to customers	16 (66.67)	18 (66.67)	34 (66.67)
e) to strengthen business relationships	8 (33.33)	10 (37.04)	18 (35.29)
f) to enable cost reduction	6 (25.00)	10 (37.04)	16 (31.37)
g) to gain professional satisfaction	5 (20.83)	7 (25.93)	12 (23.53)
h) to launch a new business	18 (75.00)	9 (33.33)	27 (52.94)

(figures in parenthesis show percentage and the percentage has been calculated in relation to n)

Table 2 shows that when studied on the basis of transaction, it reveals that the primary motive in case of B2C marketers, (75.00%), has been 'to launch a new business' as compared to B2B marketers, (33.33%), which shows that most of the B2B marketers decided to benefit from both the online and offline presence. 'Providing new and better services to the customer' is substantially important to majority of both, 66.67 percent in both the cases. Web presence to increase 'market reach' (66.67%), 'gain market share' (62.98%), 'increased responsiveness from the customers' (51.85%) and 'cost reduction', (37.04%) are voted for more by B2B as compared to B2C. This may be attributed to the fact that B2B in our sample are already in business as only 33.33 percent aimed at launching a new business when deciding to come online and hence for them exploiting the added features of the web serve a better purpose.

The analysis shows that the marketers realize that web provides them certain opportunities which they need to exploit to gain success. On whatever basis studied, the marketers decided to come online mainly to provide 'new services' to the customers. Marketers dealing in products aimed are 'gaining market share through visibility' as well. B2B marketers as more interested in 'expanding market reach' as compared to their counter parts. Majority of B2C under study decided to launch a new business on the web.

2 Basis of Targeting the Customers

The marketers need to decide the target market for their products and services. While targeting the market, the main focus is on the profile of the customers. Five variables describing the profile of the target customers were enlisted and the marketers were asked as to which basis do they consider while targeting their customers.

Their responses in this regard have been presented on the basis B2C/B2B in table 3. Whenever we discuss internet/web, "geography is history". But to think of it while targeting the customers, the marketers in vast majority, (88.24 %), consider geographic boundaries as one of the important criteria. Though, they are open to the global market as such but it is difficult to target them on the whole and hence the geographic factors help.

43.14 percent of the marketers target the customers based on 'psychographic' factors, 37.25 percent made 'age' the basis, 23.53 percent made 'qualification' the basis and 21.57 percent consider 'sex' as the criteria.

The analysis shows that depending upon the requirements of the marketers, majority of them target their customers on the basis of 'geographic boundaries', followed by 'psychographic', 'age', 'qualification' and 'sex'.

Table 3:Basis of Targeting the Customer (Transaction Wise)

No. of respondents → Basis of target	B2C n=24	B2B n=27	Total n=51
a) sex	9 (37.50)	2 (7.41)	11 (21.57)

b) geographic	22 (91.67)	23 (85.19)	45 (88.24)
c) psychographic	13 (54.17)	9 (33.33)	22 (43.14)
d) age	14 (58.33)	5 (18.52)	19 (37.25)
e) qualification	6 (25.00)	6 (22.22)	12 (23.53)

(figures in parenthesis show percentage and the percentage has been calculated in relation to n)

Table 3 shows the frequencies assigned to the various basis of targeting the customer, when studied on the basis of B2C and B2B. 'Geographic boundaries' get the maximum frequency from both, 91.67 percent for B2C and 85.19 percent for B2B. The difference arises in case of 'age', where in case of B2C, 58.33 percent vote for 'age' as an important factor and only 18.52 percent in case of B2B. This is because in case of B2B, the variations in age are not much as far as customers are concerned. 'Sex' is again of little importance for the B2B, 7.41 percent, as compared to B2C, (37.50%). 'Psychographic' basis gets the frequency 54.17 percent for B2C and 33.33 percent for B2B, Qualification gets low frequency from both, B2C, (25.00%) and B2B, (22.22%). This shows that in case of B2B, the important basis in most of the cases is only geographic and the other basis do not carry much importance; but

for B2C, geographic, psychographic, age and sex are important basis in that order. The different basis adopted in order to target the customers in case of B2C may be due to the nature of business.

The analysis reveals that while targeting the customers the main criteria followed by all the marketers irrespective of the basis on which studied is, 'geographic'. This is followed by 'psychographic' in most of the cases, the variation occurs only in one case i.e. B2C, where marketers give as much preference to 'psychographic' as to 'geographic'.

3 Comforts of Various Age Groups in Surfing the Web

The comfort to surf the web is the initial step that would further lead to the next and final step on the web and that is buying on the web. The marketers were asked to rank the age groups of people that they feel are more comfortable surfing the web, as compared to the others (where rank one is for most comfortable ,….. and rank four for least comfortable) and then WAS i.e. Weighted Average Score was calculated.

Table 4 shows the rank assigned by all the marketers to the comfort of various age groups.

In order to see the significance of impact of the opinion of the marketers belonging to different transaction (B2C/ B2B) regarding the comfort of various age groups in using the web, the following null hypothesis was framed:

H_{01} - There is no significant correlation between the marketers' opinion regarding the comfort of various age groups in surfing the web, where the marketers belong to different transaction type.

Table 4: Comfort of Various Age Groups in Surfing the Web (Transaction Wise)

Weighted Average Score → Age Groups	B2C	Rank	B2B	Rank	Total	Rank
15-25years	3.71	1	3.70	1	3.71	1
25-35 years	2.79	2	2.67	2	2.73	2
<15 years	2.08	3	2.22	3	2.16	3
>35 years	1.42	4	1.41	4	1.41	4

Table 4 reveals that when marketers are studied on the basis of B2C and B2B, the ranking pattern along with the WAS remains nearly unchanged, with rank first for the 15-25 years age group, WAS of 3.71 and 3.70 respectively; second rank for 25-35 years of age, WAS of 2.79 and 2.67 respectively; third rank for customers who are less than 15 years, WAS 2.08 and 2.22 respectively and fourth and last rank to customers more than 35 years of age, WAS 1.42 and 1.41 respectively.

The Spearman Rank Correlation Coefficient is 0.99430 with the t-value 13.191, which is more than the tabulated value. This shows that there is positive correlation in the responses as regards the comfort of various age groups in surfing the web and statistically also the correlation is significant and hence the null hypothesis H_{01} has been rejected in this case.

This again highlights the fact that whether we study it on the basis of products/service or B2C/B2B, the marketers on the whole believe that 15-25 years is the age group which is

the most comfortable with the web and customers greater than 35 years are least comfortable.

4 Use of Web

Customers use web for various purposes. In addition to being a medium of communication, it has other established uses as well like entertainment, research information and buying.

Five most common uses were enlisted and the marketers were asked to share the significance that they feel the customers attach to the purpose of use of the web, on the five-point scale. For the purpose of analysis, weights ranging from five to one were attached, five for the response in case of Most Significant Use and one for Least Significant Use and based on that the WAS i.e. weighted average scores were calculated.

In order to see the significance of impact of the opinion of the marketers belonging to different transaction (B2C/ B2B) type, regarding the purpose of use of the web, the following null hypothesis was framed

H_{02} On the basis of Transactions, the marketers are dealing with, has no significant effect on the opinion regarding the purpose of use of the web.

The responses of the marketers on the basis of the B2C/B2B have been presented in Tables 5, where only Weighted Average Score, WAS, has been shown.

Table 5 : Use of Web (Transaction Wise)

Weighted Average Score → ↓ Use of Web	B2C	B2B	Total
a) Communication	4.83	4.04	4.41
b) glean information about products/services	2.96	3.63	3.31
c) research	2.96	2.89	2.92
d) entertainment	3.00	2.78	2.88
e) buy products/services	1.25	1.67	1.47

F-value (between columns)=0.0001   d.f=1,4

Insignificant at 5% level of significance

F-value (between rows)=13.9268   d.f=4,4

Significant at 5% level of significance

Table 5 shows the WAS of the marketers on the basis of B2C and B2B, for the purpose the web is used for by the customer. Both B2C and B2B, consider 'communication' as the most significant use of the web, with WAS of 4.83 and 4.04 respectively, and B2C feeling more strongly for it. B2C consider 'entertainment', as the second significant use of web, WAS of 3.00 as compared to B2B, with WAS of 2.78.

'Research' has been considered a lesser significant use of the web by the B2B marketers (WAS 2.89) as compared to B2C marketers (WAS 2.96). B2B feel that 'gleaning information about the products/services' is the second most common use the customer make

of the web, WAS 3.63 whereas it is considered less significant use by the B2C marketer, WAS 2.96.

Both B2C and B2B feel that the least use of web made by the customer is 'buying products/services on the web', WAS of 1.25 and 1.67 respectively.

This analysis shows that B2C holds a stronger opinion about the features of the web like 'communication', 'research' and 'entertainment' as compared to B2B. But for serious business like 'buying products/services and 'gleaning information about the products/services' B2B hold a stronger view.

The F-value between columns (B2C/B2B) of the table 5.4(b) is 0.0001, which is statistically insignificant at 5% level of significance it reveals that as regards the purpose of use of the web, transaction-wise importance does not vary significantly. The F-value within the various purposes of this table is 13.9268, which is statistically significant at 5% level of significance. This signifies that the WAS of the purpose of use of the web, vary significantly i.e. different purposes have varied significance from each other. Thus the analysis shows that purpose of use of the web has been considered significant by marketers catering to both type of transactions, at varying significant level but amongst the two there is no significant difference

The WAS calculated reveals that certain differences exist in the opinion of the marketers (B2C/B2B) under study but the ANOVA results reveal that the transaction type does not affect significantly the opinion of the respondents regarding the use of the web. Thus the null hypothesis H_{02} has been accepted for the two cases under consideration.

6. Decisive Features to Buy through the Web

The marketers were asked to rank the features that they feel are important to the customers while buying on the web. Six such features were identified and enlisted and the marketers were asked to rank them from the view point of the customers, assigning rank one to the most important feature and six to the least important one, the WAS was calculated, to finally decide what is of most importance to the customers.

In order to see the significance of impact of the opinion of the marketers belonging to different transaction type (B2C/ B2B) regarding the decisive features regarding buying through the web, the following null hypothesis was framed:

H_{03} - There is no significant correlation between the marketers' opinion regarding the decisive feature towards buying through the web, where the marketers belong to different transaction type.

The B2C/B2B-wise, presentation of the results has been made in table 6, where only Weighted Average Score , WAS, has been shown.

Table 6: Decisive Features to Buy through the Web (Transaction Wise)

Weighted Average Score ↓ Features	B2C	Rank	B2B	Rank	Total	Rank
Low price	3.79	1	4.44	1	4.14	1
Right quality	3.79	1	4.37	2	4.10	2
Timely delivery	3.58	4	3.52	3	3.55	3
Secure environment for making payment	3.63	3	2.85	5	3.22	4
Reasons to trust business people	3.04	6	3.04	4	3.04	5
A place to reach in case of difficulty	3.17	5	2.78	6	2.96	6

Table 6 shows the WAS of the necessary features when studied on the basis of B2C and B2B. B2C rank 'low price' and 'right quality' at number one slot with WAS of 3.79 as compared to B2B, where 'low price' (WAS of 4.44), gets a priority over 'right quality, (WAS 4.37). 'Payment security issues' are ranked third by B2C, (WAS 3.63) and fifth by B2B, (WAS 2.85). 'Timely delivery' is considered more important by B2B, rank third

(WAS of 3.52) as compared to rank four by B2C, (WAS 3.68). 'A place to reach in case of difficulty' is required more in case of B2C, who rank it fifth, (WAS 3.17), a little better than B2B, who rank it sixth (WAS of 2.78).

 The analysis shows that 'low price' and 'right quality' are of greater concern for the B2B and 'payment security' and 'a place to reach in case of difficulty' concerns B2C more. This is because payment issues are already well settled in case of B2B.

The Spearman Rank Correlation Coefficient is 0.74520 with the t-value 2.235, which is less than the tabulated value. This shows that there is positive correlation in the responses as regards the decisive features in buying on the web, of the B2C/B2B marketers, but statistically the correlation is insignificant and hence the null hypothesis H_{03} has been accepted in this case.

 Marketers consider that 'low price is the most wanted service by the customers. The most decisive factors for B2C and B2B it is right quality and 'low price' to be followed by 'payment security' and timely delivery'. The correlation that exists between the marketers is statistically insignificant and hence the null hypothesis H_{03} has been accepted.

Conclusion

The task of a marketer is to have answers to the questions which makes revenue flowing in for the business. The debate on whether there is a huge difference between targeting customers in B2B or B2C category has been analyzed in the paper. The results conclude that there is high correlation amongst marketers on the criteria of the age, which has its comfort in using the web i.e. the opinions of the two are in sync.

The reasons to set up web presence online are starkly different from each other, where more of B2C marketers came online to launch their business and to provide new services to the customers as compared to B2B which is inclined to reach out and increase responsiveness from them. Geographic disposition is of utmost important to marketers, irrespective of the marketers domain. Both B2C and B2B, consider 'communication' as the most significant use of the web but for 'buying products/services and 'gleaning information about the products/services' B2B hold a stronger view. Since in the case of B2B marketers, the payment security issues are in place, they are not much concerned about the same, which are of high concern for the B2C category. The study revealed that though insignificant, the difference in the opinions of the two categories exists.

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BRANDING OF MANAGEMENT EDUCATION AND ITS IMPACT

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ABSTRACT

Indian education sector has witnessed a revolutionary change in last three decades with intervention of private players after the government liberalized its policies post 1983 in 'Higher Technical and Professional Education' so as to compete and stand out globally . Due to this drastic change now the Indian technical as well as professional manpower is considered to be the best in global market. An educational brand is often equated to an institution's academic reputation. Some times what promised by the institutes at the time of Branding and what delivered is not always the same so the perception of stakeholders specially students is affected by the previous experience, the emotional and psychological factors which results in effecting choice for an institution and image of that brand. This move not only increased the intake of students but due to cut throat competition the quality also improved manifold resulting mushrooming of Educational institutes. Therefore in order to create a niche or a competitive advantage it is very much necessary for institutions to adopt strategies which will help them to stand apart. Most notably, branding in higher education is about who we are, and is not limited to what a particular product offers the marketplace. An educational brand is often equated to an institution's academic reputation.

KEY WORDS: Branding, Institutions, Competitive Advantage

INTRODUCTION

Man's search for quest for knowledge gave birth to "Education". Education system has emerged as second largest industry next to IT sector providing employment for those who are part of this industry and also to the end products i.e. student community. Indian education sector has witnessed a revolutionary change in last three decades with intervention of private players after the government liberalized its policies post 1983 in 'Higher Technical and Professional Education' so as to compete and stand out

globally . Due to this drastic change now the Indian technical as well as professional manpower is considered to be the best in global market.

Traditionally technical education was considered to be paramount, with LPG i.e. Liberalization, Privatization and Globalization, a need was felt for management of people. This concept and significance of Management gave rise to focus on Management studies with specializations in different areas which prepare students to face the constantly advancing corporate world and impart effective people-management skills. Though prior to this it was there but restricted only to institutes like IIMs etc.

The statistics shows that Fifty percent of India's population is the youth. This means that the Indian education sector is huge with a population of 1.13 billion. India has around 367 universities, 18,000 colleges, about half a million teachers, and 11 million pupils. The private education industry is estimated to be between 20,000–25,000 crores. There are about 1,500 management institutes, 3,500 engineering institutes, and 1,200 medical colleges in the country.

This move not only increased the intake of students but due to cut throat competition the quality also improved manifold resulting mushrooming of Educational institutes. Therefore in order to create a niche, or a competitive advantage it is very much necessary for institutions to adopt strategies which will help them to stand apart. One of the key parameter could be adaption of the concept of branding.

BACKGROUND- HIGHER EDUCATION SPECIALLY MANAGEMENT STUDIES SPECIALLY MANAGEMENT STUDIES SPECIALLY MANAGEMENT STUDIES BRANDING

The brand image of a university plays a crucial role in attitudes towards that institution, and to the sector as a whole (Yavas and Shemwell, 1996; Landrum et al., 1998). Based on their study of

University image, Paramewaran and Glowacka (1995) suggest that higher education specially management institutions Need to develop and/or maintain a distinct image to create a competitive advantage in an Increasingly competitive global market. Ivy (2001) claims that such a distinct image is likely to impact a student's willingness to apply to that institution; thus, establishing these images in the mind of the stakeholders is quite important. Also, Hemsley-Brown and Goonawardana (2007) state that despite the growing importance of this subject,

empirical research specifically related to branding of higher education specially management studies specially management studies specially management studies is relatively scarce. Furthermore, much of the branding effort in higher education studies specially management studies appears to be focused on promotion and identity, including logos, mottos, promotional materials, advertising, mascots, names, and the like (Argenti, 2000; Bunzel, 2007; Jevons, 2006). However, these efforts appear to be largely concerned with external branding to market and promote the universities without a clear understanding of the holistic nature of what constitutes a brand. In this regard, Jevons (2006, p. 467) has questioned the effectiveness of these exercises. Thus, just by focusing simply on "better" marketing and communications, brand efforts are not likely to deliver the intended results.

BRANDS ARE BIG NEWS.

The term is regularly used in the media, in the workplace and even in your local pub. Some place a financial value on it and consumers make purchasing decisions based on it. Ask any organization, be it a University or a multinational, if their brand is important and they'll say yes. But ask them, what is brand and why is it important and you're likely to get a confused, inaccurate response. The simple truth is that most organizations do not understand the difference between brand and logo. For a Higher education specially management studies management studies Institution, brand is a crucial factor in whether a prospective student decides to apply to study with you or not. In this article we hope to clearly explain the difference and illustrate how an understanding can enable you to use branding to support your organization's objectives.

WHAT WE MEAN BY 'BRAND'

Brand is much more than a logo, typeface or house style. While these can act as easily recognized shorthand for your brand they are more accurately described as your visual identity. Brand is the effect on the stakeholder of what you do and how you do it. It is built by the experience stakeholders have of your products and services and their interaction with your

organization. For your institution, how your courses and programs are perceived by prospective students and the perceived quality of this offering are all aspects of your brand and will play a key part in influencing the student's decision; unlike your logo.

The word **"Branding"** is all about consumer's perception of the offering—how it performs, how it looks, how it makes one feel, and what messages it send ,which is the

result of the efforts made by them to attract, to entertain & to retain the end user which in result generates revenue to the firm.

Some brands create competitive advantages with product performance; other brands create competitive advantages through non-product-related means. But the concept of **branding**, as applied to **higher education specially management studies** , is somewhat different from branding in the commercial sector.

Most notably, branding in higher education specially management studies is about who we are, and is not limited to what a particular product offers the marketplace. An educational brand is often equated to an institution's academic reputation. Some times what promised by the institutes at the time of Branding and what delivered is not always the same so the perception of stakeholders specially students is affected by the previous experience ,the emotional and psychological factors which results in effecting choice for an institution and image of that brand.

Even though stakeholders decision for selecting an institute is influenced by Branding activities but these strategies will only be fruitful if the stake holders perception towards it is positive so as to stand out in the era of ever growing /mushrooming competition and to create a positive and everlasting image in the mindset of the students –The major stakeholders, Parents-The financial stakeholders and Employees –the Part and parcel of the education system, Institutions-The investors and the Government bodies.

 The role of the government along with the legal aspects also plays an important part in the management and working of educational institutions, Due to intervention of

governmental bodies like UGC, AICTE and Concerned Universities, the branding strategies would be a real challenge. Due to this parameter also the perception regarding branding becomes a major issue as also the perception of these bodies about the institutes plays an important role for the institutions.

WHY BRANDING?

Branding is all important when it comes to attracting and retaining students to a particular higher education specially management studies institution. There are a number of factors which naturally draw students to a university:

a) a historically established brand based on how long a university has been established, which

includes the prior generations of a prospective student having graduated from that university; b)

attractive campuses in good locations, with lush grass-filled lawns and historical buildings or

contemporary buildings which boast state of the art facilities; c) internationally known faculty and researchers as well as well known products which can be attributed to the university or a

faculty member, and d) public perception that large, established universities are best suited to educate the young. Branding an established university is not difficult, particularly if it is one of the "Sandstone 8" of Australia. All of this has resulted in an uneven playing field when prestigious universities attract better students and can attract education funding from the government.

Private higher education specially management studies institutions may be vulnerable in many aspects: a) some institutions are more dependent on international students compared to public universities. Some international students undertake courses in fields such as business and accounting simply to gain points towards being granted an Australian permanent residency visa; b) if an institution is more dependent on international students, then issues that affect international students will impact these institutions to a greater extent, such as the recent racist attacks in Australia on Indian students; c) tuition fees of private higher education specially management studies specially management studies specially management studies institutions are not subsidized by the government which means that all students attending private higher education specially management studies institutions have to pay full fees. This creates a natural preference by domestic Australian students towards public universities making private higher

education specially management institutions even more dependent on the international market; and d) public universities, as discussed before, are already more embedded and established in the national and international educational arena, making public universities much more attractive and stable compared to private higher education specially management studies providers. Private higher education specially management studies institutions need to be aware that there are a multitude of factors which can affect their viability. They need to carefully and conscientiously market their brand to international students to ensure their continued success.

BENEFITS OF UNDERSTANDING YOUR BRAND

Your organization may fit neatly into one of these options or you may find you are a hybrid of them. Nevertheless, understanding your brand and mapping your brand architecture are important and can bring tangible improvements, such as:
☐Strengthening the brand experience for your audience and ensuring it reinforces and builds the parent brand;

☐Providing a framework for the sub-brands and products to adapt their offerings and positioning to their individual markets;

☐Providing a strategic framework to assess the product portfolio and inform decisions on the relevancy and benefits of sub-brands and products to the overall organizational offering;

☐Identifying gaps or missed opportunities in the organizational offering;

☐Identifying core brands throughout the organization that should be high profile due to their potential to deliver on the primary organizational objective; and

☐Supporting the organization in providing a clear offering to its different markets and avoid misperceptions or confusion amongst your audience that can lead to lost business.

STRATEGIES FOR DEVELOPING AND EXTENDING BRANDS

Two commonly used branding strategies are **Category Extensions** and **Brand Leveraging**

Category Extensions entail entering a product or service category where the brand had not heretofore competed. Extensions can be used to reposition a brand's meaning, but this is often a
slow and costly process, and may backfire if an inconsistent extension is selected.

Further, some brands are so dominant that it is difficult for consumers to learn new
Associations . These are known as **master brands**. Master brands can be extended directly by strengthening the brand's core competencies. Fortifying higher education specially management studies brands through direct extensions simply entails expanding curricula and programs under the umbrella of the institution's brand, on site. Another direct method of extension is expanding the customer group. In higher education specially management studies, this approach is evident in the increased focus on nontraditional students, graduate and professional programs delivered through Web-based technologies, and off-site executive education programs.`
Brand Leveraging Compass shown in below given Figure identifies four principle strategies for leveraging the value of a brand. Strategies on the north-south axis represent vertical branding tactics, whereby new elements are added to an existing brand.
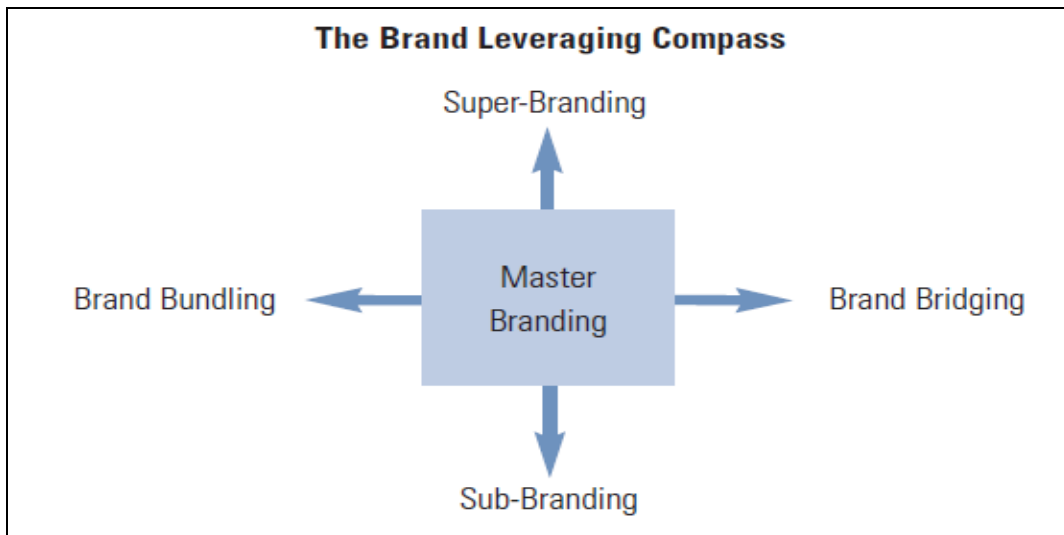
Sub-branding strategies. Sub-branding represents an effort to add an element *below* the level of the master brand. A sub-brand combines with a master brand to create a "dual mark," both of which are owned by the same firm. This is often done with fairly old, established brands. In higher education specially management studies, the technique is fairly straightforward, and can be seen in university sponsored institutes, departments, and the like.

Super-branding strategies. Super-branding represents an attempt to add elements to an existing brand hierarchy *above* the level of the master brand. Typically, this is done to reflect an improvement in the master brand.

Brand-bundling   strategies-Brand-bundling represents an attempt to overcome the limitations of the master brand's strengths via-a-vis the competition by pairing someone else's established brand with your product. This "cross branding" is fairly common in higher education specially management studies,with cross registration agreements and consortia, as well as joint faculty arrangements. Brand-bundling may play an even greater role in the future as 1) established institutions become targets for newer institutions to elevate their credibility or 2) established institutions pair with each other to more effectively compete with the newer institutions.

Brand-bridging strategies - When a firm wishes to move toward a more distant product or service category, the master brand might sponsor a newly created brand until that brand has sufficient strength to stand on its own. Unlike super-branding, the master brand is not initially

hidden. This leapfrogging allows the master brand to stretch farther than it could have without the intervening new brand. This strategy may be especially important as a possible means for individual institutions to reposition in a fairly short time.

IMPACT OF BRANDING ON INSTITUTIONS

"If you don't build a Brand as quickly as possible, someone else may take the position that you want"- These words of **Donald, a Brand Strategist,** are just a hard fact but it reveals the reality that they are worth a lot of money for any Institution. On the other side Higher education

specially management studies is also widely deemed and considered as a great national asset. The strategies presented here may help institutions better position themselves in the minds of their targets, first by measuring their current positions, and second by presenting possible approaches to changing their positions.

There is Both way impact on Institutions of Branding Positive as well as negative.

- The perception of stakeholders are influenced by the branding activities.
- Stakeholders decision for selecting an institute is influenced by Branding activities.
- The students expectations influence the stagies of institutes.
- There are certain psychological and emotional factors which also influence them while Taking admissions.
- Most of the institutions are not fulfilling the given promises.
- Investment in Branding practices results in more revenue generation.
- Branding is the second line investment of educational institutions.
- The result of more branding is more intake of students.

IMPACT OF BRANDING ON STAKEHOLDERS

For any major educational institution, there are four important stakeholders: faculty, students, employers and alumni. In the long run a university is known primarily for its faculty and students. Hence Institutes makes continuous efforts to focus on maximizing the levels of satisfaction of these stakeholders through periodic satisfaction surveys conducted by external agencies.

Academics and the student experience are foundational elements of any higher education specially management institution and are key elements of its brand promise. Institutions that want to actively manage their education brand must first consider how the marketplace perceives their brand promise.

When comparing educational brands, some institutions are leading marketplace perceptions, while others are lagging.

In today's higher education specially management studies specially management studies specially management studies landscape, college and university leaders may well consider principles of brand management to assure their positions vis-à-vis their competitors.

Higher education specially management studies leaders may derive guidance to manage effectively what may be the most important intangible asset a college or university owns—its long-term image and bundle of core meaning.

CONCLUSION

The strategies presented here may help institutions better position themselves in the minds of their targets, first by measuring their current positions, and second by presenting possible approaches to changing their positions. The institutions' goal, however, is not merely to

attract the best students to attend the first day of classes, but rather to retain those students and beyond as loyal alumni. Just as most consumer goods businesses attempt to build life-long relationships with their target customers, so too might higher education specially management studies benefit from focusing on establishing life-long ties with their graduates. By focusing on individuals and strategically establishing their brand accordingly, universities may be better positioned to maintain relevance and prosper well into the future.

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Entrepreneurship Training for Rural Women:
Needs and Solutions

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Abstract:

Entrepreneurships the motive force of economic and social development has a major role in the community development process. In general entrepreneurship is one of the effective factors in rural development. Because entrepreneurship can create new employment and income opportunities, it has an effective role in the improvement of economy and rural livelihood situation. Therefore measure of rural entrepreneurship and efforts to entrepreneurship development in the rural development process through the provision of primary fields which are of special importance. One of the effective factors in the rural entrepreneurship is rural and nomadic women and girls enabler. This will be feasible through educational programs implementation in villages and rural areas. In this paper, we have explanatory comments about rural women entrepreneurship and entrepreneurs' women. Challenges and goals of entrepreneurship training and its strengths and weakness spots in the villages of Yazd province have been studied while addressing the concepts of entrepreneurship. At continue the data from observation, interviews and research questionnaire has been analyzed and at the end some suggestion about the design and implementation of entrepreneurship has been mentioned.

Organizational Change Management

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Title:Changes In Management

Objective: Check that people affected by the change agree with, or at least understand, the need for change, and have a chance to decide how the change will be managed, and to be involved in the planning and implementation of the change. Use face-to-face communications to handle sensitive aspects of organisational change management (see Mehrabian's research on conveying meaning and understanding

Introduction: Almost all people are nervous about change. Many will resist it - consciously or subconsciously. Sometimes those fears are well founded - the change really will have a negative impact for them. In many cases, however, the target population for the change will come to realise that the change was for the better.The pace of change is ever increasing - particularly with the advent of the Internet and the rapid deployment of new technologies, new ways of doing business and new ways of conducting one's life. Organisational Change Management seeks to understand the sentiments of the target population and work with them to promote efficient delivery of the change and enthusiastic support for its results.

Summary:*Changes In Management:* The employee does not have a responsibility to manage change - the employee's responsebility is no other than to do their best, which is different for every person and depends on a wide variety of factors (health, maturity, stability, experience, personality, understand reasons, aims, and ways of responding positively according to employees' own situations and capabilities. Increasingly the manager's role is to interpret, communicate and enable - not to instruct and impose, which nobody really responds to well.

Conclusions: Planning, implementing and managing change in a fast-changing environment is increasingly the situation in which most organizations now work.Dynamic environments such as these require dynamic processes, people, systems and culture, especially for managing change successfully, notably effectively optimising organizational response to market opportunities and threats.

Introduction:

Change is a constant, a thread woven into the fabric of our personal and professional lives. Change occurs within our world and beyond -- in national and international events, in the physical environment, in the way organizations are structured and conduct their business, in political and socioeconomic problems and solutions, and in societal norms and values. As the world becomes more complex and increasingly interrelated, changes seemingly far away affect us. Thus, change may sometimes appear to occur frequently and randomly. We are slowly becoming aware of how connected we are to one another and to our world. Organizations must also be cognizant of their holistic nature and of the ways their members affect one another. The incredible amount of change has forced individuals and organizations to see "the big picture" and to be aware of how events affect them and vice versa.

Organization change

1) "To improve is to change, to be perfect is to change often."--------
winston churchill.

2) "Change when you are still strong & when change appears unnecessary –do not
wait for the day when you have no option but to change"………………………
jamsheed j. Irani

Forces for change

External Forces:

* Government rules and regulation.
* Competition.
*Technological advances.
* Change in people requirements

Internal Forces:

*The domino effect.
* Change in Leadership.
* Introducing new technology.
* For meeting crises.
* organizational life –cycle.

Types of changes:

1. Reactive Change:
Reactive change occurs when a forces compel organization to implement change without delay.

2. Proactive Change:
Proactive change occur when some factor make realize organization think over and finally decide that implementation of particular change is necessary.
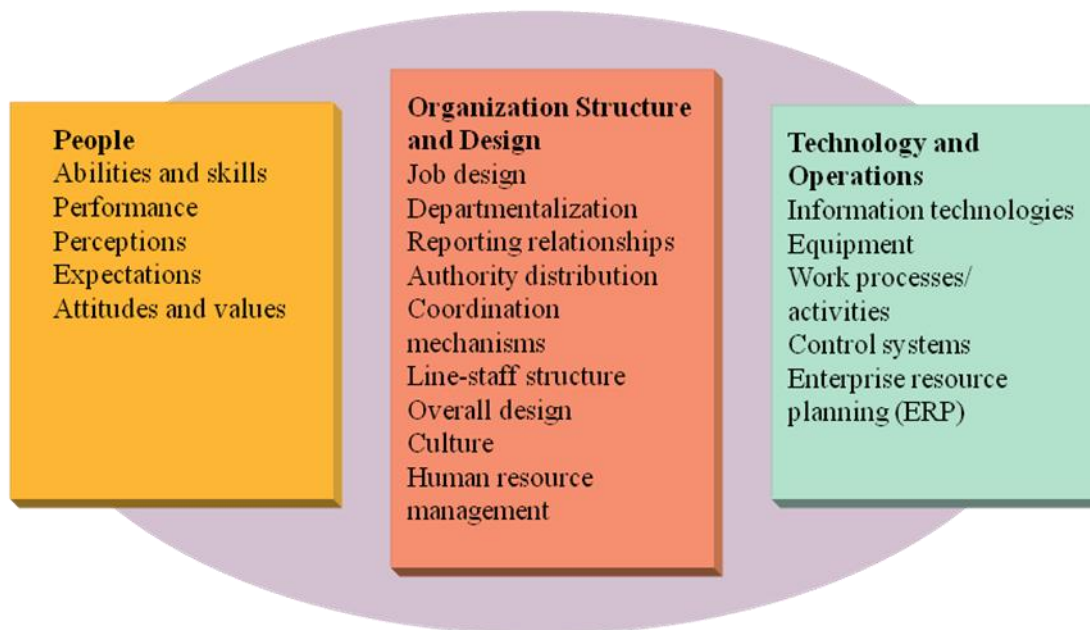
Areas of Organization Change:

Objective:

Organizational change is different for every company. Not every ChangeMaker fits. One group may need a visionary who sees the future so plans can be put in place today that will enable it to thrive tomorrow. Another may need someone to rally the troops and get everyone rowing in the same direction. Still others may need a leader who can quickly adapt to a world that's changing every day
with no clear focus or end point in sight

AREAS OF ORGANIZATION CHANGE

People	Organization Structure and Design	Technology and Operations
Abilities and skills	Job design	Information technologies
Performance	Departmentalization	Equipment
Perceptions	Reporting relationships	Work processes/ activities
Expectations	Authority distribution	Control systems
Attitudes and values	Coordination mechanisms	Enterprise resource planning (ERP)
	Line-staff structure	
	Overall design	
	Culture	
	Human resource management	

Change in Organizations:

Organizational development efforts, whether facilitated by an outside expert or institutionalized

and conducted on an ongoing basis, bring about planned change within organizations and teams.

However, they are but one type of change that occurs in organizations, for change can be both planned and unplanned and can occur in every dimension of the universe. A change in chief justice, appropriations, or staff support can dramatically alter the character of a judicial education organization. Institutional alignment of the state bar, local law schools, area colleges and universities, and judicial professional associations may yield similar impacts.

Planned change takes conscious and diligent effort on the part of the educator or manager. Kanter (1983) originated the concept of the *change master*: a person or organization adept at the art of anticipating the need for and of leading productive change. As a way to reinforce the judicial educator's role in the change process, this term will be used to refer to educators and managers who are interested in effecting change in their organizations or work teams. Change will not occur unless the need for change is critical. Because individuals and organizations usually resist change, they typically do not embrace change unless they must. One OD consultant describes how "pain" drives change (Conner, 1990). Pain occurs when

people pay the price for being in a dangerous situation or for missing a key opportunity. As such, change is needed to relieve the pain.

Lewin's Three-Step Change Model
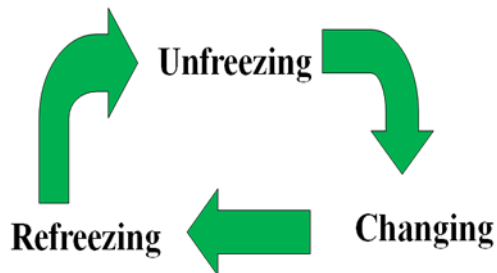
UNFREEZING:

Unfreezing is the process of getting an organization ready for change. As shown in the model of organizations presented in Chapter 1, uncertainty, complexity, and conflict all present barriers to change efforts. The unfreezing stage is the time when resistance can be broken down and therefore when barriers can be lowered.

CHANGING:

If the foundation for change has been laid effectively during unfreezing, the actual movement—implementation of the change plan—should be trivial. In fact, the ease of implementation is generally a good gauge of how well the unfreezing process has broken down potential pockets of resistance. If the process of unfreezing has been handled well, all employees should understand why the change is necessary and their individual roles in the process. However, as is true during other phases of the change process, keeping channels of communication open and active is critical.

REFREEZING:

After a change has been fully implemented, **refreezing** occurs. This is the

process of institutionalization, of making the change into an organizational habit.

FORCES FOR CHANGE:

INTERNAL FORCES: Internal forces for change are signals from inside an organization that change is necessary. Sometimes the signals are direct, such as a strike, which sends a clear message that employees are dissatisfied. The strike leads to negotiations that remedy major problems concerning compensation arrangements or working conditions. At other times, the signals may be more subtle. High levels of absenteeism or turnover may indicate smoldering dissatisfaction among the workforce. In this case, the challenge for management is to anticipate when the numbers are spiraling out of control so that more serious—even catastrophic—problems (such as a walkout, a work slowdown, or wholesale workforce desertion) can be avoided. Internal problems may also be reflected indirectly. Tasks that don't get done on time, messages that do not get received or returned, workers who don't seem to understand their roles, meetings that go on and on and on without resolution—all of these are indirect indications that an organization's management habits are not working and need to be overhauled.

EXTERNAL FORCES: A myriad of forces in our environment can lead to change. This section focuses on what are currently, and to a great extent historically, have been the major catalysts for change in organizations.

Political Forces: Political forces also exert tremendous effects on the behavior of organizations. For example, the affirmative action policies of the 1970s and the comparable worth debates of the 1980s influenced organizations' internal management habits

Technologyp: Rapid advances in technology constitute yet another external force for major change in organizations. The Industrial Revolution forever changed the face of manufacturing

Market Factors: Market factors—both local and global—also lead to change

in organizations. A decreasing market share should be a signal to a company
that changes are needed. Pressure from new competitors may mean that a
company has to slash its prices or institute internal cost-savings programs to
maintain profit margins.

Resistance to Change:

With every major and minor change, resistance typically occurs. Every judicial educator has seen
this tendency, whether the change involves a certain speaker or a particular topic, a customary time of year or time of day to meet, a favorite location for conferences or planning sessions, or a given style for delivering a speech or organizing a paper. This resistance should be accepted as a "given," so that the educator can predict and plan for effectively dealing with inevitable resistance. This section will address some of the causes and types of resistance to change, particularly at the organizational level.

Individual Resistance:

Why does resistance to change occur? The primary reason is that people fear change. They are not usually eager to forego the familiar, safe, routine ways of conducting their business in favor of unknown and possibly unsafe territory. As humans, we tend to prefer routines and accumulate habits easily; however, fear of change may be attributed to more than a tendency toward regularity. Change represents the unknown. It could mean the possibility of failure, the relinquishing or diminishing of one's span of control and authority, or the possibility of success creating further change. It might be that the planned change has little or no effect on the organization whatsoever. Any one of these possibilities can cause doubt and thus fear, understandably causing resistance to the change efforts. Additionally, the transition between the present state and the changed state is difficult for both individuals and organizations. On an individual level, people must be reminded that every transition or change effort begins with an *ending* -- the end of the current state. The first step toward change is going through the process of ending. Endings must be accepted and managed before individuals can fully embrace the change. Even if the impending change is desired, a sense of loss will occur. Because our sense of self is defined by our roles, our responsibilities, and our context, change forces us to redefine ourselves and our world. This process is not easy. William Bridges does an excellent job of discussing the process of individual change in his book

Transitions (1980). In describing the process of ending, Bridges presents the following four stages that individuals must pass through in order to move into the transition state and effectively change:

• *Disengagement*. The individual must make a break with the "old" and with his or her current

definition of self.

• *Disidentification*. After making this break, individuals should loosen their sense of self, so that

they recognize that they aren't who they were before.

• *Disenchantment*. In this stage, individuals further clear away the "old," challenging assumptions and creating a deeper sense of reality for themselves. They perceive that the old way or old state was just a temporary condition, not an immutable fact of life.

• *Disorientation*. In this final state, individuals feel lost and confused. It's not a comfortable state,

but a necessary one so that they can then move into the transition state and to a new beginning.

In this process, it is important to recognize how the change was initiated. While all change is stressful, it is easier to go through the process of ending and into the transition if the change was

internally driven, rather than if it was initiated by an external source. When we make changes in ourlives (e.g., marriage, a new home, or new career), there is a greater sense of control over the change; therefore, we feel more capable of coping with the unpleasant aspects of transition. This is not necessarily true when the change is driven or mandated by an external source (e.g., new job responsibilities, unexpected changes in finances, or job relocation). In externally driven change, the process of transition is more difficult, and there is more resistance as individuals refuse to begin the ending process and make the initial break with the past. This almost innate resistance to externally driven change makes a convincing argument for the change master to facilitate "ownership" of the change efforts by both the change sponsor and the change target. In other words, we should assist others in perceiving the change as desirable and internally driven, rather than an externally driven mandate that

is thrust upon them.

Organizational Resistance:

With even this very brief discussion on the difficulties involved in individual change, it should be apparent that this phenomenon occurs at the organizational level as well.

Organizations, regardless of size, are composed of individuals. The extent to which individuals within the organization can appropriately manage change represents the overall organizational capacity for change. However, there are other factors peculiar to the organizational setting that can act as barriers to implementing change. These include:

• *Inertia*. One of the most powerful forces that can affect individuals and organizations is inertia.

The day-to-day demands of work diminish the urgency of implementing the change effort until

it slowly vanishes within the organization.

• *Lack of Clear Communication*. If information concerning the change is not communicated

clearly throughout the organization, individuals will have differing perceptions and expectations

of the change

Managing Change

"It is not the strongest species that survive, nor the most intelligent, but the ones who are most responsive to change" - Charles Darwin
"To cope with a changing world, an entity must develop the capacity of shifting and changing - of developing new skills and attitudes; in short, the capability of learning" - A De Gues, The Living Company

The **four key factors for success** when implementing change within an organisation are:

- **Pressure for change** – demonstrated senior management commitment is essential

- **A clear, shared vision** – you must take everyone with you. This is a shared agenda that benefits the whole organisation

- **Capacity for change** – you need to provide the resources: time and finance

- **Action** – and performance – "plan, do, check, act" – and keep communication channels open

Worst Practice in Managing Change:

> **"The main dangers in this life are the people who want to change everything or nothing" - Lady Nancy Astor**

four factors for failure in managing change can help identify problems more rapidly, and can show where initial action should be concentrated:

- **Lack of consistent leadership**
- **De-motivated staff kept in the dark**
- **Lack of capacity: budget cuts, no spend-to-save policy, short-term approach to investment, stressed out staff working hard just to stand still**
- **Lack of initiative to "do something different"**

These four factors for failure then lead to the "treadmill effect":-

> **1. No time for reflection, planning and learning**
> **2. No improvement in design and implementation**
> **3. Increasing need to do something**
> **4. Increasing failure and unplanned consequences**
> **5. Go back to 1. and repeat**

The four factors for Success: pressure - shared vision - capacity - action

Factor 1. Pressure for change (the top down approach)

> "**Leadership is getting others to do what you want them to do because they want to do it" - Eisenhower**

Our character is what we do when we think no one is looking"
– H Jackson Brown (Jnr

Factor 2. A clear, shared vision

> **"Businesses are nothing more or less than organisations of people trying to get to a jointly defined future"** – **Professor Howard H Stevenson, Harvard Business School**

> **"As a manager the important thing is not what happens when you are there, but what happens when you are not there"** - **Ken Blanchard**

Factor 3. Capacity for change (resources)

"More business is lost every year through neglect than through any other cause"   -

Jim Cathcart

Factor 4. Action

"We are what we repeatedly do. Excellenc then, is not an act, but a habit" - **Aristotle**

> **"Energy is equal to desire and purpose"** - **Sheryl Adams**

PLAN – DO - CHECK – ACT

Findings

Change is clearly inevitable, and mastering change is, therefore, fundamental to the success of any organization. Organizations which can cope with change and harness its energy will be vital and effective. Judicial organizations are no exception. In fact, the judiciary not only reflects many of the changes occurring in our society today, but it is an institution that also creates and "enforces" change. If the judiciary can become even more effective in managing change, it can create a powerful impact on society as a whole. The challenge for judicial educators is to continue their efforts, often accomplished behind the scenes, to encourage their organizations to anticipate change, to understand the nature of change, and to manage

❖ **Diagnosing necessary change and managing subsequent change is usually not just a matter of objective calculation.**

❖ **Soft problems present various emotional and social dimensions which demand a broad range of managerial change competencies and approaches.**

CASE STUDY

Organisational Change Management issues are often under-estimated or ignored entirely. In fact, people issues collectively account for the majority of project failures.

What Caused The Project To Fail?

This survey looked at disastrous projects. One of the questions asked for the prime cause of the failure.

Although the result did not spell out "people" as the cause, it is interesting to note that many of the causes were to do with the behaviour and skills of the participants. Arguably all but the "technical issues" were related to the capabilities, attitudes and behaviour of people.

Why were the Benefits Not Delivered?
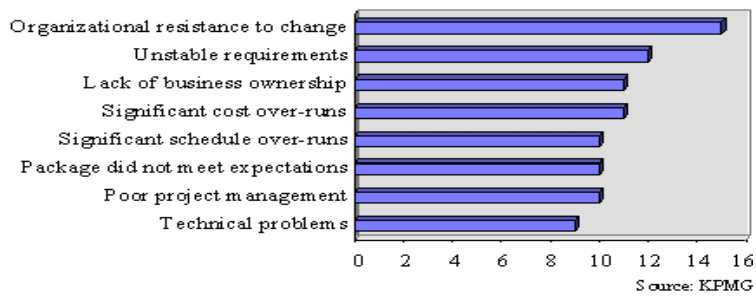
A different study examined whether package implementation projects' benefits had been achieved. Where they had not been delivered, the question "why?" was asked. Top of the list was "organisational resistance to change".

Again, several other causes were related to people, their skills and their behaviour. "Lack of business ownership" is a major responsibility of the Organisational Change Management work. Such things as "unstable requirements", "not meeting expectations", and "poor project management" would also be partly due to behaviours and skills.

Organisational Change Management is a vital aspect of almost any project. It should be seen as a discrete and specialised workstream. Why then, you might ask, do we discuss it as part of the Project Management work. Unfortunately, it is common to find that the human component of the project is not recognised as a separate element of the work. The project management team frequently have to do their best to ensure that a technological change is successfully implanted into the business. In the worst-case scenario, the project leadership do not see this as part of their responsibility either and blame the organisation's line management when their superb new technical solution is not fully successful when put to use.

Not everyone listens attentively to their Chief Executive, so it is important that these messages are cascaded down to all parts of the organisation, with local management echoing and supporting the party line.

Resistance to change

By definition, people are affected by change. A few will comfortably accommodate any degree of change, but most people have a change journey to undertake.

Part of the art of Organisational Change Management is to:

- understand what journey you want which populations to take (it may not be the same for everyone),
- assess what their attitude is likely to be, and
- use that knowledge to guide them in the right direction.

Many people will hide their negative feelings. It is not wise to be openly critical of your bosses and their new ideas. Some people will not even be aware of their own resistance which, nevertheless, affects their behaviour sub-consciously. Understanding their position requires more than listening to what they say. Organisational Change Management specialists use an array of diagnostic tools to uncover the true characteristics and attitudes of the target populations.The most common response to impending change is a negative response where, initially at least, the target population sees the change as a bad or threatening thing. Psychologists have researched these "bad news" responses and found that there is a common emotional response. This chart shows how the individuals oscillate between inactivity and high emotion. Assuming the final outcome can represent a good thing from their perspective, the goal is to leave them in favour of the change and highly motivated to make it work.
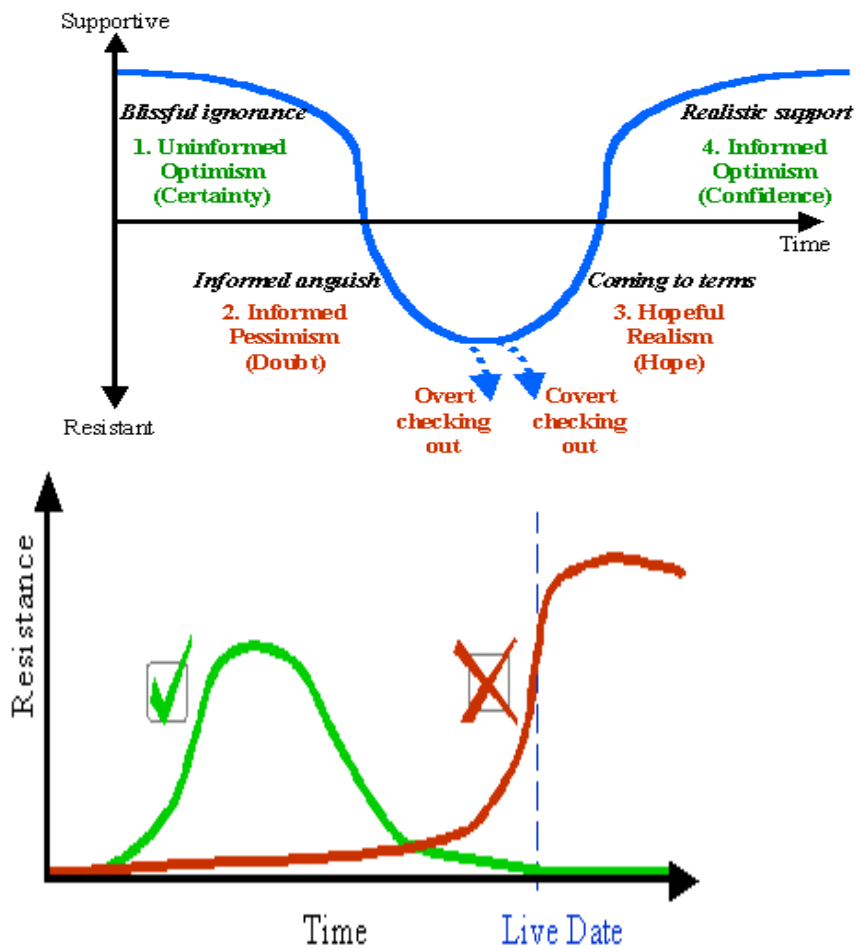
The "Bad New Curve
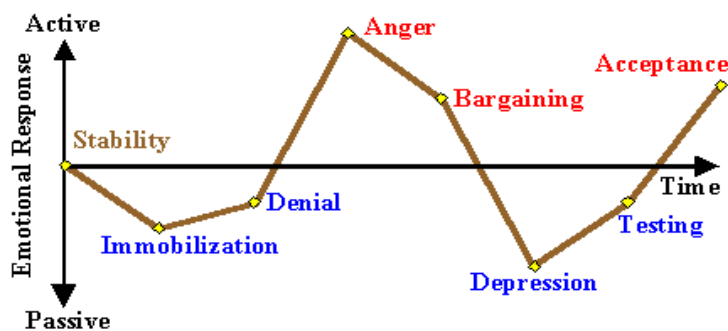
Here are some thoughts that might be expressed by someone passing through the "bad news" curve:

- Oh no!
- It can't be true!
- You cannot be serious!!!
- Can we sort this out some other way?
- That's it - after 20 years of service they want me to...
- Am I going to be part of this?

- Yes, I can live with this - it's not bad really.

The "Good News" Curve

A different emotional curve may occur where individuals are initially in favour of the change. In the "good news" curve, the risk is that they will be disappointed by the reality of the change or the effort it will take to achieve it.

In these cases, you sould recognise the likelihood of disappointment during the change process. Be ready to lift them out of the trough in time to benefit from their enthusiasm.

Resistance to change is normal. The **Human Resource** Manager should expect to encounter it and deal with it. The worst time to encounter resistance is during the cutover to the new solution. Transition is usually a busy, critical, high-risk period when the last thing you need is a lack of co-operation from the target population.

Try to surface issues and resistance earlier in the project so that there is time to get the target population engaged before any damage is caused. Some Organisational Change Management experts suggest that you should deliberately upset the target population early in the project so that you can guide them through the emotional curve and change their attitude. That may be taking the principle too far - but, if there is going to be resistance, try to deal with it early.

Using the right change style

The design of the project's approach should take into account the optimum style of addressing organisational change issues. In general, the target population will be more supportive of the changes if they have been part of the change process. The cynical view is that you should make them feel part of the process even if you prefer to ignore what they have to say. In fact, their active participation is likely to add to the quality of the solution - it should be taken seriously. Conversely, if they feel their views were sought then ignored they are likely to become more resistant.

Working with a broad selection of the target population adds time and cost to the project. The degree to which you involve them will depend on the magnitude of the change. A straightforward non-controversial change may require no previous contact. If, for example, you are simply introducing a new set of expense codes you can publish the message "with

effect from 1st April, new codes must be used as per the attached book". Conversely, if you are making huge changes to the job and lifestyle of the target population you will need to work with them to gain their co-operation, for example, if you wish them to re-locate voluntarily and re-train for substantially altered jobs.

Here are some change styles that may be appropriate:

- **Collaborative** - The target population are engaged in the change process, typically through cascading workshops or meetings. They will be kept up to date on the issues. Their views will be actively sought and acted upon. Feedback will demonstrate how their input has been acted upon.
- **Consultative** - The target population is informed about the changes and their views are sought.
- **Directive** - The workforce is informed about the changes and why those changes are important.
- **Coercive** - The workforce is told that they must obey the new instructions.

Case Study

A large, multi-divisional professional services firm was changing its timesheet system - affecting every member of the organisation. They recognised the need for acceptance and compliance from everyone so they built an all-encompassing sponsorship cascade.

When the team was finalised it was apparent that the sponsorship team was considerably larger than the project team building the new system.

Change Management Principle

- At all times involve and agree support from people within system (system = environment, processes, culture, relationships, behaviours, etc., whether personal or organisational).
- Understand where you/the organisation is at the moment.
- Understand where you want to be, when, why, and what the measures will be for having got there.
- Plan development towards above No.3 in appropriate achievable measurable stages.

- Communicate, involve, enable and facilitate involvement from people, as early and openly and as fully as is possible.

John P Kotter's 'eight steps to successful change'

American John P Kotter (b 1947) is a Harvard Business School professor and leading thinker and author on organizational change management. Kotter's highly regarded books 'Leading Change' (1995) and the follow-up 'The Heart Of Change' (2002) describe a helpful model for understanding and managing change. Each stage acknowledges a key principle identified by Kotter relating to people's response and approach to change, in which people **see**, **feel** and then **change**.

Kotter's eight step change model can be summarised as:

1. **Increase urgency** - inspire people to move, make objectives real and relevant.
2. **Build the guiding team** - get the right people in place with the right emotional commitment, and the right mix of skills and levels.
3. **Get the vision right** - get the team to establish a simple vision and strategy, focus on emotional and creative aspects necessary to drive service and efficiency.
4. **Communicate for buy-in** - Involve as many people as possible, communicate the essentials, simply, and to appeal and respond to people's needs. De-clutter communications - make technology work for you rather than against.
5. **Empower action** - Remove obstacles, enable constructive feedback and lots of support from leaders - reward and recognise progress and achievements.
6. **Create short-term wins** - Set aims that are easy to achieve - in bite-size chunks. Manageable numbers of initiatives. Finish current stages before starting new ones.
7. **Don't let up** - Foster and encourage determination and persistence - ongoing change - encourage ongoing progress reporting - highlight achieved and future milestones.
8. **Make change stick** - Reinforce the value of successful change via recruitment, promotion, new change leaders. Weave change into culture.

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HEALTH AND EQUITY

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Abstract

In recent years, equity in access to health care has emerged as one of the key concerns in global health.The paper describes about the inequalities related to socioeconomic status, geography and gender. Inequity in delivery of health care is analyzed on the basis of utilization of health services by the people in different income quintiles and in different geographical locations. Despite of progress in improving access to health care, inequalities continue to persist. And because of these inequalities there are high out-of-pocket expenditures, and as a result many people fall into poverty line every year. In India , those people who are in the greatest need of health care have the greatest difficulty in accessing health services and least likely to have their health needs met.

The major challenges for equity in health care are equity in service delivery and equity in financing and also include imbalanced resource allocation, limited physical access to quality health services and inadequate human resources for health, high out-of-pocket expenditure and behavioural factors that affect the demand for appropriate health care.

The measures like adoption of equity in monitoring health system, evaluation and strategic planning of health care, development of more equity focused process of decision making in health system will help to ensure a more equitable health care.

*Key words***: -** out-of-pocket expenditure, financing, human resource.

Introduction:

In India despite many improvements in access to healthcare, inequalities related to socioeconomic status, gender and geography are still very much prevailed in India. There is also high-out-of-pocket expenditures, with many people falling into poverty line. In India's healthcare structure there is widespread displacement and disfranchisement of citizens and,

in large parts of the resources – rich hinterland of the country, loss of livelihood and loss of access to common property resources vitiates the right to health. There is gross inequity in health-care delivery in India. The statistics also bring out the wide difference between the attainments of health goals in the better performing states as compared to the low performing states. The national averages of health indicators hide wide disparities in public health facilities and health standards in different parts of the country. But there is situation where national averages in respect of most indices are themselves at unacceptably low levels, the wide inter-state disparity implies that, for vulnerable sections of society in several states, access to public health services is nominal and health standards are grossly inadequate.

Comparing inequalities in health outcomes in terms of infant mortality rate, Life expectancy at birth and maternal mortality rate for India with some south Asian countries it is clear that India is among the poor performs despite high economic rates inrecent times. Compared to countries that enjoy sustained high growth India is extremely backward in terms of health outcomes. In fact, India's health outcomes are comparable to those of countries that have poor Economic growth and health outcomes.

In India the list of groups experiencing some form of inequality or social exclusion is great, although perhaps most frequent mentioned, and most numerous are the scheduled castes and scheduled tribes, who together make a quarter of the population of India. Caste in India represents a social stratification categories routinely used for population based monitoring are scheduled caste , scheduled tribe, other backward caste ,scheduled tribes and scheduled castes are thought to be the most socially disadvantaged groups in India. For example, the infant mortality rate was 82 per 1000 live births in the poorest wealth quintile and 34 per 1000 live births in the richest wealth quintilein2005-06.

Methodology
The secondary data are taken from National Family Health Survey, Annual Health Report by ministry ofhealth and family welfare survey and National Health Policy. The data are used for analysis of inequality in health care in India.

Evidence of disparity in population groups

URBAN	Infant mortality / 1000	Under 5 mortality / 1000
Scheduled castes	50.7	65.4
Scheduled tribes	43.8	53.8
Other disadvantaged	42.2	54.5
Others	36.1	42.1
Wealth index		
Lowest	64.8	92.1
Second	62.4	82.5
Middle	49.8	65.3
Fourth	46.2	53.9
Highest	27.4	32.8

RURAL	Infant mortality / 1000	Under 5 mortality / 1000
Caste Scheduled castes	71.0	94.7
Scheduled tribes	63.9	99.8
Other disadvantaged	61.1	78.7
Others	55.7	68.2
Wealth index Lowest	70.4	100.5
Second	68.5	89.6
Middle	58.3	71.9
Fourth	44.0	51.2
highest	29.2	33.8

Scheduled tribes have a lower infant mortality rate than scheduled castes, the under-five mortality rate is higher among scheduled castes. Other backward classes have mortality than scheduled castes or scheduled tribes, but have higher mortality than other castes at all childhood ages. Overall, the under-five mortality rate is 23 percent higher among OBCs than among the population in the general category.

The infant mortality rate is 70 among children in households in the lowest wealth quintile, 58 in middle quintile households, and only 29 in the highest wealth quintile households. Households in the highest wealth quintile experience only one-third the under-five mortality rate of households in the lower quintile.
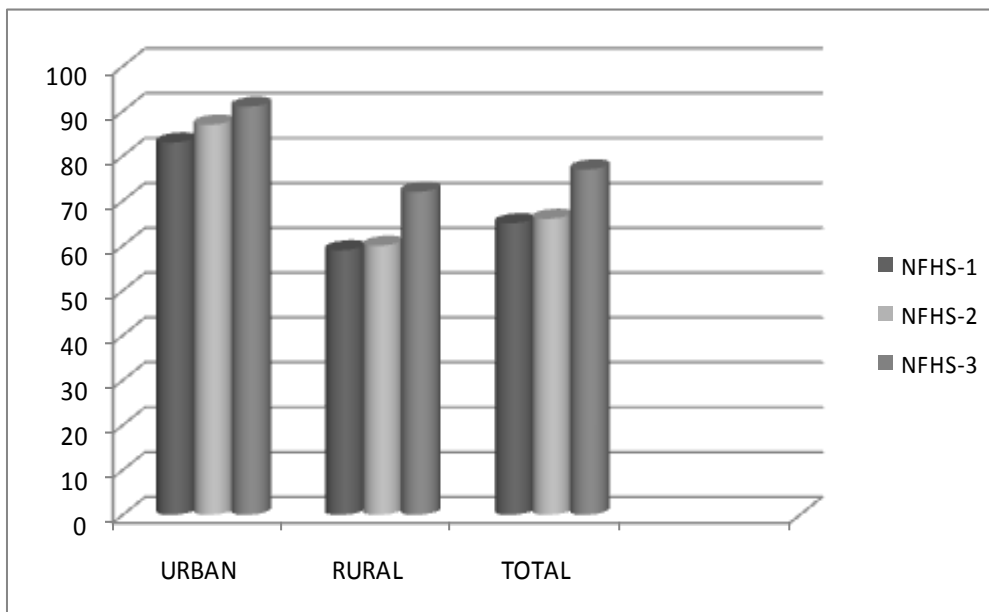
Many of these health inequalities result from a broad set of social, economic and political conditions which influence the level and distribution the level and distribution of health within a population. While some of these inequalities may represent health inequalities that result from the unjust distribution of primary social goods, power and resources.

Interstate differentials

Infant mortality is highest in utter pradesh73 and lowest in Kerala and Goa 15. As far as under –five mortality is considered Uttar Pradesh has the highest rate 96 and Kerala lowest 16. Apart from utter Pradesh high levels of infant and child mortality are found in Chhattisgarh and Madhya Pradesh in the central region, Assam and Arunachal Pradesh in the north-eastern region, Jharkhand, Orissa and Bihar in the eastern region, and Rajasthan in the northern region.

Trends in Antenatal care

There is a huge differential in antenatal care in rural and urban areas.Women not receiving antenatal care tend disproportionately to be in rural and urban. These differentials suggest that improving the coverage of antenatal programmes requires special efforts to reach women who are socioeconomically disadvantaged.

Trends in maternal care indicators

Indicators	NFHS-	NFHS-	NFHS-1

	3	2	
Urban	90.7	86.5	83.0
Percentage who received antenatal care	73.8	70.1	66.8
Percentage who had at least three ANC visits	63.0	55.8	40.9
Percentage who received ANC with in the first trimester of pregnancy	69.4	65.1	58.4
Percentage of deliveries in health facility	75.3	73.3	66.4
Percentage of deliveries assisted by health personnel			
Rural			
Percentage who received antenatal care	72.2	59.9	59.2
Percentage who had at least three ANC visits	42.8	36.9	37.3
Percentage who received ANC with in the first trimester of pregnancy	36.1	26.7	20.2
Percentage of deliveries in health facility	31.1	24.7	16.7
Percentage of deliveries assisted by health personnel	39.9	33.5	25.9
Total	76.9	65.8	64.6
Percentage who received antenatal care	50.7	44.2	43.9
Percentage who had at least three ANC visits	43.0	33.1	24.9
Percentage who received ANC with in the first trimester of pregnancy	40.8	33.6	26.1

Percentage of deliveries in health facility	48.8	42.4	35.1	
Percentage of deliveries assisted by health personnel				

The indicators clearly shows that the percentage of women receiving healthcare facility is much more in urban than in rural. Also, the deliveries assisted by health personnel is much lower in rural. This shows that many women did not receive appropriate care for their deliveries. Thus, there is inequality prevailed among rural and urban women. To remove this inequality efforts should be taken to ensure that women are provided with antenatal and delivery care.

Maternal care in different states

In India only15 percent of women who gave births received all of the required components of antenatal care. This indicator ranges from a high of 64 percent in Kerala and 56 percent in Goa to a low of only 2 percent in Nagaland and 4 percent in Uttar Pradesh. Other states that perform almost as poor as Uttar Pradesh and Nagaland on this indicator include Bihar, Arunachal Pradesh, Madhya Pradesh, Jharkhand, Meghalaya, Rajasthan and Mizoram where only 6-9 percent of women received the recommended components of antenatal care.

Tamil Nadu, with 88 percent of births delivered in medical institutions and 91 percent assisted by health professional, ranks third among the states on these delivery care indicators. By contrast, only 12-20 percent of births are delivered in medical institutions in Nagaland, Chhattisgarh, Jharkhand and Bihar. Only 25-29 percent of deliveries are assisted by health professionals in Nagaland, Uttar Pradesh, Jharkhand and Bihar.

Maternal mortality

The annual report of India shows that India had a maternal mortality ratio of 460 in 1984, which declined to 254 deaths per 100, ooo live births in 2004-2006. Kerala and Tamil Nadu reporting Maternal Mortality Ratio of 95 and 111 respectively, lower than Assam 480, Bihar and Jharkhand 312, Madhya Pradesh and Chhattisgarh 335, Orissa 303, Rajasthan 388 and Uttar Pradesh / Uttarakhand 440. These nine states account for 47 per cent of India's population represent the performance of health indicator in India.

These health indicator shows that there is still a huge interstate disparity which shows that still there is need of improvement in these states. There is need to increase antenatal check up, institutional delivery and delivery by trained personnel in all the states, and urban and rural areas of the country.

Vaccination

Universal immunization of children against the six vaccines – preventable diseases (diphtheria, tuberculosis, whooping cough, tetanus, polio and measles) is crucial to reduce infant and child mortality.

There are considerable interstate differentials in the coverage rates for different for different vaccinations and for children receiving all vaccinations.Nagaland had 21 percent vaccination and Tamil Nadu had 81 percent .Tamil Nadu, Goa, Kerala and Himachal Pradesh stand out in full immunization coverage. Uttar Pradesh had 23 percent, Rajasthan 27 percent, Assam 31 percent, Bihar 33 percent, Jharkhand 34 percent and Madhya Pradesh stand out as having a much lower percentage of children fully vaccinated than the national average of 44 percent. Nagaland, Assam, Arunachal Pradesh and Meghalaya also had a poor record on vaccination coverage.

Inequalities in preventative health care
The utilization of preventive services such as antenatal care and immunization remains suboptimal, with marked variation in the utilization of these services by gender, socioeconomic status, and geography. In 2005.-06, the national immunization coverage was 44%. In 2005-06, immunization coverage among scheduled tribes and scheduled castes was 31.3% and 39.7% respectively compared to 53.8% among other castes with absolute inequalities between these castes increasing overtime. Converge remains higher in urban ares 58% as compared to rural areas 39%.
Similar kinds of patterns of inequalities are seen for antenatal care coverage. There are still inequalities prevailed by wealth, education and urban-rural residence however persist.
Inequalities in terms of curative health care
Inadequate access to proper maternal health services remains an important determinant of maternal mortality. Though the rates of institutional delivery have increased over time, only 40% of women in India report giving birth in any health facility as per 2005-06. There is also difference between the richest and poorest quintile in institutional delivery. Though this difference has declined over time, the absolute percentage point difference in the prevalence of institutional delivery between the poorest and richest has increased to 70 %.

There are marked variations in general hospitalization rates by gender, wealth and urban-rural residence. There is also a gender inequality in untreated morbidity with the likely underreporting of illness among women.
Though the poor are more likely to seek care in the public sector, the rich captured more of their share of public services because they are more likely to utilize these services and also seek care in higher level facilities. The rich are also more likely to be hospitalized and have longer in-patients stays in the public sector.

Even though progress has been made. Inequalities continue to persist in access to services. There are differential trends in uptake and access to services by different groups.

Challenges to achieve equity in health care

Though government programmes being implemented all over India have very little to do with the non- governmental sector though being 4-5 times larger and can improve indicators or outcomes

Population stabilization is ineffective especially in a number of EAG states.

Involvement of community / PRI / local government / user groups in health programmes is weak.

Other challenges are:

Inequitable resource allocation

There should be efficient resource allocation between different levels of services and between different geographical regions. It should be ensured that the availability of the appropriate level of adequate resources everywhere in health services. In India the public health expenditure on health is very low while private expenditures on health have high. India has one of the highest proportions of household out-of-pocket expenditures on health in the world, which is estimated to be 71.1 percent in 2008-09.

The central government per capita expenditures disbursed to states are relatively similar, irrespective of the different capabilities and health needs of different states. Also, there is wide variation in state expenditures on health. Besides this there is also inter-state variations, a greater proportion of resources are allocated to urban based variations and higher level services. This imbalanced allocation is compounded by the private sector's bias towards higher level curative services, which are determined by the market forces.

Physical access

Physical access is a major barrier in both preventive and curative health care services for India's large rural population which is >70%. The number of government hospitals beds in urban areas is more than twice in the number in rural areas. Also, the increased number and development of private sector in urban areas has resulted in an unplanned and unequal geographical distribution of services. The distribution of services of services is an important factor affecting equity in health care, primarily as many vulnerable groups tend to be clustered in areas where services are scarce.

A physical distance to facilities is also a key determinant for access. To overcome this through better transport or outreach, roads and communication network is important for reaching disadvantaged and physical isolated people.

Human resources

India has a great shortage of skilled health practioners. India faces the challenge of sustaining adequate level, skill and distribution of human resources for health, across states and mainly in poor areas. Rural areas are served by over a million rural practioners, and to the surprise many of them are not even formally trained or licensed.

The most disadvantaged are more likely to receive treatment from less qualified providers. There is great need of qualified practioner in India and especially in rural and tribal areas.

Quality

Quality is broadly divided into service and clinical quality. In India, quality in health care is not well understood, with limited evidence to infer how quality affects equity in health care. There is high absenteeism among health workers, limited opening hours, limited availability of drugs and other supplies, poor knowledge. Also, at some places there is lack of proper infrastructure and necessary equipments which ultimately is unable to provide quality treatment to the patients.

Financial constraints

Since there is low level of public financing, lack of comprehensive risk pooling mechanism and high out-of-pocket expenditures there is inequity. There is only very few percentage of people being covered by any form of social or voluntary health insurance. Thus inequalities predominate. Out-of-pocket expenditure on health, as a proportion of household expenditure, has increased over time, in both rural and urban areas. Expenditures on both inpatient and outpatient health care consistently higher in private facilities as compared to public facilities.

Health spending inflation

Health spending inflation is another major factor constraining to health services and equity in financing.

Strategies in achieving equity in health care

There should be an enhancement of investments that need to focus on the public sector. Which include an investment in infrastructure, human resources, and availability of drugs andtechnology. Though some of these are being already addressed by national rural health mission but there is need to widen it more.

Medical students should be send to rural areas for compulsory internship so that they could serve the people over there.

Raising public spending on health to 2-3 %of Gross domestic product.

A Nationalscheme for health insurance for poor families should be started.

Village women to be given responsibility for all development schemes relating to drinking water, sanitation, primary education, primary health and nutrition.

Population stabilization, gender and demographic balance should be done.

Forge a partnership between the central, state and the local governments.

Multilaterals, National and local government, Non Government Organizations, the private sector, pharmaceutical industry, civil society and research and academic institutions all have responsibilities and roles to play in ensuring the success of achieving equity in health and indeed better health governance.

There should be transparency and better leadership and partnerships within the health system, together with systematic assessment and analysis of health system governance it would be possible to achieve equity in health care.

Conclusion

The recent rapid economic growth provides for a unique opportunity to increase financial commitments to support the public health system and health systems research. So the government should take the call to action for the universalization of health. If the equality is not achieved in each and every part of the country, India will not be able to achieve its goal.

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Logistic and Supply chain Management

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Abstract:

In Today's era, because of Globalization the whole globe market comes under the single umbrella. The gigantic successes in the science field ignite technological innovation in the arena of business. Due to this all business houses are somewhat equally competent in technology, services and quality of product. So to make differentiation in the process of providing value to the customer, the Logistic & Supply Chain Management is the only mean.

Logistics Management is .the process of planning, implementing, and controlling the efficient, effective flow and storage of goods, services, and related information from point of origin to point of consumption for the purpose of conforming to customer requirements."The Logistic includes inbound & outbound Logistics and return of materials .supply chain management encompasses the planning and management of all activities involved in sourcing, procurement, conversion, and logistics management. It also includes the crucial components of coordination and collaboration with channel partners.

The Logistics and Supply Chain Management engrosses Customer service management, Procurement, Product development and commercialization, Manufacturing flow management/support, Physical distribution, Outsourcing/partnerships, Performance measurement, Warehousing management. The purpose of supply chain management is to create the effect of Just in Time, improve trust and collaboration among supply chain partners, and the velocity of inventory movement. From production level to supply level accounting all transit damage cases & arrange to settlement at customer level by maintaining company loss through insurance company.

KEY WORDS: Gigantic, Ignite, Arena, Encompasses, Engrosses

INTRODUCTION:

If you go to a Supermarket and pick up a few items of the shelf from electronics and white goods or even clothes and look at the labels, chances are that you will find them having been manufactured in China or Mexico. The coffee pods you buy to use for your everyday use comes from Africa. Computers have been shipped out of South American Factories and Soft furnishings on the shelves are from India and Hong Kong.

Global markets are expanding beyond borders and re-defining the way demand and supplies are managed. Global companies are driven by markets across continents. In order to keep the cost of manufacturing down, they are forced to keep looking to set up production centers where cost of raw materials and labor is cheap. Sourcing of raw materials and vendors to supply the right quality, quantity and at right price calls for dynamic procurement strategy spanning across countries.

With the above scenario you find companies procuring materials globally from various vendors to supply raw materials to their factories situated in different continents. The finished goods out of these different factory locations then pass through different chains of distribution network involving warehouses, exports to different countries or local markets, distributors, retailers and finally to the end customer.

Logistics is the one important function in business today. No marketing, manufacturing or project execution can succeed without logistics support. For companies, 10 per cent to 35 per cent of gross sales are logistics cost, depending on business, geography and weight/value ratio.

Logistics is comparatively a new term, but not the operation. Logistics has existed since the beginning of civilisation. Raw material and finished products had always to be moved, though on a small scale. Things began changing with the advance in transportation. Population began moving from rural to urban areas and to business centres. No longer did people live near production centres, nor did production take place near residence centres. The geographical distance between the production point and consumption point increased. And logistics gained importance.

Another factor has come into play recently. Since the early 1990′s, the business scene has changed. The globalization, the free market and the

competition has required that the customer gets the right material, at the right time, at the right point and in the right condition… at the lowest cost.

In simple language, managing all of the above activities in tandem to manage demand and supply on a global scale is Supply Chain Management. **As per definition SCM is the management of a network of all business processes and activities involving procurement of raw materials, manufacturing and distribution management of Finished Goods**. SCM is also called the art of management of providing the Right Product, At the Right Time, Right Place and at the Right Cost to the Customer.

LOGISTIC:

Introduction:

The term *logistics* comes from the Greek *logos* (λόγος), meaning "speech, reason, ratio, rationality, language, phrase", and more specifically from the Greek word *logistiki* (λογιστική), meaning accounting and financial organization..

Logistics is considered to have originated in the military's need to supply themselves with arms, ammunition and rations as they moved from their base to a forward position. In ancient Greek, Roman and Byzantine empires, military officers with the title *Logistikas* were responsible for financial and supply distribution matters

Definations:

1) **Logistics** - (*business definition*) Logistics is defined as a business planning framework for the management of material, service, information and capital flows. It includes the increasingly complex information, communication and control systems required in today's business environment. -- (Logistix Partners Oy, Helsinki, FI, 1996)

2) **Logistics** - (*military definition*) The science of planning and carrying out the movement and maintenance of forces.... those aspects of military operations that deal with the design and development, acquisition, storage, movement, distribution, maintenance, evacuation and disposition of material; movement, evacuation, and hospitalization of personnel; acquisition of construction, maintenance, operation and disposition of facilities; and acquisition of furnishing of services. -- (JCS Pub 1-02 excerpt)

3) **Logistics** - The procurement, maintenance, distribution, and replacement of personnel and materiel.

Logistics is the management of the flow of goods between the point of origin and the point of destination in order to meet the requirements of customers or corporations. Logistics involves the integration of information, transportation, inventory, warehousing, material handling, and packaging, and often security.

Today the complexity of production logistics can be modeled, analyzed, visualized and optimized by plant simulation software, but is constantly changing. This can involve anything from consumer goods such as food, to IT materials, to aerospace and defense equipment.

Logistics fields

Given the services performed by logistics, one can distinguish the main fields of it as it follows:

- Procurement Logistics
- Production Logistics
- Distribution Logistics
- After sales Logistics
- Disposal Logistics

Procurement Logistics consists of activities such as market research, requirements planning, make or buy decisions, supplier management, ordering, and order controlling. The targets in procurement logistics might be contradictory - maximize the efficiency by concentrating on core competences, outsourcing while maintaining the autonomy of the company, and minimization of procurement costs while maximizing the security within the supply process.

Production Logistics connects procurement to distribution logistics. The main function of production logistics is to use the available production capacities to produce the products needed in distribution logistics. Production logistics activities are related to organizational concepts, layout planning, production planning, and control.

Distribution Logistics has, as main tasks, the delivery of the finished products to the customer. It consists of order processing, warehousing, and transportation. Distribution logistics is necessary because the time, place, and quantity of production differs with the time, place, and quantity of consumption.

Disposal Logistics' main function is to reduce logistics cost(s), enhance service(s), and save natural resources.

There are mainly three type of logistic functions :

Military logistic

In military science, maintaining one's supply lines while disrupting those of the enemy is a crucial—some would say the most crucial—element of <u>military strategy</u>, since an armed force without resources and transportation is defenseless. The defeat of the British in the <u>American War of Independence</u> and the defeat of the Axis in the African theatre of <u>World</u>

War II are attributed to logistical failure. The historical leaders Hannibal Barca, Alexander the Great, and the Duke of Wellington are considered to have been logistical geniuses.

Militaries have a significant need for logistics solutions, and so have developed advanced implementations. Integrated Logistics Support (ILS) is a discipline used in military industries to ensure an easily supportable system with a robust customer service (logistic) concept at the lowest cost and in line with (often high) reliability, availability, maintainability and other requirements as defined for the project.

In military logistics, logistics officers manage how and when to move resources to the places they are needed.

Supply chain management in military logistics often deals with a number of variables in predicting cost, deterioration, consumption, and future demand. The US Military's categorical supply classification was developed in such a way that categories of supply with similar consumption variables are grouped together for planning purposes. For instance, peacetime consumption of ammunition and fuel will be considerably less than wartime consumption of these items, whereas other classes of supply such as subsistence and clothing have a relatively consistent consumption rate regardless of war or peace. Troops will always require uniform and food. More troops will require more uniforms and food.

Some classes of supply have a linear demand relationship—as more troops are added more supply items are needed—as more equipment is used more fuel and ammunition is consumed. Other classes of supply must consider a third variable besides usage and quantity: time. As equipment ages more and more repair parts are needed over time, even when usage and quantity stays consistent. By recording and analyzing these trends over time and applying to future scenarios, the US Military can accurately supply troops with the items necessary at the precise moment they are needed. History has shown that good logistical planning creates a lean and efficient fighting force. Lack thereof can lead to a clunky, slow, and ill-equipped force with too much or too little supply.

Business logistics

A logistics provider's warehouse of goods being stacked on pallets with a forklift.

Logistics as a business concept evolved in the 1950s due to the increasing complexity of supplying businesses with materials and shipping out products in an increasingly globalized supply chain, leading to a call for experts called supply chain logisticians. Business logistics can be defined as "having the right item in the right quantity at the right time at the right place for the right price in the right condition to the right customer", and is the science of process and incorporates all industry sectors. The goal of logistics work is to manage the fruition of project life cycles, supply chains and resultant efficiencies.

In business, logistics may have either internal focus (inbound logistics), or external focus (outbound logistics) covering the flow and storage of materials from point of origin to point of consumption (see supply chain management). The main functions of a qualified logistician include inventory management, purchasing, transportation, warehousing, consultation and the organizing and planning of these activities. Logisticians combine a professional knowledge of each of these functions to coordinate resources in an organization. There are two fundamentally different forms of logistics: one optimizes a steady flow of material through a network of transport links and storage nodes; the other coordinates a sequence of resources to carry out some project.

Production logistics

The term *production logistics* is used to describe logistic processes within an industry. The purpose of production logistics is to ensure that each machine and workstation is being fed with the right product in the right quantity and quality at the right time. The concern is not the transportation itself, but to streamline and control the flow through value-adding processes and eliminate non–value-adding ones. Production logistics can be applied to existing as well as new plants. Manufacturing in an existing plant is a constantly changing process. Machines are exchanged and new ones added, which gives the opportunity to improve the production logistics system accordingly. Production logistics provides the means to achieve customer response and capital efficiency.

Production logistics is becoming more important with decreasing batch sizes. In many industries (e.g. mobile phones), a batch size of one is the short-term aim, allowing even a single customer's demand to be fulfilled efficiently. Track and tracing, which is an essential part of production logistics—due to product safety and product reliability issues—is also gaining importance, especially in the automotive and medical industries.

SUPPLY CHAIN MANAGEMENT:

Supply chain **management (SCM)** is the management of a network of interconnected businesses involved in the ultimate provision of product and service packages required by end customers (Harland, 1996).[2] Supply chain management spans all movement and storage of raw materials, work-in-process inventory, and finished goods from point of origin to point of consumption (supply chain).

Definitions

More common and accepted definitions of supply chain management are:

1) Managing upstream and downstream value added flow of materials, final goods and related information among suppliers; company; resellers; final consumers is supply chain management

2) Global supply chain forum - supply chain management is the integration of key business processes across the supply chain for the purpose of creating value for customers and stakeholders (Lambert, 2008)

3) According to the <u>Council of Supply Chain Management Professionals</u> (CSCMP), supply chain management encompasses the planning and management of all activities involved in <u>sourcing</u>, <u>procurement</u>, conversion, and <u>logistics management</u>. It also includes the crucial components of coordination and collaboration with <u>channel partners</u>, which can be <u>suppliers</u>, <u>intermediaries</u>, third-party service providers, and <u>customers</u>.

In essence, supply chain management integrates <u>supply and demand</u> management within and across companies. More recently, the loosely coupled, self-organizing network of businesses that cooperate to provide product and service offerings has been called the *<u>Extended Enterprise</u>*.

A supply chain, as opposed to supply chain management, is a set of organizations directly linked by one or more of the upstream and downstream flows of products, services, finances, and information from a source to a customer. Managing a supply chain is 'supply chain management' (Mentzer *et al.*, 2001).

<u>Supply chain management software</u> includes tools or modules used to execute supply chain transactions, manage supplier relationships and control associated business processes.

Supply chain event management (abbreviated as SCEM) is a consideration of all possible events and factors that can disrupt a supply chain. With SCEM possible scenarios can be created and solutions devised.

One could suggest other key critical supply business processes which combine these processes stated by Lambert such as:

a. Customer service management
b. Procurement
c. Product development and commercialization
d. Manufacturing flow management/support
e. Physical distribution
f. Outsourcing/partnerships
g. Performance measurement
h. Warehousing management

a) Customer service management process

Customer Relationship Management concerns the relationship between the organization and its customers. Customer service is the source of customer information. It also provides the customer with real-time information on scheduling and product availability through interfaces with the company's production and distribution operations. Successful organizations use the following steps to build customer relationships:

- determine mutually satisfying goals for organization and customers
- establish and maintain customer rapport
- produce positive feelings in the organization and the customers

b) Procurement process:

Strategic plans are drawn up with suppliers to support the manufacturing flow management process and the development of new products. In firms where operations extend globally, sourcing should be managed on a global basis. The desired outcome is a win-win relationship where both parties benefit, and a reduction in time required for the design cycle and product development. Also, the purchasing function develops rapid communication systems, such as <u>electronic data interchange</u> (EDI) and Internet linkage to convey possible requirements more rapidly. Activities related to obtaining products and materials from outside suppliers involve resource planning, supply sourcing, negotiation, order placement, inbound transportation, storage, handling and <u>quality assurance</u>, many of which include the responsibility to coordinate with suppliers on matters of scheduling, supply continuity, hedging, and research into new sources or programs.

c) Product development and commercialization:

Here, customers and suppliers must be integrated into the product development process in order to reduce time to market. As product life cycles shorten, the appropriate products must be developed and successfully launched with ever shorter time-schedules to remain competitive. According to Lambert and Cooper (2000), managers of the product development and commercialization process must:

1. coordinate with customer relationship management to identify customer-articulated needs;
2. select materials and suppliers in conjunction with procurement, and
3. develop production technology in manufacturing flow to manufacture and integrate into the best supply chain flow for the product/market combination.

d) Manufacturing flow management process:

The manufacturing process produces and supplies products to the distribution channels based on past forecasts. Manufacturing processes must be flexible to respond to market changes and must accommodate mass customization. Orders are processes operating on a just-in-time (JIT) basis in minimum lot sizes. Also, changes in the manufacturing flow process lead to shorter cycle times, meaning improved responsiveness and efficiency in meeting customer demand. Activities related to planning, scheduling and supporting manufacturing operations, such as work-in-process storage, handling, transportation, and time phasing of components,

inventory at manufacturing sites and maximum flexibility in the coordination of geographic and final assemblies postponement of physical distribution operations.

e) Physical distribution

This concerns movement of a finished product/service to customers. In physical distribution, the customer is the final destination of a marketing channel, and the availability of the product/service is a vital part of each channel participant's marketing effort. It is also through the physical distribution process that the time and space of customer service become an integral part of marketing, thus it links a marketing channel with its customers (e.g., links manufacturers, wholesalers, retailers).

f) Outsourcing/partnerships:

This is not just outsourcing the procurement of materials and components, but also outsourcing of services that traditionally have been provided in-house. The logic of this trend is that the company will increasingly focus on those activities in the value chain where it has a distinctive advantage, and outsource everything else. This movement has been particularly evident in <u>logistics</u> where the provision of transport, warehousing and inventory control is increasingly subcontracted to specialists or logistics partners. Also, managing and controlling this network of partners and suppliers requires a blend of both central and local involvement. Hence, strategic decisions need to be taken centrally, with the monitoring and control of supplier performance and day-to-day liaison with logistics partners being best managed at a local level.

g) Performance measurement:

Experts found a strong relationship from the largest arcs of supplier and customer integration to market share and profitability. Taking advantage of supplier capabilities and emphasizing a long-term supply chain perspective in customer relationships can both be correlated with firm performance. As logistics competency becomes a more critical factor in creating and maintaining competitive advantage, logistics measurement becomes increasingly important because the difference between profitable and unprofitable operations becomes more narrow. A.T. Kearney Consultants (1985) noted that firms engaging in comprehensive performance measurement realized improvements in overall productivity. According to experts, internal measures are generally collected and analyzed by the firm including

1. Cost
2. Customer Service
3. Productivity measures
4. Asset measurement, and
5. Quality.

External performance measurement is examined through customer perception measures and "best practice" benchmarking, and includes 1) customer perception measurement, and 2) best practice benchmarking.

h) Warehousing management:

As a case of reducing company cost & expenses, warehousing management is carrying the valuable role against operations. In case of perfect storing & office with all convenient facilities in company level, reducing manpower cost, dispatching authority with on time delivery, loading & unloading facilities with proper area, area for service station, stock management system etc.


The Six "Rights" of Logistics & Distribution Management

For the right cost — The right product — In the right quantities — And the right condition — To the right place — At the right time

Problems addressed by supply chain management

Supply chain management must address the following problems:

- **Distribution Network Configuration**: number, location and network missions of suppliers, production facilities, distribution centers, warehouses, cross-docks and customers.
- **Distribution Strategy**: questions of operating control (centralized, decentralized or shared); delivery scheme, e.g., direct shipment, pool point shipping, cross docking, DSD

(direct store delivery), closed loop shipping; mode of transportation, e.g., <u>motor carrier</u>, including truckload, <u>LTL</u>, parcel; <u>railroad</u>; intermodal transport, including TOFC (trailer on flatcar) and COFC (container on flatcar); ocean freight; airfreight; replenishment strategy (e.g., pull, push or hybrid); and transportation control (e.g., owner-operated, <u>private carrier</u>, <u>common carrier</u>, contract carrier, or <u>3PL</u>).

- **Trade-Offs in Logistical Activities**: The above activities must be well coordinated in order to achieve the lowest total logistics cost. Trade-offs may increase the total cost if only one of the activities is optimized. For example, full truckload (FTL) rates are more economical on a cost per pallet basis than less than truckload (LTL) shipments. If, however, a full truckload of a product is ordered to reduce transportation costs, there will be an increase in inventory holding costs which may increase total logistics costs. It is therefore imperative to take a systems approach when planning logistical activities. These trade-offs are key to developing the most efficient and effective Logistics and SCM strategy.

- **Information**: Integration of processes through the supply chain to share valuable information, including demand signals, forecasts, inventory, transportation, potential collaboration, etc.

- **Inventory Management**: Quantity and location of inventory, including raw materials, work-in-process (WIP) and finished goods.

- **Cash-Flow**: Arranging the payment terms and methodologies for exchanging funds across entities within the supply chain.
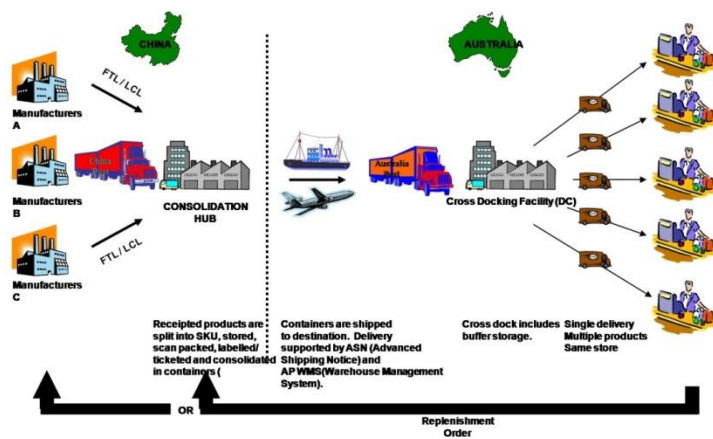
Why SCM strategy is important for an Organization:

Supply Chain Strategies are the critical backbone to Business Organizations today. Effective Market coverage, Availability of Products at locations which hold the key to revenue recognition depends upon the effectiveness of Supply Chain Strategy rolled out. Very simply stated, when a product is introduced in the market and advertised, the entire market in the country and all the sales counters need to have the product where the customer is able to buy and take delivery. Any glitch in product not being available at the right time can result in drop in customer interest and demand which can be disastrous. Transportation network design and management assume importance to support sales and marketing strategy.

Inventory control and inventory visibility are two very critical elements in any operations for these are the cost drivers and directly impact the bottom lines in the balance sheet. Inventory means value and is an asset of the company. Every business has a standard for inventory turnaround that is optimum for the business. Inventory turnaround refers to the number of times the inventory is sold and replaced in a period of twelve months. The health of the inventory turn relates to the health of business.

In a global scenario, the finished goods inventory is held at many locations and distribution centers, managed by third parties. A lot of inventory would also be in the pipeline in transportation, besides the inventory with distributors and retail stocking points. Since any loss of inventory anywhere in the supply chain would result in loss of value, effective control of inventory and visibility of inventory gains importance as a key factor of Supply Chain Management function.

Socio-Technical Systems: A Step to Healthcare Reform

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Objectives:

Help administrators, health care providers to renew their search for "best practices" around the country.

Help hospitals to reduce their complexity & provide them a new paradigm that will improve their efficiency and effectiveness regardless of the outcome.

Background:

This paper suggest that implementing an organizational change model- Socio-Technical System Design, can led to more teamwork, communication and improved patient service delivery in all areas of hospital operations. Within the STS frame, staff records detailed steps or unit operations in their patient care processes, andthen engage physicians in determining what could go wrong in each of these unit operations.

Result:

Changing the way how things happen and improving on these steps can become a team effort involving both social and technical solutions.

Conclusion:

Socio-Technical System design in hospitals can help to change the dominant physician focused culture which would be the result of such a successful OD intervention.

Keywords: hospital management, healthcare reform, OD intervention

Introduction:

Basically this topic is composed of two different systems- Socio-Technical & Healthcare. Before going into depth of it, first of all we would like to give a brief introduction of socio-

technical system and the culture of healthcare particularly in context of socio-technical aspect.

Socio-Technical System:

The term socio-technical system (STS) was coined in the 1960s by Eric Trist, Ken Banforth & Fred Emery, who were working as a consultant in Tavistock Institute, London.

STS pertains to theory regarding the social aspect of people and society and technical aspect of organizational structure and process. Here the word technical does not necessarily imply material technology. The focus is on procedure and related knowledge. Basically STS in organizational development is an approach to complex work design that recognizes the interaction between people and technology within workspace. And by this interaction organizational characteristics are modified either for better or for worst depending upon the optimization of both the elements.

The culture of Healthcare:

The culture of healthcare is dependent on technology for progress if we see it from medicine point of view.

Microscope invented in 1590, was used by Anton van Leeuwenhoek in 1675 for examination of blood, cells and bacteria. This heralded a revolution in Medical science, as a result of it researchers now have a detailed understanding of structure of organs in health and disease.

From Clinician point of view:

In 1816 Rene Laennec invented the stethoscope. Basically it was the first diagnostic tool for clinician. Since then diagnostic tools refined many times and now clinicians have adopted iterative modification of technology into their practice and now-a-days clinicians whole diagnosis is dependent upon technology.

In current scenario a vast array of technological resources are available in clinical practice.

Dependency over technology:

Technology has assisted various evolutions of scientific methods in healthcare. Like, in-vitro fertilization – to help clinician review medical literature on an online database. It also helps clinician to learn new skills to help complex statistical calculations in studies etc.

As a whole, technology brought few huge alteration in healthcare structure specially hospital's structure and function and these alteration will keep going on. Implementation of technology may be entirely transparent and may be welcomed by individuals and groups. Like, most physicians embraced pagers and cell phone technology because it allowed them to reach and respond remotely.

However, some technologies are intrusive and significantly change the workflow. Like-Electronic Health Record (EHR)

<u>Socio-Technical System and Current Scenario of Healthcare</u>:

In the past, the clinical workflow of physician was independent of technology but now with the advent of EHR like technology there would be interdependence between social and technical aspect of patient care.

The socio-technical view attempts to understand the contribution of this phenomena at the human social level to the performance of technical system. STSs analysis provided us a powerful framework with which to analyse the reasons behind poor acceptability, uptake and performance of many information and communication technology (ICT) interventions. Probably it is because of healthcare systems that are so dependent on complex human organizational structure. They seem particularly suitable to socio technical analysis.

So as information technologies seem crucial to the development of sustainable health services, also every Information Technology (IT) intervention seems to generate an unanticipated consequence. It is with some concern that many now are recognising that the unanticipated consequence of IT use in healthcare includes mishaps and errors that may have negative consequences. It seems like a drawback of STS but it can happen with any technological artefact if it comes past human hands. It can produce an unexpected outcome which can never have been dreamt by its designer.

After reviewing the literature what we find that most of the STS literature in Health Informatics is focussed at the implementation level, identifying the types of socio-technical interaction occurring when humans use IT in health setting. STS analysis is focussed on IT implementation, shedding light on why apparently well intentioned system designs end up being rejected by their users.

Often STS thinking is used as a means of critique, pointing out the limitation of technology driven thinking, when faced with deep complexity of human social organizational structure. However, STS analysis at its most extreme can generate an anti-technology belief that because technology in human hands underperform or misbehaves, it must be bad where once users were to blame when technology was not used the way it was designed. Sometimes it seems those technologists are to be blame for not designing the technology for all the ways in which their systems are misused.

STS thinking needs to be much more than a means of criticising current practices and ICT implementation. It also needs to concentrate on the process of developing new, safer and more effective ICT system. Specifically we need to develop a formal design language for translating insights about the socio-technical nature of clinical work, into design specification that result in better intervention at work place.

Getting Technical about Socio- Technical System Design

When shaping artefacts that are to be used in organizational settings, we do not just design technology; we have to design entire socio-technical systems. In other words, the objects of our design are not just specific protocols, or technologies, or even individual human–technological interactions, but include an attempt to shape, or at least accommodate, the social environment. Design and evaluation are entwined processes, which, respectively, shape artefact design or requirements for design. Evaluation methods are now usually understood to be either *formative*, exploring the kinds of needs that might exist, or *summative*, testing whether these hypothesized needs have been met or need to be revised. Similarly we might describe designs as either being *provocative*, used as a means to generate responses from people to illuminate their needs, or *summative*, attempting to meet the needs that have been understood. Everything is designed to meet some purpose, within some context. Theories of context thus shape what we choose to account for in design and testing. One potentially powerful theoretical approach is to see organizational context as a multi-agent universe, with interactions between agents mediated by technologies, and commitments to particular tasks, agents or tools are shaped by scarcity of resources, and the resultant competition for them. With this theory of context, evaluation of the performance of a STS only makes sense if there is an account given of the resources that are available in the

environment and the competition that occurred for those resources at the time of the evaluation. For example, one would not attempt to measure how long it takes to carry out a task using a piece of software in a clinical setting without knowing whether the person using the software was also busy with other tasks at the time, and whether they might have been interrupted by other people, or indeed other software elements, competing for their attention, memory and time. Seeing context shaped by scarcity of resources thus allows us to conceive of design goals targeted towards system effectiveness and safety, but should also be rich enough to handle design goals like sustainability, flexibility and adaptability. Consequently our logic of design must take account of context, and specifically resources and competition for resources. Designing just for an individual using a system implicitly makes an assumption that the individual is completely committed to the task of using our system. This *single-task assumption* might make sense 'in vitro' when developing a design in controlled or closed-system test settings, but breaks down 'in vivo' when our informatics interventions are used in complex or open system organizational settings.

Constraints in implementation of socio-technical system

During implementation, not only the most challenging but also the most flexible design will face constraints to adapt to the changes in its environment.

There are a few factors which impose the resistance in the implementation of socio-technical system in health care. Basically resistance to change is the action taken by individuals and groups when they perceive that change is a threat to them.

There are three phases of change:

1) Inertia:

The healthcare providers are well acquainted with traditional health care delivery system which requires less technical support and they feel very comfortable with it. By the implementation of new socio-technical system they perceive a threat of change to them. This attitude of professionals acts as an inertia of force towards the technology.

2) Transition:

Switch over from a less technological working environment to a technology dependent working environment faces following constraints like resource allocation and motivation and behavioral changes.

3) Achieving the new model:

After properly managing the above two phases, the phase of achieving the new model comes. This phase requires a lot of training program for health care provider from management side. While from the employees and health care providers side it needs a high level of commitment.

Overcoming from constraints:

We can overcome from all constraints by implementing following six steps:

a) Involve all stakeholders: Implementation of socio-technical system is a decision which will directly affect the stakeholders and before taking such a decision if we involve all the stakeholders in preparing strategic plans and decision making, we can get a high level of commitment from their side.

b) Create effective lines of communication: It is a system which is based on interaction of people and technology and for a good interaction an effective line of communication is must, which should be both upward and downward. This enables people of the organization to make themselves aware of the changes.

c) Identify champions: While implementing a new idea, the organization should identify key persons. The persons who are essential for such type of implementation like experts of various departments or representatives of stakeholders.

d) Alleviate fears: Regarding the implementation of any new system stake holders feels the fears of insecurity, high dependence and replacement. Organization should reduce their fears by making them aware of changes.

e) Collaborate to solve problems: During the implementation or after the implementation if any problem arises then there should be a collaboration to deal with the problem.

f) Elicit Feedback: Feedback is most important step for overcoming the constraints.

- It makes the organization-
- Aware of what stakeholders feel about change or new system.

- Whether there is a need for improvement or any change in the system?

- Lastly, what kind of change will make the stakeholders familiar about the system?

After implementing all six steps we can overcome the constraints but success or failure of the system depends upon the outcome and consequences.

g) <u>United consequences of technological change:</u>

- Changes in workflow may not improve overall system efficiency.

- Clinician may be unable to adapt to the change.

- Outcome measure may not be positive.

- The implementation is just as important as the technology or the system.

h) <u>Managing consequences:</u>

- Organizations look for the right people, for the right tasks at all the level to lead the changes.

- Organization make a fundamental choice- either adapt work process to new technology or adapt technology to current workflow.

- Adapting work process requires leadership to carefully manage change.

- By adapting technology to current work process is counterproductive in most cases.

- No significant long term improvement

- Less adaptable to future changes.

Conclusion:

The socio-technical view is not just the arrival of sociological thinking to explain what people do when they use technology. Socio-technical thinking allows us to think about a broad class of phenomena that are crucial to deciding which technology gets built, how it is designed, and how it fares once it is used in the real world. Formal theories of design that incorporate measurable socio-technical phenomena have the power to permit radical preconceptions about what we build, and how we build it.

Basically, Socio-Technical System design in hospitals can help to change the dominant physician-focused culture which would result in a successful Organizational Development intervention. Although this system has some of its own complications but we can overcome

it by few small interventions. A successful implementation of Socio-Technical System can bring a huge revolution in Healthcare Delivery System.

The impact Of Socio-technical Change in Healthcare Delivery System:-

• Improvement in quality and process

• Improved process and outcome measures

• Improvement in efficiency

• Enhanced workflow

• Improved efficiency of procedures dependent on technology

• Improvement in safety

• Reduction in errors

• Changes in job descriptions

• Role for new experts in healthcare IT

• Role for clinicians who are technologists, and technical specialists who have exposure to the clinical environment

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IMPACT OF GLOBALISATION ON POVERTY REDUCATION IN INDIA

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ABSTRACT

IMPACT OF GLOBALISATION ON POVERTY REDUCATION IN INDIA

The term globalization means international integration. It includes an array of social, political and economic changes. Globalization in the form of increased integration though trade and investment is an important reason why much progress has been made in reducing poverty and global inequality over recent decades. But it is not the only reason for this often unrecognized progress, good national policies, sound institutions and domestic political stability also matter. Globalization has shown its positive side in India so far as poverty alleviation is concerned. In the last two decades, India has emphasized on five important aspects:

➢ Technological entrepreneurship,
➢ New business openings for small and medium enterprises,
➢ Importance of quality management,
➢ New prospects in rural areas and
➢ Privatization of financial institutions

After independence, based upon the Russian model, India adopted the path of planned economy. It also aimed at the development of newly born nation and poverty reduction. Up to 1991, despite the thrust on poverty reduction, much progress could not be registered in this field. Lack of foreign investment, poor infrastructural setup, bureaucratic hurdles and closed economy were considered to be the reasons for the slow progress. Globalization came as a liberating force. This paper brings to the front how globalization has to be instrumental so far as the poverty alleviation is concerned.

KEYWORDS: - Globalization, poverty reduction liberalization, mixed economy.

IMPACT OF GLOBALISATION ON POVERTY REDUCATION IN INDIA

1.1 Introduction:- One of the greatest challenges before independent India was the issue of wide spread poverty. The British raj had done little to alleviate poverty of Indian masses. One of the priorities before Indian leadership after Independence was to address the issue of dire poverty in India. In their zeal to provide some workable solution, they sought to integrate the virtues of capitalism and socialism and gave a model of Economy which they considered was the best suited for the needs of newly risen nation. How far this worked can be a matter of great debate. In the eighties, the world witnessed a great social and political transformation. Some of the notable changes were the disintegration of the U.S.S.R and the unification of Germany. It is interesting to note that both the processes though contrary in nature were motivated by more economic considerations than anything else. Perhaps, fearing at heart, nations like India opened their doors for the forces of globalization and liberalization. The experience of last two decades endorses the view that India's courtship with globalization has been a fulfilling and beneficial affair.

The human society around the world, over a period of time, has established greater contact, but the pace has increased rapidly since the mid 1980's. The term globalization means international integration. It includes an array of social, political and economic changes. Globalization in the form of increased integration though trade and investment is an important reason why much progress has been made in reducing poverty and global inequality over recent decades. But it is not the only reason for this often unrecognized progress, good national policies, sound institutions and domestic political stability also matter. The proportion of the world population living in poverty has been steadily declining and since 1980 the absolute number of poor people have stopped rising and appears to have fallen in recent years despite strong population growth in poor countries. Globalization has shown its positive side in India so far as poverty alleviation is concerned. In the last two decades, India has emphasized on five important aspects:

➢ Technological entrepreneurship,
➢ New business openings for small and medium enterprises,
➢ Importance of quality management,
➢ New prospects in rural areas and
➢ Privatization of financial institutions.

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1.3 Aim: - This paper aims at critical analysis of the process of globalization with special reference to understand how it has contributed to the reduction of poverty in India.

1.4 Impact Of Globalization On Poverty Reduction In India

Globalization is not an unmixed blessing. It is like a sword which can be used for destruction as well as for the self defense. Under the impact of Russian model; Indian leadership adopted the model of closed economy allowing very little scope for private enterprise. Despite its limited benefits in the first four decades of Independence, it could not register much progress on the front of poverty alleviation. The Slogan of "Garbhi Hatto" could not be translated into reality. The increasing realization that liberalization and globalization was the only answers to translate this slogan into reality made India to follow the path of globalization from 1991 onwards. The critical evaluation of last two decades unambiguously establishes the fact that the widespread poverty in India has consistently been reducing.

The careful analysis of the number of people below poverty line in the post globalization era in India would clearly reveal that the globalization has substantially contributed to the reduction of poverty. The following table shows the percentage of population who lived below poverty line from 1994 to 2010.

COUNTRY	1994	2002	2007	2010
INDIA	35	25	25	22

The above figures show that 35% people in India lived below poverty line in 1994 while this percentage was reduced to 22 in 2010.

Another way to understand whether poverty has reduced is to concentrate on purchasing power parity. The increase of purchasing power parity is the indication of high income. The

following table shows GDP on a purchasing power parity basis divided by population as of 1 July for the same year.

Country	1999	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010
India	1800	2200	2540	2900	3100	3400	3800	2600	2900	3200	3500

The above data shows that there has been steady rise in purchasing power parity from 1999 (1800) to 2006 (3800). Due to global recession, it registered decline in 2007 and then trend was once again reversed and it continued to rise till 2010.

 Much to the chagrin of the opponents of globalization, we are compelled to acknowledge the benevolent effect of globalization on poverty reduction in India. Most of the world's people live in countries where markets do not work properly and resources are not efficiently allocated. The notion that liberal economics has "failed" misses the point that in many areas of the world it has not really been tried. Poverty–often cast as the fault of multinational corporations or "imperialist governments"–is the most virulent killer on our planet. Many continue to believe that increased government regulation and control, particularly when it comes to international trade, is the best way to combat poverty, ignoring the fact that real liberalization–truly free and competitive markets–is in fact the agenda of the world's poor. India held this opinion during first few decades of her Independence. The result was we lacked behind in terms of GDP and NDP and could not control poverty .If we use export shares as a measure of globalization, then developing countries are now more "globalized" than developed countries. Yet more than 1 billion people still live in extreme poverty, and half the world's population lives on less than $2 a day. Even in India, 22% people live below poverty line .The poor in countries with an abundance of unskilled labor do not always gain from trade reform. Trade reforms may result in less protection for unskilled workers, who are most likely to be poor. Finally, penetrating global markets even in sectors that traditionally use unskilled labor requires more skills than the poor in developing countries typically possess. The poor are more likely to share in the gains from globalization when there are complementary policies in place. The study on India suggests that globalization is more likely to benefit the poor if trade reforms are implemented in conjunction with reducing impediments to labor mobility the other policies are needed to ensure that the benefits of trade are shared across the population suggests that relying on trade reforms alone to reduce poverty is likely to be disappointing .Export growth and incoming foreign investment have reduced poverty. Poverty has fallen in regions where exports or foreign investment is growing. In India, opening up to foreign investment has been associated with a decline in poverty. Globalization produces both winners and losers among the poor. It should not be surprising that there results defy easy generalization. Even within a single region, two sets of

farmers may be affected in opposite ways. Within the same country or even the same region, a trade reform may lead to income losses for rural agricultural producers and income gains for rural or urban consumers of those same goods. The cross-country studies present evidence on the relationship between poverty, inequality and globalization. Easterly[1] finds that increasing trade integration is associated with falling inequality within developed countries and greater inequality within developing countries.

Let see how globalization has created an indirect means for the poverty reduction.

1.5 Globalization, a tool of poverty reduction:-

• There are sharp differences between countries in many of these dimensions. For example, countries have embraced the Internet and open communication to very different degrees. Developing countries - many of which 20 years ago had quite restrictive policies toward foreign trade and investment - have opened up to the global market to quite different extents. These differences across countries provide evidence for the examination of the impact of globalization on development.

• Integrating with the world economy is a powerful vehicle for growth and poverty reduction in developing countries, but it would be still more powerful if the rich countries further increased the openness of their own economies. It is in the interest of developing countries to work to enhance the openness of the trading regime and to participate in the WTO.

1.6 Role of institutions and policies in poverty reduction:-

• Developing countries themselves can take action to ensure that they benefit more strongly from globalization, in particular by building key institutions and policies that can support and complement the expansion of trade.

• Countries benefit from their own market-opening in many ways. One is technological: foreign direct investment brings with it innovations in product, process, and organizational technologies, while importation of goods brings embedded technologies and access to lower cost production inputs and consumer goods. Another benefit is greater efficiency: competition from abroad spurs domestic industry to make productivity improvements, promoting growth and employment over the medium term.

• Thus liberalization, if accompanied by appropriate policy and institutional reforms, will help the liberalizing country, notwithstanding the fact that the gains would be still greater if the richer countries reduce their protection.

• Open trade and investment policies will generate little benefit if other institutions and policies are not in place. It is necessary to create a sound investment climate. The investment climate is affected by a number of factors: macroeconomic stability; bureaucratic harassment, especially in the administration of regulations and taxes; the strength of financial institutions; the rule of law (including law enforcement) and corruption and crime; the quality of infrastructure, including power and telecommunications; the effectiveness of the government in providing sound regulatory structures for the private sector; the effective

provision of public services or the framework for such services; and the quality of the labor force.

1.7 Impact of international markets and sequencing:

• Developing countries that have done well have taken a step-by-step approach to liberalizing different types of exchange.

• The rapid growth of trade in services is one of the interesting developments of the past decade. These markets can be used to ensure good provision of power and telecommunications, accounting services even customs and tax administration as well as financial services.

1.8 Corporate sector and poverty reduction:

About 16 percent of the shop owners found jobs and earned almost larger amount as they used to earn at the time of the closure. About nine percent shop owners, who closed their shops, took agencies or part time employment. The malls and corporate retailers provide additional employment, which increased the possibility of employment in city areas. Unlike the East Asian growth model, India's growth in 'services sector' is a lead growth. More than 50% of GDP is generated by the services sector, of which retailing is a significant component. Almost 60% of GDP is contributed by the unorganized or informal sector and 65% of services sector income is generated by the informal sector. Western India dominates in terms of having large number of big shopping malls. Northern India dominates in terms of having big shopping malls with large floor area. Southern States are picking up fast. More employment is generated in Northern and Western India. Most farmers in the South feel that the corporate entry into retailing will reduce poverty.

In order to support the claim that globalization has played a decisive role in reducing poverty, the comparative growth Gross Domestic Product based on Purchasing power parity of G-20 countries can be sited. If we look at share of India in this respect it shows the constant rise from 1981 to 201. In the preceding decades of globalization in India that is from 1981 to 1991 this share has increased from 2.63 to merely 3.17 while in the post globalization decades that is from 1991 to 2010 it has registered a notable growth from 3.17 to 5.46.

1.9 Conclusion:-

One of the most common claims today is that globalization typically leads to growing income inequality within countries, so that its benefits go primarily to the rich. This claim is simply not true. In fact, it is one of the big myths of the anti-globalization movement. Certainly there are important examples, notably China, where opening has gone hand-in-hand with rising inequality, but that has not been a general pattern. There is every reason to believe that with the enhanced income levels practically of every stratum of society, it has certainly helped the poverty alleviation in India. In many developing countries, including

India, integrating with the international market has coincided with stable inequality or declines in inequality. When trade liberalization goes hand-in-hand with stable or declining inequality, the benefits for the poor are quite powerful. Trade creates jobs which helps for the poverty reduction. Here, the link from trade to poverty reduction was very clear. Even where inequality has increased, it is still the case that globalization has led to rapid poverty reduction. China is perhaps the best example of this. But the benefits of the globalization for the poor are particularly strong in the cases where inequality is stable or declining. There is ample evidence that the gap between the richest and poorest countries, and between the richest and poorest groups of individuals in the world, has increased. But inequality may increase without an increase in poverty rates, for example if globalization increases opportunities for the wealthy more rapidly than for the poor. Since increasing wealth may be due to many causes, showing that the rich get richer because the poor get poorer is trickier than recording and lamenting the fact of inequality as such. Developing countries can take steps to make globalization as a tool for poverty eradication. The three most important ways to do this are through basic education, through social protection measures to deal with adjustments, and through ensuring that all regions of a country are connected to the global economy.

Jeffrey Williamson [2] (2002) points out that "the world has seen two globalization booms over the past two centuries and one bust. The first global century ended with World War I and the second started at the end of World War II, while the years in between were ones of anti-global backlash"

The percent of the world population living in extreme poverty ($1 a day, inflation adjusted), Mean while, declined from 84 percent in 1820 (the beginning of the Williamson's first global century) to 66 percent in 1910 (just three years before its end). The ongoing second global century, which began in 1950, saw this portion decline, from 55 percent in 1950 to 24 percent in1992, and no doubt it is even lower in 2003. In the inter-war period of anti-globalization backlash, the proportion was probably stagnant on the average. Although poverty estimates based on a global poverty line for a time span of more than a century are obviously subject to wide margins of error, other non-income-based indicators, such as those of health, nutrition and literacy corroborates the broad picture. The historical association between globalization and poverty reduction, however, hides substantial variations among countries and also within countries in their experiences with international economic integration. Several decades of rising trade and capital flows, growing Globalization, Growth, and the Poor numbers of multinational conglomerates, and increasingly globalized cultural interchange have not silenced the public debate over the merits of globalization. The violent street demonstrations surrounding the ministerial meeting of the World Trade Organization (WTO) and similar protests at World Bank and International Monetary Fund meetings suggest that this debate is still going strong. Much of the debate appears to be about

whether globalization has been good for the poor. There is less debate regarding the positive effects of trade liberalization on growth, and the potential growth-accelerating effects of capital market integration once domestic financial sectors are strengthened. Recent debates have instead focused on whether the benefits of accelerated growth reach the poor and over what time frame they do.

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Indian Rural Markets- Hot Cake For Fmcg's

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Abstract:

Rural marketing has quite often been defined in a narrower sense to include only marketing of agricultural production. The rural India has 75% of the population living in 5, 72,000 villages speaking 33 languages, 1652 dialects and have diverse sub cultures and diverse requirements. More than 80 percent of the rural consumers depend upon agriculture and allied activities for their livelihood. The rural market has been growing steadily since the 1980s and, is now bigger than the urban market for both fast moving consumer goods (53 percent share of the total market) and consumer durables (59 percent). An analysis of the National Samples Survey (NSS) data reveals that 75 percent of the expenditure on manufactured goods is accounted by rural India. Technological developments are taking place in rural areas at a rapid fast rate as is in the urban areas. The disposable income in rural India has increased manifold in the last five years than the urban area. All these paved way for rural marketing. There's an interesting way of putting rural India into perspective. If India's population, as per the 1998 estimates of the United Nations Population Division, is 982,223,000, then rural India, taken as 73.3% of India, is 719,969,459. Divide that by the estimated total world population of 5.9 billion, and rural India becomes 12.2% of world population. Forget all of us sitting in the cities (4.4% more) -- 12.2% of the world lives in rural India. Which, given our effective lack of knowledge makes it a bit like one of the world's last great undiscovered countries. One of the most popular and widely accepted Marketing Myth is that the rural consumers will only buy really cheap mass market brands. But the stark reality is that though brands like Nirma lead, but penetration of premium products has also been observed even to the lowest SEC. The percentages may be very small, but given the large universe, the actual figures may be significant.

The Fast Moving Consumer Goods (FMCG) sector is a corner stone of the Indian economy. This sector touches every aspect of human life. The FMCG producers now realize that there is a lot of opportunity for them to enter into the rural market. The sector is excited about the rural population whose incomes are rising and the lifestyles are changing. There are as many middle income households in the rural areas as there are in urban. Thus the rural marketing has been growing steadily over the years and is now bigger than the urban market for FMCG's. Globally, the FMCG sector has been successful in selling products to the lower and middle income groups and the same is true in India. Over 70% of sales is made to middle class households today and over 50% of the middle class is in rural India. The sector is excited about a rapidly increasing rural population whose incomes are rising and which is willing to spend on goods designed to improve lifestyle. Also with near saturation and cut throat competition in urban India, many producers of FMCG's are driven to chalk out bold new strategies for targeting the rural consumers in a big way. This presents a tremendous opportunity for makers of branded products who can convert consumers to buy branded products.

This paper tries to focus on the enormous opportunities available for FMCG companies to venture into the rural markets and also the factors responsible for the growth of rural markets and in turn why the rural markets have emerged into a cash cow for FMCG companies.

Introduction

Rural marketing has quite often been defined in a narrower sense to include only marketing of agricultural production. The rural India has 75% of the population living in 5, 72,000 villages speaking 33 languages, 1652 dialects and have diverse sub cultures and diverse requirements. More than 80 percent of the rural consumers depend upon agriculture and allied activities for their livelihood. The rural market has been growing steadily since the 1980s and, is now bigger than the urban market for both fast moving consumer goods (53 percent share of the total market) and consumer durables (59 percent). An analysis of the National Samples Survey (NSS) data reveals that 75 percent of the expenditure on manufactured goods is accounted by rural India. Technological developments are taking place in rural areas at a rapid fast rate as is in the urban areas. The disposable income in rural India has increased manifold in the last five years than the urban area. All these paved way for rural marketing. There's an interesting way of putting rural India into perspective. If India's population, as per the 1998 estimates of the United Nations Population Division, is 982,223,000, then rural India, taken as 73.3% of India, is 719,969,459. Divide that by the estimated total world population of 5.9 billion, and rural India becomes 12.2% of world population. Forget all of us sitting in the cities (4.4% more) -- 12.2% of the world lives in rural India. Which, given our effective lack of knowledge makes it a bit like one of the world's last great undiscovered countries. One of the most popular and widely accepted Marketing Myth is that the rural consumers will only buy really cheap mass market brands. But the stark reality is that though brands like Nirma lead, but penetration of premium products has also been observed even to the lowest SEC. The percentages may be very small, but given the large universe, the actual figures may be significant.

We regularly talk about things like butter, potato chips, toothpastes, razors, household care products, packaged food and beverages, etc. But do we know under which category these things come? They are called FMCGs. FMCG is an acronym for **Fast Moving Consumer Goods**, which refer to things that we buy from local supermarkets on daily basis, the things that have high turnover and are relatively cheaper. The Indian Fast Moving Consumer Goods (FMCG) industry began to shape during the last fifty-odd years. The FMCG sector is a foundation stone of the Indian economy. This sector touches every aspect of human life. Indian FMCG market has been divided for a long time between the organized sector and unorganized sector. India sFMCG sector is the fourth largest sector in the economy and creates employment for more than three million people in downstream activities. Its principal constituents are Household Care, Personal Care and Food & Beverages. The total FMCG market is in excess of Rs. 85,000 Crores. It is currently growing at double digit growth rate and is expected to maintain a high growth rate. FMCG Industry is characterized by a well established distribution network, low penetration levels, low operating cost, lower per capita consumption and intense competition between the organized and unorganized segments. The Rs 85,000-crore Indian FMCG industry is expected to register a healthy growth in the third quarter of 2008-09 despite

the economic downturn. The industry is expected to register a 15% growth in Q3 2008-09 as compared to the corresponding period last year. Unlike other sectors, the FMCG industry did not slow down since Q2 2008. The industry is doing pretty well, bucking the trend. As it is meeting the every-day demands of consumers, it will continue to grow. In the last two months, input costs have come down and this will reflect in Q3 and Q4 results.
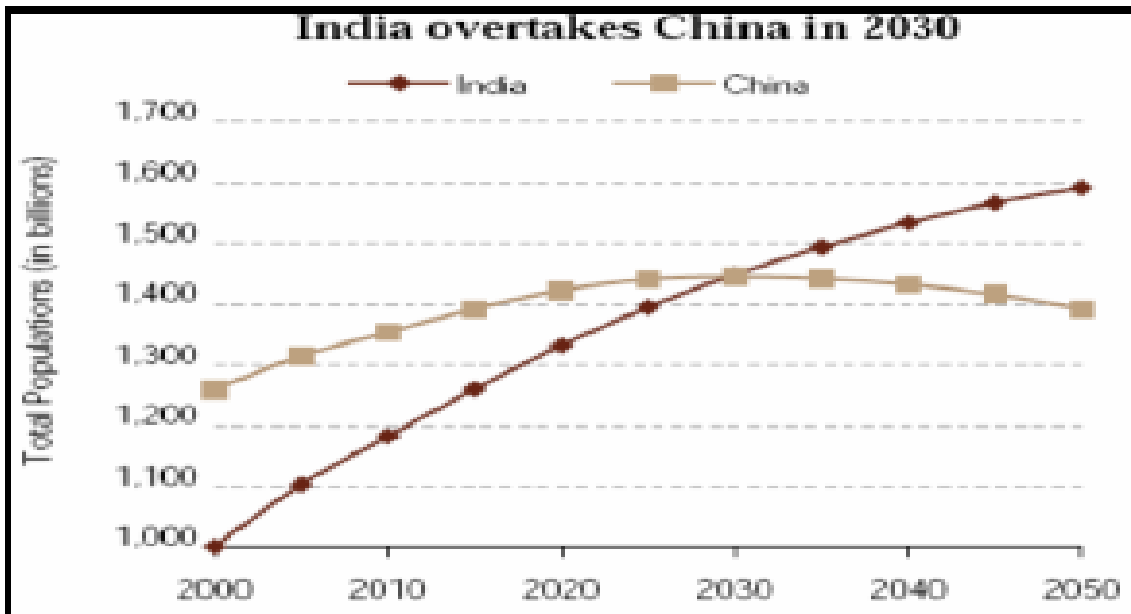
Rural Marketing- Definition

From time immemorial there has been regular trade between rural and urban areas. With increasing disposable income, the rural population also aspires to improve their lifestyle. Rural marketing is a two way process. Its content now encompasses inflow of products into rural areas for production or consumption purposes, and also outflows of to urban areas.

Rural marketing:

Can be defined in terms of the location (villages) and occupation (mainly farming) A large variety of transactions are considered a part of rural marketing

These are marketing of:

1. Agricultural inputs like fertilizers. Pesticides, farm equipment.

2. Products made in urban centers and sold to rural areas like soaps,   toothpastes, TVs etc.

3. Products made in rural areas sold to urban centers like khadi cloth,   handcrafted products etc.

4. Products made and sold in rural areas like milk and milk products. Locally manufactured toothpowder, cloth etc.

Factors Contributing to the growth of Rural Market

The factors contributing to the growth of rural market are: growing rural population, increase in rural incomes. While these are general factors that contribute to the growth of rural market, there are some specific factors which are:

➢ Increase in productivity in agriculture and agricultural activities.

➢ Increase in number of rural development programs.

➢ Expansion of rural retail network.

➢ Expansion of media facilities.

➢ Liberalized government policies. Changing Lifestyles.

➢ Introduction of new products.

Segmentation of Indian Rural Markets

The Indian rural Market can be segmented on the following basis
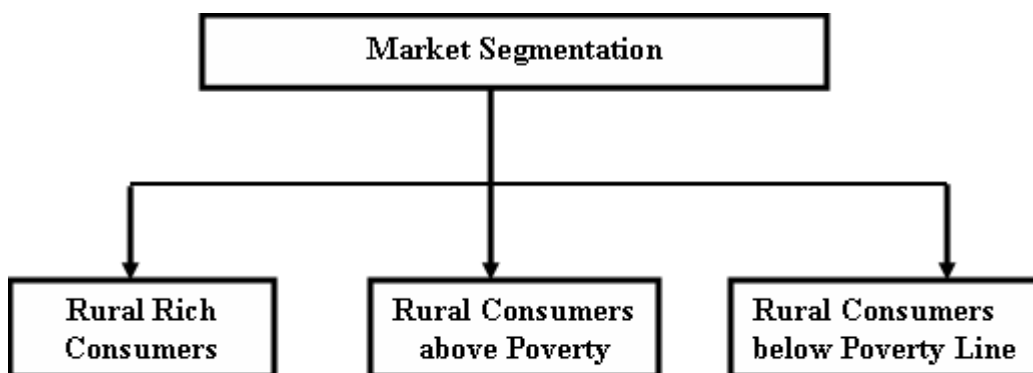
➢ **Rural Rich Consumers:**

The rural rich consumers can be estimated on the basis of land owned by them. They occupy major portion of the land (in acres) in their locality. They engage in agriculture and allied activities. They give employment opportunities in their field for other peoples in their locality. They enjoy huge surplus of disposable income.

➢ **Rural Consumers above Poverty Line:**

They are identified as the middle class peoples residing in rural areas. There are 50 million households that live above the poverty line in rural areas of India. When comparing to the rural rich consumers they own few acres of land. They mostly engage in agriculture and few other allied activities. They have only less disposable income and deposit in local banks.

> ➢ **Rural Consumers below Poverty Line:**

There are 260 million Indians who live below poverty line and most of them are located in rural areas. They occupy minimum portion of land in their locality. Some of them not even have any land in their locality. They survive their family by working in the farm of rich persons in their locality.

Rural Markets & FMCG Products

Rural market is getting an importance because of the saturation of the urban market. As due to the competition in the urban market, the market is more than or as saturated as most of the capacities of the purchasers have been targeted by the marketers. So the marketers are looking for extending their product categories to an unexplored market i.e. the rural market. This has also led to the CSR activities being done by the corporate to help the poor people attain some wealth to spend on their product categories. Here we can think of HLL (now, HUL) initiatives in the rural India. One of such project is the **Project Shakti**, which is not only helping their company attain some revenue but also helping the poor women of the village to attain some money which is surely going to increase their purchasing power. Also this will increase their brand loyalty as well as recognition in that area. Similarly we can think of the **ITC E-Chaupal**, which is helping the poor farmers get all the information about the weather as well as the market price of the food grains they are producing. In other view these activities are also helping the companies increase their brand value. So as it is given above the significance of the rural market has increased due to the saturation of the urban market as well as in such conditions the company which will lead the way will be benefited as shown by the success of HUL and ITC initiatives.

There was a time when the FMCG companies ignored rural market, they took no any interest to produced or sell products in rural market in India. It was the initial stage of FMCG companies in India. As per as the time has passed, the strategy and marketing style of FMCG companies has changed. Now at the present time, rural market is one of the best opportunity and focusing sector for the major FMCG companies in India. Each and every company is set to invest a huge capital for competition in rural market. According to the Federation of Indian Chambers of Commerce and Industry, the number of rural households using FMCG products has grown from 136 million in 2004 to 143 million in 2007, a clear indication that rural consumers are shifting from commodities to branded products. Urban consumers, on other hand, could go slow on FMCG expenses, thanks for inflation spiral, rise in fuel cost and costlier credit. Evidence suggests that for the first time, the rural market has grown faster than the urban market in key product categories in April-May 2008. Time and again marketing practitioners have waxed eloquent about the potential of the rural market. But when one zeroes in on the companies that focus on the rural market, a mere handful names

come to mind. Hindustan Lever Limited (HLL) is top of the mind with their successful rural marketing projects like 'Project Shakti' and 'Operation Bharat'. The lynchpin of HLL's strategy has been to focus on penetrating the market down the line and focusing on price point. Furthermore, activating the brand in the rural market through activities, which are in line with the brand itself, is what sums up HLL's agenda as far as the rural market is concerned informs MindShare Fulcrum general manager R Gowthaman. Amul is another case in point of aggressive rural marketing. Some of the other corporate that are slowly making headway in this area are **Coca Cola** India, **Colgate**, **Eveready Batteries**, **LG Electronics**, **Philips**, **BSNL**, **Life Insurance Corporation**, **Cavin Kare**, **Britannia** and **Hero Honda** to name a few.

We can safely say that until some years ago, the rural market was being given a step-motherly treatment by many companies and advertising to rural consumers was usually a hit and miss affair. More often than not, the agenda being to take a short-cut route by pushing urban communication to the rural market by merely transliterating the ad copy. Hence advertising that is rooted in urban sensitivities didn't touch the hearts and minds of the rural consumer. While, this is definitely changing, the process is slow. The greatest challenge for advertisers and marketers continues to be in finding the right mix that will have a pan-Indian rural appeal. Coca Cola, with their Aamir Khan Ad campaign succeeded in providing just that. Coca-Cola India tapped the rural market in a big way when it introduced bottles priced at Rs 5 and backed it with the Aamir Khan ads. The company, on its behalf, has also been investing steadily to build their infrastructure to meet the growing needs of the rural market, which reiterates the fact that this multinational has realized the potential of the rural market is going strength to strength to tap the same. So the fact remains that the rural market in India has great potential, which is just waiting to be tapped. Progress has been made in this area by some, but there seems to be a long way for marketers to go in order to derive and reap maximum benefits. Moreover, rural India is not so poor as it used to be a decade or so back. Things are sure a changing!

MARK Approach to Rural Marketing

Rural India has problems quite unique in nature. The major error people make while marketing to the rural market is that they apply the same theories as learned from the urban context. The underlying myth among the marketers that the rural consumer is similar to an urban consumer except for the constraint of money has been proved wrong. It is in this regard that we have identified '**MARK**' (**Money**, **Acceptability**, **Reach** and **Knowledge**) as the major challenges faced by a rural marketer. Each of these factors has been discussed in detail.

- ➢ **Money:** Products need to be within the affordable range. Sachetisation (selling in sachets) was used to overcome this barrier and thereby sell to the rural consumer. This strategy backfired and was found that sachet's have in fact cannibalized the sales of the larger volume packaged products manufactured by the same company.

➢ **Acceptability:** There is a need to offer products that suit the rural market. Customizing products to suit the needs of the rural folk will help it gain wider acceptability and thereby lead to increased penetration within these rural markets. E.g. A rural consumer will never be willing to accept Kellogg's cornflakes as a substitute to his breakfast of Paratha and curd but if the Kellogg's is able to communicate the message that Kellogg's since it is full of nutrients vital to a growing child the can be used to supplement his child's daily meal then he would be ready to buy Kellogg's for his child.

➢ **Reach:** The first step towards gaining sales within the rural space is to see to it that the reach of the product be wide enough. Unless the product is available there is no point whether we overcome the other challenges or not as we will not finally derive any sales at all. Marketers must trade off the distribution cost with incremental market penetration. Over the years, MNC's have tried out various tactics to reach out to the rural markets from using auto rickshaws, bullock-carts and even boats in the backwaters of Kerala. Over the years the hub and spoke distribution model has evolved as the one most suited to reach out to the rural villages.

➢ **Knowledge:** Knowledge or awareness about the product depends on how effective market communication is. It is extremely important to choose the right channel for market communication. It is a commonly held misconception by marketers and ad-agencies that TV is the best medium to communicate to these rural masses. TV reaches 36% only and there is a substantial media dark area of 2405 million in Bihar, Orissa, East UP, MP and Rajasthan. Another important factor from the rural point of view is that during sowing and harvest time there is electricity for agriculture but no time to watch TV, after the harvest when farmers are free, electricity otherwise given to them is now diverted to the industry.

Analysis of FMCG Sector

The biggest mistake that a FMCG company can make while entering the rural India is to treat it as an extension to the existing urban market. But there is a vast difference in the lifestyles of the rural and urban consumers. The rural Indian consumer is economically, socially, and psychographically different from his urban counterpart. The kind of choices that an urban customer takes for granted is different from the choices available to the rural counterparts. The difference in consumer behavior in essence stems from the way of thinking with the fairly simple thought process of the rural consumer in contrast to a much more complex urban counterpart.

Even greater challenge lies in terms of the vast differences in the rural areas which severely limits the marketer's ability to target, segment and position his offerings. The population is dispersed to such an extent that 90% of the rural population is concentrated in villages with population of less than 2000. So, the

geographical spread is not as homogenous as it is with the urban areas owing to vast differences culture and education levels. Also with agriculture being the main business of the rural sector the purchasing power of the rural consumer is highly unpredictable which can lead to high variations in demand patterns.

One more gray area that needs to be probed into is the importance of retailer in rural trade. Rural consumer's brand choices are gratly restricted and this is where the retailer comes into the picture. Also, with the low education levels of the rural sector the rural buying behavior is such that the consumer dosen't ask for the things explicitly by brand but like "piliwali sabun ki batti dena" or "5 wala sabun dena". Thus as there is a need to understand the need of the rural consumer, similarly there is a need to study the retailer as he is a chief influencer in the buying decision.

➢ Strengths:

1. Low operational costs

2. Presence of established distribution networks in both urban and rural areas

3. Presence of well-known brands in FMCG sector

➢ Weaknesses:

1. Lower scope of investing in technology and achieving economies of scale, especially in small sectors

2. Low exports levels

3. "Me-too" products, which illegally mimic the labels of the established brands, narrow the scope of FMCG products in rural and semi-urban market.

➢ Opportunities:

1. Untapped rural market

2. Rising income levels i.e. increase in purchasing power of consumers

3. Large domestic market - a population of over one billion

4. Export potential 5. High consumer goods spending

➢ Threats:

1. Removal of import restrictions resulting in replacing of domestic brands

2. Slowdown in rural demand.

3. Tax and regulatory structure.

Why Different Strategies?

Till recently most FMCG companies used to treat rural markets as adjuncts to their urban strong holds and rural consumers as a homogeneous mass without segmenting them into target markets and positioning brands appropriately. Rural markets, as part of any economy, have untapped potential. There are several difficulties confronting the effort to fully explore rural markets. The concept of rural markets in India is still in evolving shape, and the sector poses a variety of challenges. Distribution costs and non availability of retail outlets are major problems faced by the marketers. The success of a brand in the Indian rural market is as unpredictable as rain. Many brands, which should have been successful, have failed miserably. This is because, most firms try to extend marketing plans that they use in urban areas to the rural markets. The unique consumption patterns, tastes, and needs of the rural consumers should be analyzed at the product planning stage so that they match the needs of the rural people. Therefore, marketers need to understand the social dynamics and attitude variations within each village though nationally it follows a consistent pattern. The main problems in rural marketing are:

➢ Understanding the rural consumer

➢ Poor infrastructure

➢ Physical Distribution

➢ Channel Management

➢ Promotion and Marketing Communication

Dynamics of rural markets differ from other market types, and similarly rural marketing strategies are also significantly different from the marketing strategies aimed at an urban or industrial consumer .An effective rural strategy for FMCG companies must include the use of traditional media for creating awareness about their products in the rural markets. The need for unconventional media arises as the mass media is too glamorous, interpersonal and unreliable for a rural consumer. The traditional media on the other hand with its effective reach , powerful input and personalized communication system will help in realizing the goal. There are few companies which have used traditional media effectively and reaped rich dividends.. For e.g. Brooke Bond India Ltd (BBLIL) markets its rural brands through magic shows and skits. Reckitt and Colmen uses NGO's in rural areas to educate customers about product benefits which establishes one to one communication channels.

Conclusion

In the end it is certain that FMCG companies will have to really gain inroads in the rural markets in order o achieve double digit growth targets in future. There is a huge potential and definitely there is lot of money in rural India but the smart thing would to weigh in the roadblocks as carefully as possible. The companies entering rural markets must do so for strategic reasons and not for tactical gains as rural consumer is still a closed book and it is only through unwavering commitment that the companies can make a cavity in the market. Ultimately the winner would be the one with the required resources like time and money and also with the much needed innovative ideas to tap the rural markets.

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HEALTH AND ECONOMY

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ABSTRACT:

Health actually matters for the economic performance. Good health can lead to higher gross domestic product because of three things i.e. population, participation and productivity. This paper describes the health and its contribution to economic growth, covering the measurement of health status, delivery of health care services also. To look into the contribution to the economic growth we first will see the health status of our population which means mental and social well being (AIHW 2008).Though this is difficult process still we can initiate it by data collection on large range of factors. These factors includes incidence of diseases, mortality and morbidity.

Since there is a co-relation between GDP and population health status, higher GDP can lead to better outcomes and we can also say better health outcomes can improve GDP per capita.

In particular the efficiency and effectiveness of health spending is likely to be as important as quantity in affecting health outcomes. Some studies have shown that through the improvement and increase in total health expenditure, some countries could make gains possible in life expectancy. Nowadays government have also shown some interest in improving health outcomes by policies as good health matters for economic growth and well being of an individual.

Keywords: healthspending,productivity,effeciencya

Introduction

Health is a direct source of human welfare and also an instrument for raising income levels. We discuss a number of mechanisms through which health can affect income, focusing on worker productivity, children's education, savings and investment, and demographic structure. As well as the impact of current illness, health may have large effects on prospective life spans and life cycle mbehaviour. Studies suggest there may be a large effect of health and nutrition utero, and in the first few years of life, on physical and cognitive development nd economic success as an adult. Macroeconomic evidence for an effect on

growth is mixed, with evidence of a large effect in some studies. However, there is possibility that gains from health may be outweighed by the effect of Increased survival on population growth, until a fertility transition occurs. The

Low cost of some health interventions that have large- scale effects on population health makes health investments a promising policy tool for growth in developing countries. In addition, higher priority could be given to tackling Widespread "neglected" diseases—that is, diseases with low mortality burdens hat are not priorities from a pure health perspective, but that do have Substantial effects on productivity. Improvements in health may be as important as improvements in income in thinking about development and human welfare. Good health can be thought of as a goal in its own right independently of its relationship with income. However, there is a link between health and income that is important for policy purposes. To the extent that health follows income, income growth should be the priority for developing countries. To the extent that income is a consequence of health, investments in health, even in the poorest developing countries, may be a priority. This argument for health as an investment good is particularly relevant since there are cheap and easily implementable health policies that can improve health dramatically even in the poorest countries. Empirically, high levels of population health go hand in hand with high levels of national income. This is not unexpected. Higher incomes promote better health through improved nutrition, better access to safe water and sanitation, and increased ability to purchase more and better-quality health care. However, health may be not only a consequence but also a cause of high income. This can work through a number of mechanisms (Bloom and Canning, 2000). The first is the role of health in labour productivity. Healthy workers lose less time from work due to ill health and are more productive when working. The second is the effect of health on education. Childhood health can have a direct effect on cognitive development and the ability to learn as well as school attendance. In addition, because adult mortality and morbidity (sickness) can lower the prospective returns to investments in schooling, improving adult health can raise the incentives to invest in education. The third is the effect of health on savings. A longer prospective lifespan can increase the incentive to save for retirement, generating higher levels of saving and wealth, and a healthy workforce can increase the incentives for business investment. In addition, health care costs can force families to sell productive assets, forcing them into long-term poverty. The fourth is the effect of population health on population numbers and age

structure. The economic effects of population health can be seen both at the individual and macroeconomic levels. There is no real dispute about the presence of these effects on economic development, but the size of the effects is an important issue. We examine the evidence base that tries to estimate the magnitude of the health impact.

Four difficulties are apparent in assessing existing work in this area. The first

is the issue of measurement? "Health" is measured differently in different

studies. There are a wide variety of health measures in microeconomic studies.

All of these are aimed at measuring some aspect of morbidity, or sickness, at the individual level. Similarly, macroeconomic studies use a variety of indicators, but these focus on mortality rate measures such as life expectancy. It is difficult to compare studies that use such different notions of "health." The second issue is causality. Given that income affects health, and health affects income, we have to disentangle the two directions of causality. The third issue is one of timing.

There is growing evidence of long-term effects of early childhood health on

Cognitive and physical development that affects productivity as an adult. This

implies that health effects in the macro economy may have long time lags, given the average worker may have been born 40 or more years before, making the macroeconomic relationship difficult to estimate. The fourth issue is the differing effect of health on the economy, holding all other factors fixed, and the effect on a more general equilibrium framework where other factors respond to the improved health. Some studies measure the partial equilibrium effect whereas others attempt to capture the induced changes in other factors and the general equilibrium impact. The issue of population health and economic outcomes is particularly acute in sub-Saharan Africa. This region has a high burden of tropical infectious disease, such as malaria, tuberculosis, and intestinal worms, and it also suffers from the HIV/AIDS pandemic. We examine the impact of this disease burden on the prospects for economic development in sub-Saharan Africa.

Methodology

The data is taken from various literatures and studies for the knowing of relation between country's economy and health of people.

Health and Welfare

We examine the role of health as an instrument to generate economic well-being. However, any reasonable view of the contribution of health to human welfare would also include the direct welfare benefits of a long lifespan and good health. Estimates of the monetary value of life (as measured by the willingness to pay to avoid a small risk of death) are often very large. We can use these estimates of the value of life to compare the welfare improvements that have come about due to improvements in population health and the improvements due to economic growth and higher incomes. Conceptually we can measure the money value of health gains by the amount of money people would be willing to pay to forgo these gains (the equivalent variation). For example we can ask someone living with today's income,

health, and life expectancy in the United States what level of income would be required for them to accept living with average life expectancy and health of Americans 1900. The income gain they would require is a measure of value of health and longevity in money units, and can be very large. Such comparisons suggest that in many countries the value of health gains has been comparable to, or has even surpassed, the value of income gains. In addition, although

income gaps between countries have been very persistent over the last 50 years, there has been large-scale convergence in life expectancy, suggesting that overall world welfare levels have been converging. The large monetary value of health gains gives a rationale for investing in health quite apart from its instrumental value as an input into productivity.

Health as Human Capital

The idea of health as a form of human capital has a long history. There may also be an effect of ill health on worker productivity. A major difficulty in measuring the economic effect of health is the two-way causality between wealth and health (Smith, 1999). Another difficulty is the lack of consensus on what is meant by health. Different studies use different health measures: Self- assessments of health, biomarkers, medical records, limitations on Physical functioning, and Population Health and Economic Growth anthropometric measurements have all been used as health indicators. Each of these approaches may fail to provide a complete picture of an individual's health status, giving rise to a problem of measurement error. In addition, it is necessary to separate out the effect of investments in health from the effect of natural or genetic variation in health. In any country health and economy are always interrelated. If the country has healthy citizen then there will be definitely increase in the economy of that country. Healthy person or citizen will produce more and there will more resources produced which ultimately will increase the resources of that country. He will help the country in producing resources and will help in improving country's economy.

If the citizens of the country are healthy, they will go for work, there will be no absenteeism from work and ultimately it will benefit his family in improving their economic condition and enhancing country's economy.

Health and Saving

Poor health affects both the ability to save and the impetus to save. Sickness can impose large out-of-pocket medical expenses that reduce current and

Accumulated household savings. This occurs in developed countries (Smith,

1999) but is of particular concern in developing countries. In many developing

Countries the weakness of public and private insurance systems means that out-of-pocket spending by households is the main source of financing of the health David E. Bloom and David Canning system.

 For example, in India 83 percent of health spending comes from the

private sector and 94 percent of the private sector spending is out-of-pocket

expenses (World Health Organization, 2007). Health shocks mean that families may be thrown into poverty if there is a lack of insurance and productive assets such as land or animals must be sold to pay for medical expenses. Because poor health tends to be associated with a short lifespan, increasing population health and expected longevity will have an effect on the planning horizon and will influence life-cycle behaviour. With a fixed retirement age, a longer lifespan elicits greater savings for retirement. Blanchard (1985) considers the theoretical effect of a longer lifespan in a macroeconomic model. Hurd, McFadden, and Gan (1998) find that increased expectation of longevity leads to greater wealth-holding at the household level in the United States. Bloom, Canning, and Graham (2003) find an effect of life expectancy on national savings, using cross-country data. Lee, Mason, and Miller (2000) argue that rising life expectancy can account for the boom in savings in Taiwan, China since the 1960s.But the effect of a longer lifespan need not be increased saving for retirement; people could instead choose to work longer. The behavioural response to longer life spans depends on social security arrangements and retirement incentives (Bloom, Canning, Moore, and Mansfield, 2007).

In a life-cycle model with a stable age structure and no population growth or

economic growth, the dissaving of the old will exactly match the saving of the

young at any level of life expectancy. This suggests that the aggregate effect of longer life spans on savings is temporary and occurs when life expectancy rises. In the long run, the high savings rates of the working-age population will be offset by the dissolving of a large cohort of elderly.

Although we focus on saving, the more important mechanism for

accumulating wealth may be investment. In many poor societies, the household is the focus of production and consumption activities. Household saving can take the form of investments in assets that directly affect productivity, such as land, animals, machinery, or seeds. In more advanced economies, savings may be held as investments abroad and do not automatically add to national productive capital. However, in most countries there is a close connection between domestic saving and investment, since international capital markets are not perfect. In addition, a healthy population and workforce may increase productivity and encourage foreign direct investment (Alsan, Bloom, and Canning, 2006) while infectious disease can lower productivity and deter investment. These empirical results are supported by historical evidence. The best-known example is that of the building of the Panama Canal. Yellow fever and communicable diseases claimed the lives of 10,000 to 20,000 workers between 1882 and 1888, forcing Ferdinand de Lesseps and the French to abandon the construction project (Jones, 1990).

Health as a productive asset

Healthier workers are physically and mentally more energetic and
robust, more productive, and earn higher wages. A healthy workforce is
important when attracting foreign direct investment. Healthier workers
are also less likely to be absent from work due to illness or illness in their
family. Illness and disability reduce hourly wages substantially, with the
effect especially strong in developing countries where a higher proportion
of the workforce is engaged in manual labour. Ill health may leave persons
able to work, but reduce their productivity, shorten their working lives,
and increase the numbers of days lost to illness (World Bank 1993). In
Indonesia, for example, anaemic men were found to be 20% less productive than men who were not anaemic. When the anaemic men were treated with iron, their productivity increased nearly to the levels of the Non anaemic men (WHO, 1999). There is also a clear relationship between health and success in education. Healthy children are able to learn better, and become better-educated and higher-earning adults. In a healthy family, children's education is less likely to be interrupted due to their ill health or the ill health of their family. The importance of hookworm is shown in another one of the more classic examples of ill health interfering with productive activity. Much of the early economic development of the southern United States has been linked to the elimination of hookworm and its attendant anaemia. Ettling (1981) describes lucidly the effects and conquest of the "germ of laziness" that was responsible for low productive capacity in peace and war. He attributes some of the failing of the southern troops in the Civil War to the anaemia that must have been a chronic

condition in many of them. There was an infection rate of 43% in North Carolina even in 1910, which, if extrapolated to the whole region, meant that there would have been some 7.5 million persons affected in the South. These data were the basis for the establishment of the Rockefeller

Commission, whose work in developing the public health infrastructure to

eliminate the disease must rank as one of the great public health triumphs

of all time.

The Report of Working Group of the Commission on Macroeconomics and Healthtorical vignette, there is the effort of a lone doctor working in the mines

in Guyana in early decades of this century who could measure the productivity of mine workers before and after treatment for their hookworm and demonstrate to the satisfaction of the manager that there was economic value to the treatment of the disease (Giglioli, 1969).

We now review the evidence of the relationship between the health and the

productivity of a worker. We start with nutrition and labour market outcomes, as nutrition has been clearly shown in numerous experimental studies to affect physical capacities and the capacity to work. Both experimental and non experimental studies have also shown that there is a link between nutrition and labour market outcomes. We then turn to the relationship between other indicators of health and economic outcomes: height and body mass index, sickness, and the capacity to perform simple activities. A third section most clearly shows that health is a capital asset to be invested in; it reviews the evidence on children; and it shows that poor health and nutrition in childhood has long-term, largely irreversible consequences, both because investments in childhood largely determine health in adulthood, and because health in childhood is linked to human capital investments.

Conclusion

From, the above study it is clearly understood that by improving health status, Indian economy can be improved. Healthy people will definitely provide a health economically stable Nation.

"Knowledge Management-A need of Service Industry"

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Abstract

Competitive advantage is important for a company's performance in emerging markets. Many companies lost sight of competitive advantage to grow and compete with domestic and global competitors by adopting and using advanced technologies. However, using technology generates high costs. So companies need to find a new way to survive by using the existing resources to gain maximum benefit. Thus, many companies try to gain it from managing knowledge. Knowledge management is one of interesting alternatives as it can deliver competitive advantage such as greater competencies and synergy, more balanced decisions and less errors, more creativity and innovation, broader collaboration and knowledge sharing, and easier links to expertise and deeper understanding. However companies have to face many problems to manage knowledge.

The paper deals with various aspects of knowledge management concentrating on knowledge sharing in service industry and emphasizes on understanding how knowledge works for gaining competitive advantage. It takes a critical look at problems and barriers of managing knowledge as well as how the service companies use knowledge management to improve their efficiency.

Keywords: - Knowledge management, Service industry, Human resource, knowledge sharing

1. Introduction:

Competitive advantage is important for a company's performance in emerging markets and existence of brutal competition in era of liberalization, privatization and globalization makes it more important factor. Many companies lost and are losing sight of competitive advantage to grow. They compete with domestic and global competitors by adopting advanced technologies. However, using advanced technology generates high costs. So companies need to find a new way to survive by using the existing resources to gain optimum benefit. Hence, many companies try to gain it from managing knowledge.

Knowledge management is one of interesting alternatives as it can deliver competitive advantage such as greater competencies and synergy, more balanced decisions and less errors, more creativity and innovation, broader collaboration and knowledge sharing, and easier links to expertise and deeper understanding.

The paper deals with various aspects of knowledge management concentrating on knowledge sharing in service industry and emphasizes on understanding how knowledge works for gaining competitive advantage. It takes a critical look at as to how the service companies use knowledge management to improve their efficiency.

2. The concept "Knowledge"

Knowledge is quite different from data and information in nature, although sometimes people use the three terms interchangeably.

2.1 Data

Data consists of facts, results from observations and explorations and doing experiments. It just shows raw numbers or claims so it does not have meaning by its own. However, data is still needed for any organization. It is important for workers and companies because it is the raw material for analysis to create information. For example, sales order is just data; it does not have meaning for anyone if it is not transformed to other things that have meanings. Although data does not have meaning or goal, it is easy to be captured, stored, transferred and communicated by using electronic or other media.

2.2 Information

Information is a part of data. It generally involves about transforming, sorting and organizing raw data to gain a more meaningful indication of patterns in the data so that information has an impact on people's decision or behavior.
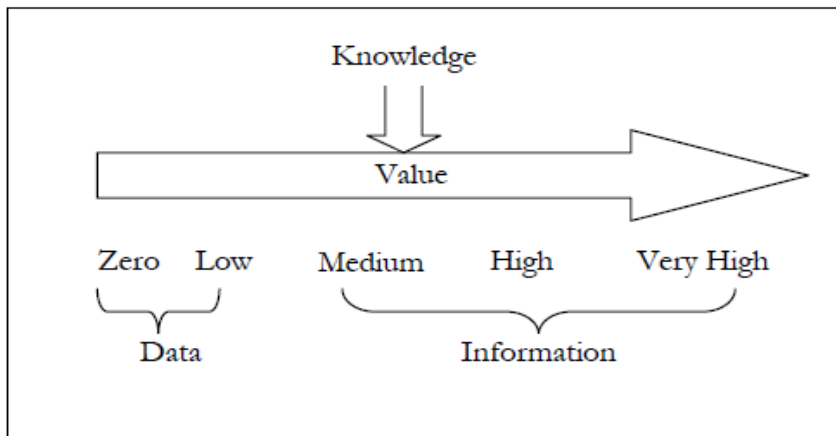
2.3 Knowledge

Becerra-Fernandez et al. (2004) judge knowledge to be at the highest level in a hierarchy with information at the middle level, and data to be at the lowest level. According to this view, knowledge cites to information that enables action and decisions, or information with direction. Davenport and Prusak (1998, p.5) give another definition of knowledge.

"Knowledge is a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information. It originates and is applied in the minds of knower. In organizations, it often becomes embedded not only in documents or repositories but also in organizational routines, processes, practices, and norms."

Knowledge helps producing information from data or more valuable information from less valuable information. Thus, knowledge is basically similar to information and data, although

it is the richest and deepest of the three, and is consequently also the most valuable. This aspect of the relationship between data, information, and knowledge is represented as:

3. What is Knowledge Management?

There are several different, and sometimes quite confusing statements that claim to be a definition of Knowledge Management' and there are different perspectives on what Knowledge Management is. For example:

▪ KM is about systems and technologies.

▪ KM is about people and learning organizations.

▪ KM is about processes, methods and techniques.

▪ KM is about managing knowledge assets.

▪ KM is a holistic initiative across the entire organization.

▪ KM is not a discipline, as such, and should be an integral part of every knowledge workers daily responsibilities.

However some definitions elaborating knowledge management concept are:

1.“Knowledge management is the name of a concept in which an enterprise consciously and comprehensively gathers, organizes, shares, and analyzes its knowledge in terms of resources, documents, and people skills.

2. From Wikipedia, the free encyclopedia “Knowledge management (KM) comprises a range of strategies and practices used in an organization to identify, create, represent, distribute, and enable adoption of insights and experiences. Such insights and experiences comprise

knowledge, either embodied in individuals or embedded in organizations as processes or practices."

3. "KM is the process through which organizations generate value from their intellectual and knowledge-based assets. Most often, generating value from such assets involves codifying what employees, partners and customers know and sharing that information among employees, departments and even with other companies in an effort to devise best practices".

The major processes and activities with reference to knowledge management are

Processes	Activities
Gathering	- Data entry - OCR and scanning - Voice input - Pulling information from various sources - Searching for information to include
Organizing	- Cataloging - Indexing - Filtering - Linking
Refining	- Contextualizing - Collaborating - Compacting - Projecting - Mining
Disseminating	- Flow - Sharing - Alert - Push

4. The concept "Culture"

Many researchers have given different definitions of culture from past to present. Taylor (1871) cited about culture in his book, Primitive Culture that culture is "that complex whole which includes knowledge, belief, art, law, morals, custom, and any other capabilities and habits acquired by man as a member of society."

Matthews (2001) defines culture as the system of shared beliefs, values, customs, behaviors, and artifacts that the members of society use to cope with their world and with one another, and that are transmitted from generation to generation through learning.

UNESCO (2002) defines culture as "the set of distinctive spiritual, material, intellectual and emotional features of society or a social group, and that it encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and belief."

5. Knowledge Management and the Role of Culture

Knowledge management is a new branch of management for the company to gain competitive advantage by combining people, processes, information, and technology together. It focuses mainly on the management of change, uncertainty, and complexity. The companies can obtain knowledge by identifying, extracting and capturing the knowledge so that the companies can utilize it effectively.

Malhotra (1997) describes "Knowledge Management caters to the critical issues of organizational adaptation, survival and competence in face of increasingly discontinuous environmental change. Essentially, it embodies organizational processes that seek synergistic combination of data and information processing capacity of information technologies, and the creative and innovative capacity of human beings."

Sveiby (2001) identifies two broad categories of knowledge management: the first is how to use information and technology, another one focuses on how to manage people. The first approach which is the management of information considers knowledge as objects that can be managed by information management systems. The main goal of this approach is to increase access of information through improved methods of access and reuse of resources such as database, hypertext linking. The key solutions are new developments in IT. This approach will work by using technology to control information. The second approach is the management of people which considers knowledge as a process - a complex set of dynamic skills and know-how that is

constantly changing. This approach focuses on assessing, changing and improving human individual skills and/or behavior. The goal of this approach is to make people share their knowledge.

6. Service industry

Service industry is the one sector of industry that involves the provision of services to other businesses as well as to final consumers. Activities are mainly concerned with providing services rather than tangible objects for the benefit of the end users and/or other industries. It includes insurance banking and finance, provision of gas and electricity and water, health care, transport, communications, entertainment, retailing and wholesaling, and central and local government. The economy is developing rapidly and the significant change on economic structure is progressing. Therefore, the importance of service industry in economic system has been increasing steadily so as to become one of principal drivers for most developed countries' economy.

The services sector is now of central importance to advanced economies, studying in knowledge management and to enhance the understanding of this sector would be necessary.

7. The service sector and knowledge management:

Service industry is the one sector of industry involves the provision of services to other businesses as well as to final consumers. Activities are mainly concerned with providing services rather than tangible objects for the benefit of the end users and/or other industries. It includes insurance banking and finance, provision of gas and electricity and water, health care, transport, communications, entertainment, retailing and wholesaling, and central and local government.

The economy is developing rapidly and the significant change on economic structure is progressing. Therefore, the importance of service industry in economic system has been increasing steadily so to become one of principal drivers for most developed countries' economy.

As it is evident that the services sector is now of central importance to advanced economies, studying knowledge management to enhance the understanding of this sector would be necessary.

The Knowledge management is an important tool for improving the performance of companies in service industry by carrying out:

7.1 Knowledge creation

All strong companies create and use knowledge. When these companies have to interact with their environments, they get information, transform into knowledge, and use to make a decision based on their experiences, values, and internal rules. If a company does not have knowledge, it cannot manage itself to be a strong company. To create knowledge, there are five ways of knowledge creation; acquisition; dedicated resources; fusion; adaptation; and knowledge networking. Thus the knowledge management helps in knowledge creation.

7.2 Knowledge codification

This method is about making knowledge accessible for whoever wants it. This process will transform knowledge into a code to make it as structured, explicit, transferable, and easy to understand as possible. Each of these codes has its own particular set of values and limitations, and they can be used single or in combination. New technologies have a vital role to codify knowledge and make the prospects for these activities also give four rules for companies to follow when they want to codify knowledge.

1. Managers have to identify what business goal that the codified knowledge will supply.

2. Managers can specify knowledge that exists in many forms to achieve those goals.

3. Value and suitability of knowledge must be evaluated by knowledge managers.

4. A proper medium must be identified for codification and distribution.

7.3 Knowledge transfer

Knowledge is naturally transferred in every organization whether or not the process has been managed at all. For example, when a practitioner asks the senior employee about the needs of a particular customer, they are exchanging knowledge.

It is difficult to transfer tacit knowledge from the resource that creates it to other parts of the company. The company should use knowledge transfer that suits the organizational culture.

Davenport and Prusak (1998) recommend that the company should encourage knowledge sharing among business units by creating places and giving opportunities for employees to interact formally. Knowledge transfer should be supported in personal meetings in addition to more structured forms mentioned above.

7.4 Knowledge work

The term 'knowledge work' tends to be applied to refer to specific occupations exploiting theoretical knowledge, creativity and social skills. Knowledge work is used to refer to as professional work, such as accountancy, scientific and legal work. This type of knowledge work depends on the application of both tacit and explicit knowledge. Employees who involve this type of work need to make their decision by themselves about what and how to do their work. So these knowledge workers should have high education and specialist skills.

7.5 Knowledge management sharing

Knowledge has become one of the important parts of any companies. The companies face the challenge about using and creating knowledge. When the technology that has been used to manage knowledge growing fast, it means that the knowledge can be collected, stored and accessed to improve the job. While human knowledge may be an organization's most valuable asset, much of this knowledge has never been shared. Harnessing critical knowledge and using it to create a common vision and objectives can move an organization closer to high performance workplace. Many researchers maintain that it is essential to create a knowledge sharing culture as part of a Knowledge Management.

Knowledge management has been found to have an important influence on service innovation performance. This is meaningful because managing knowledge is also an incremental process which links individuals, teams, departments and organizations through knowledge sharing in order to achieve organizational learning. Learning is an integral part of innovation as it provides a knowledge base on which the skills and competences necessary for innovativeness can be built. Many studies have focused on investigating and demonstrating the role and impact of knowledge management in supporting, improving and innovating different business processes and functions. These studies focus on developing management processes that aim to build and maintain good quality customer relations, enhance customer lifetime value, and address the intense global competition and the dynamically changing tourists' behavior. It is therefore clear that there is a direct link between well-designed knowledge management applications and innovation in the services offered.

Effective& Systematic Processes creating a "knowledge environment" with processes to capture the knowledge assets of the organization is important, but it will probably be most successful once most of the technologies of electronic commerce have been implemented. The companies in service industry use knowledge management to gain competitive advantage. The first important variable is leadership with a vision, strategy and ability to promote change of the management to a compelling knowledge management actively promoted by the Chief Executive that clearly articulates how knowledge management contributes to achieving organizational objectives. A special is to team to aggressively manage knowledge property i.e., manage intellectual assets as routines-process, appropriate technology, infrastructure for ''social'' and electronic networking to allow for innovation and leverage organizational knowledge. A Culture of pervasive knowledge sharing needs to be nurtured enabled within and aligned with organizational objectives. The underlying concern is employees do not want to share information. Successful organizations empower employees to want to share and contribute intellectual information, by rewarding them for such actions. And, with organizational leaders role models of information sharing and interface regularly with staff, teams and stakeholders in review sessions and openly talk about successes and failures. Thus, the need for Strategy, Systems & Infrastructure establishes a clear definition of all required Knowledge Management elements and an overall system approach and integration. Finally the success of knowledge management can be measured against pragmatic milestones, such as the creation of products, the development of new clients and an increase in sales revenue.

8.Limitations:

1. Space limitations

While advance computer and technology have helped people to link with each other, people also concern about geography affecting them in the new knowledge economy. The emergence of virtual space does not decrease significance of physical space. Even though people have the fast pace of technology to communicate and the ability to transfer data across distances, they still want to contact with others in person by gathering together for events, hand shaking and hugging.

2. Time limitations

Time is another factor that needs to be considered because virtual communities or online societies make people work with their colleagues anytime and anywhere. For example, an employee can work at four o'clock in the morning with other employees from other continents.

Another aspect of time is obsolete knowledge. Although sharing knowledge over time is seen as important, people should not overestimate past knowledge. Knowledge from the past cannot always serve as a basis for the work of today; things can change quickly and radically in innovating industries.

3. The lack of face-to-face communication

In any cultures the face-to-face meeting is the perfect example for the meeting of minds. When people meet physically each other, communication is smooth and sound. However, the space and time limitations in online society make face-to-face communication impossible. Knowledge Management researchers support the presence of other members in the community which is the important key for knowledge creation and sharing. Today people have a lot of activities to do, such as working and learning, from other part of the world. In order to solve the problems, they can use technologies such as video conferencing to create a tele-presence that they can communicate anywhere and anytime. They can create virtual teams to work efficiently when having the face-to-face communication where they can overcome the issue of trust and ambiguity surrounding in the virtual world.

4. Language and cultural barriers

Not only the physical distance and time difference limitations problems that members in online society have to confront, but also they may face other obstacles to communicate each other, such as language and cultural barriers. They have to meet that language that can hinder to interact in online society where the companies can find people from different countries

and different languages. Although people normally use English to communicate or do business worldwide, many people do not have the ability to understand and communicate in English (Van den Branden, 2001). Therefore, language can be a cause of barriers that hinder people in online society to transfer and share their knowledge to others. When people have to share knowledge with someone from another culture, they have to use additional effort (Barnard, 2005). Culture may also hinder people in online society to create and share knowledge each other. People who come from different parts of the world may have different cultures, behaviors, goals, and motivation that make it difficult for them to communicate and get knowledge from what other people try to explain.

5. The problem with trust

Trust has played an important role in knowledge sharing. It plays a more essential role when it has to be created in an online or virtual environment. Handy (1995) has emphasized the importance of trust in an online society. He considers that trust can occur when people are not complete strangers to one another. He also maintains that establishing trust is hard if people have not worked together before, or they have no face-to-face contacts. People increase the sense of trust that allows them to create new knowledge and share that knowledge to other people in the community through good relationships.

6. Low level of teamwork

Online communication in virtual communities differs from face-to-face communication. As mentioned above, due to the space and time limitations, the lack of face-to-face communication may result in the problem with trust, identity and commitment in online societies. These can make people feel reluctant to share their knowledge and work together. Knowledge that is not shared will loose its relation quite quickly. There is an evidence that the environment that supports trust, care, and personal networks among employees is one of the most important conditions for high level of collaboration, knowledge creation and knowledge sharing .

7. Lack of time and heavy workload

One of the barriers to knowledge sharing is that people are too busy to share their knowledge and to answer the questions they are asked. Many people cannot deal with overloaded information from many sources such as e-mails. When some people are too busy to answer the questions, others who ask the questions will feel suffer from inadequate knowledge.

8. The 'big C'

Another obstacle for Knowledge Management in large organizations is the 'big C', i.e. culture in traditional organizations is a general culture of compliance to the established and highly respected hierarchy and procedures predominate implementing the knowledge management methods.

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