

The IUJ Journal of Management

A Bi-Annual Journal of The ICFAI University, Jharkhand



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IUJ Journal of Management

Vol. 1

No. 1

November 2013

ISSN: 2347 - 5080

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From the Editor

Owing to very complex division of labour into incomplete processes and multi-faceted wants, every human being in today's world is utterly dependent on others in his day-to-day life. In fact, individuals and economies are so inter-woven in the context of dependency that everyone is getting knotted with the cob-web of interdependence. No doubt, interdependency has enhanced the productivity leading to growth and prosperity but at the same time has also made life very complex and competitive. Ubiquitously, one competes with others to have an edge and get noticed. In this process, cut-throat competition for competitive advantage has been dictating the scenario, which is certainly advantageous to some extent but at the same time perilous for moderately weaker sections of the factors and market players. This facet of any economy warrants governmental intervention in the form of subsidy, tax concession, tax holiday, bail-out, transfers, etc. to safeguard the interest of the weaker sections as mentioned. In fact, increasing role of government in such balancing activities endows with inputs to the voracious political leaders and bureaucrats to misappropriate funds leading to massive corruption, which has been the great concern for India in recent past till today.

In the backdrop of this complexity and competition, Indian economy or, with little exception in one way or other, the world economy has been facing with composite problem of unemployment, inflation, sluggish growth, corruption, environmental degradation, professional hazards leading to frustration, improper utilization of IT for the betterment of the human being and turmoil in banking and stock markets, etc. The articles incorporated in this issue of the Journal have analyzed lucidly one or other aspect of this composite problem and tried to pave the path for either solving the problem or getting prepared to face the problem. The Issue contains 12 fascinating research and review papers spread over Management domains of Banking and Finance, Marketing, Human Resource and Organizational Behaviour, IT in Management and General Management, and one useful book review.

Although market for life insurance in India is highly untapped, leaving nearly infinite scope for life insurance companies to excel exploiting the situation, all existing life insurance companies are not on profitable track. In fact, barring a few, most of the companies are struggling to find required number of customers for their sustenance. Adding to this, Customers' expectations, needs and desires have been changing substantially over the years. That's the reason why companies are offering varieties of products to differentiate one from another. As different products target different group of customers, segmenting the customers has been essential before the launch of products so that the companies will concentrate on the particular segment for the development, promotion and adoption or sale of the product. Keeping this in mind, the authors of the research paper titled "Models for Segmenting Life Insurance Customers: An Analytical Study" have appropriately focused on 'Customization' of products and services in place of 'standardization' and made a modest attempt to study some selected existing models of market segmentation related to life insurance and propose an easily perceivable and implementable model.

Even though every citizen has to go for an insurance policy for security of the dependents on any future mishap, considering the very low volume of returns from the insurance policies, it has not been considered as a source of investment. While the rate of interest on bank deposits is not that lucrative, investing in real estate, which has been fetching very high returns since last few decades, is not everybody's cup of tea. Alternatively, stock markets can be a very good alternative for investment, as the problem of accessibility is not there, unlike real estate and the tag of chance of getting very high returns is inherent to it. However, owing to highly volatility of the stock markets in the recent past, all potential surplus income holders don't prefer it to invest in it. As a result, there is a very small fraction of India's population invest in Indian stock market. Considering this critical issue, the author of the research paper "Decomposition of Conditional Volatility- an Application of Component-GARCH Model to study Volatility in Indian Stock Market" aimed at the modeling the conditional volatility in Indian stock market so that on the basis of finding, the investor can take calculative risk and hence the investor base of the market can be broadened. In his study, the authors unfolds that shocks in short run do not last for a long period in the Indian stock market and the study also brings out the fact that Global financial crisis does not have its impact on long-run volatility of the returns in Indian stock market. There are some investors who don't like to invest in stock market directly but they want the taste of higher return from their investment unlike their savings in banks. Mutual Funds are the best mode for this category of investors. However, investors from this category do have variety of choices and hence mutual funds companies have varieties of products accordingly. In fact, investor's expectations and risk-appetite differ across various investment products. They search for "key choice attributes" in the product offerings which are closely matching their preferences. In this background, the author of the research paper titled "Factors Influencing Investment in Mutual Fund Products" tracks the key attributes of mutual fund products that influence investment decision making process of retail investors.

In today's competitive environment, the performance of organizations depends largely on the quality of Human Resources. For obvious economic and business reasons, organizations have always been concerned about the competence of its people. This calls for futuristic skill mapping through proper HRM initiatives. Appropriately, the authors of the research paper "Competency Mapping of the HR Department in an Automotive Component Company in India" attempt to delve deeper into the concept of competency, and its applied role in the present context. In present times, emotional intelligence (EI) has become the major determinant of employee effectiveness and organizational growth. So, the authors in their paper "Emotional Intelligence and its Impact on Employees Job Satisfaction and Organizational Effectiveness" analyze the relationship of EI with Organizational Commitment, Work Motivation, Self Efficacy, and Organizational Effectiveness disposed by an employee. Be it competency mapping or emotional intelligence, the role of motivation is incomparable. Thus there has been good number of research on motivation. The authors of the paper titled "Needs, Drives and Actions: A Century of Research in Human Motivation" have reviewed important literature on motivation to connect the threads between different studies with a purpose to elaborate how one study and its findings influenced another and thus led to the development of motivational theories in the field of behavioural and management sciences for over a century.

Banks play a vital role in today's dynamic world. For the purchase of household durables to firm's capital equipments and from small savings deposits to term or current deposits, we depend on banks. If banks don't upgrade their functioning in line with the changing situation, both the parties - customers and banks feel the pinch of adversity. On this backdrop, the banking reform bill 2012 was purported to bring more investment in banking sector in India. The legislation paved the way for more corporate houses to run banks by enabling Reserve Bank of India to issue new bank licenses. The authors, in their paper titled "Banking Reform in India: Opportunities and Challenges" have tried to address the critical issues like 'Could new banking reform bill help India to achieve inclusive Banking?' and 'Would it help economy in the long run?'

Information and Communication Technologies (ICT) play a major role in Tourism, Travel & Hospitality Industry. Integration of ICT in the tourism industry is essential for success of tourism enterprise. The author of the paper titled "Role of Information and Communication Technologies in Tourism Industry" tries to integrate ICT with tourism that will enable more accessibility, Visibility of information, availability of variety of products and satisfaction. Another paper on technology "Geo-Spatial Technologies as an Efficient E-Governance Tool to Curb Corruption - Case Study of Land Record System in India" emphasises on use of geo-spatial technologies for e-governance for management of land records and information and provides as platform for information to citizens as well government to curb corruption related to land records. In his study the author aims at finding various factors responsible for corruption and how innovative technologies like GIS can address various issues related to citizens' specially poor and middle class people. Where as, the paper titled "Persona Driven IT System" recognizes the value of Personas in the context of Information Technology for decision making. In this paper, the author has tried to help the reader understand why employing Personas is better than current techniques that are typically used for initiative planning.

The success of any business depends upon the marketing of the product and service it deals. Opinion leaders are one of those marketing tools which play a vital role in converting prospects to customers in rural India. The author of the paper "Usage of Opinion Leaders as a Marketing Tool in Rural Markets of India" provides a critical overview of the current practices of marketers in designing and executing marketing communications. He in his paper proposes a cost effective stepwise framework in usage of consumer behaviour influencing dimensions of opinion leadership to enable rapid transition of consumers through the buying process. In the Paper titled "Green Accounting: A Conceptual Analysis in Indian Context", the author has referred the need of Macroeconomic and societal indicators to reflect the contribution of biodiversity and ecosystem services. He has tried to provide the concepts, importance of green accounting and an overview of the green accounting in Indian context that factors environmental costs into the financial results of operations.

Last but not the least, is the book review done by the reviewer on the book titled "Start-Up Sutra - What the Angels Won't Tell You about Business & Life". The reviewer has appropriately captured every tit and bit of the author's view point that narrates the success story of Entrepreneurship of two new-age entrepreneurs of Bihar.

I earnestly hope that creative minds behind the contents of this issue will cater as per the expectation of the readers.

(Sukanta Chandra Swain)
Managing Editor

Models for Segmenting Life Insurance Customers: An Analytical Study

Mrinmoy Bhattacharjee¹ and Nikhil Bhusan Dey²

Customers' expectations, needs and desires have changed substantially over the years. A single product or service offered by companies can no longer satisfy their wide array of needs. 'Customization' of products and services is the buzzword of today's businesses which has completely replaced the older concept of 'standardization'. However, it is also impossible to produce customized and distinctly unique products for each and every customer which gives birth to the need of market segmentation. Life insurance being highly intangible in nature is much more complicated and difficult to be perceived than the physical or tangible products. Life insurance has a vast potential market all across the world and our nation. But, the changing socio- cultural dynamics of the population has posed great challenge in front of the life insurance service providers in identifying the needs properly and incorporating the solutions for the same in their products. The present study is a modest attempt to study some selected existing models of market segmentation related to life insurance and propose an easily perceivable and implementable model.

Key words: Market, segmentation, model, life insurance.

Introduction

As rightly said that gone are those days when enterprises used to serve their customers with homogenous products. The customers' of 21st century demands for innovative and unique products which perfectly fit into their needs. 'Customization' of products and services is the buzzword of today's businesses which has completely replaced the older concept of 'standardization'. However, it is also impossible to produce customized and distinctly unique products for each and every customer. This has lead to the emergence of the concept of market segmentation.

Market segmentation consists of taking the total heterogeneous market for a product and dividing it into several sub-markets or segments, each of which tends to be homogeneous in all significant aspects" (S. A. Sherlekar, 2006).

According to Charles W. Lamb and Carl McDaniel (2003, p. 228), the first step in segmenting markets is to "select a market or product category for study". It may be a market in which the firm has already occupied a new but related market or product category, or a totally new one. The second step is to "choose a basis or bases for segmenting the market". This step requires managerial insight, creativity and market knowledge. There are no scientific procedures for selecting segmentation variables. However, a successful segmentation plan must

produce market segments which meet the four basic criteria: "substantiality, identifiability, accessibility, and responsiveness". The third step is "selecting segmentation descriptors". After choosing one or more bases, the marketer must select the segmentation descriptors. Descriptors identify the specific segmentation variables to use. The fourth one is to "profile and analyze segments". The analysis should include the segment's size, expected growth, purchase frequency, current brand usage, brand loyalty, and long-term sales and profit potential. This information can then be used to rank potential market segments by profit opportunity, risk, consistency with organizational task and objectives, and other factors which are important to the company. The fifth step is to "select target markets". This step is not a part of the segmentation process but a natural result of it. It is a major decision that affects and often directly determines the firm's marketing mix. The last one is "designing, implementing and maintaining appropriate marketing mixes". The marketing mix has been described as product, distribution, promotion and price strategies which are used to bring about mutually satisfying relationships with target markets.

A service, like life insurance being highly intangible in nature is much more complicated and difficult to be perceived than the physical or tangible products. The needs and requirements of customers are also different and unique in nature

related to life insurance. Today's policy holders demands much more than what they used to demand in the past. Life insurance has a vast potential market all across the world and our nation. But, the changing socio- cultural dynamics of the population has posed great challenge in front of the life insurance service providers in identifying the needs properly and incorporating the solutions for the same in their products.

The present study is a modest attempt to study some selected existing models of market segmentation related to life insurance and propose an easily perceivable and implementable model.

Analysis of Existing Models

Many recent studies on market segmentation related to life insurance have focused on psychographic factors like lifestyle and attitude apart from usual demographic factors like age, income, gender, social groups etc.

Craft, Stephen (2004) has shown in his study that in general, customers are willing to pay a premium for a product that meets their needs more specifically than does a competing product. Thus marketers who successfully segment the overall market and adapt their products to the needs of one or more smaller segments stand to gain in terms of increased profit margins and reduced competitive pressures.

Wells, Chang and Oliveira (2010) in their study presented an idea that benefit sought is more powerful basis of brand choice. They also revealed the idea that demographic attributes are not very effective in case of brand choice and in price selection. The demographic variables of interest were age, gender, household size, occupation, education and level of income. Results of this study show that the demographic

influence on choice of life insurance policies is partial with household size, education and income having a significant effect on the choice. This study shows that some of the demographical factors like education, income and household size effect the choice of product and definitely the choice of brands also (Mirza, 2010).

Kamineni (2009) presented the idea that demography has now failed to effective segmentation and only psychography is not sufficient to segment today's complex market in which consumers have a different type of ideology. This study gives an idea about new basis of segmentation that can be applicable with the help of 'enneagram', an ancient technique of personality indicator. This technique has a combination of psyche and spirituality of personality.

Moskowitz, Gabay and Ashman (2009) proposed a model for segmenting customers in life insurance business in their research work entitled "Relationship marketing, mind - set segmentation, optimized messaging for life insurance and typing customers into the segments". The model consists of three segments. The first segment consists of customers who are moderately interested in life insurance, and interested in policy details, ease of use, simplicity, and wealth. The second segment consists of customers who are moderately interested in insurance, but becomes more interested as it assures premiums are waived in case of a permanent disability. The third segment consists of customers who are moderately interested in insurance. Individuals belonging to this segment look for a trusted authority to guide them regard the appropriateness of the insurance and the relevant options. This segment comprises individuals who are emotionally involved and connected. An illustrative table is given below in table 1:

Table 1: Segmentation table proposed by Howard Moskowitz, Gillie Gabay and Hollis Ashman

Segment	Segment Name	Description
Segment- 1	Easy to use and customization seekers	This segment is moderately interested in life insurance, and interested in policy details, ease of use, simplicity, and wealth. Customers belonging to this segment appear to want to control what the policy contains and have plenty of suggestions to include in the policy.
Segment- 2	Assurance seekers	This segment is moderately interested in insurance, but becomes more interested as it assures premiums are waived in case of a permanent disability.
Segment- 3	Peace of mind seekers	This segment is moderately interested in insurance. Individuals belonging to this segment look for a trusted authority to guide them regard the appropriateness of the insurance and the relevant options. This segment comprises individuals who are emotionally involved and connected.

(Howard, Gillie and Ashman, 2009)

C. V. Gopal (2010) proposed a different way of segmenting the customers of life insurance. He believed that family oriented values motivate a member to invest in a life insurance policy. He formulated his model based on certain assumptions, which are as follows:

- Business communities have strong family bonding, which makes them prefer life insurance policies to protect their family's life style, security, commitment and harmony.
- Family values do influence its members, particularly of large families to invest in life insurance policies.
- Any member who wants to have economic independence for himself and for his dependants invests in life insurance.
- A family's economic welfare is assured only when the members have deep family orientation, which is best expressed through life insurance policies.

Family-oriented values are the subsets of cultural values whose function is to bind, bond or even bend but not break the unity, integrity, harmony

and happiness of a family. Eight family values were considered for developing segments namely, Love: To enrich the family bonding amongst the members and enhance the longevity of the 'Family', Security: Taking safety measures to protect the 'Family', Responsibility: Taking adequate care of the family members, Capability: To steer the 'Family' in the right direction, Foresight: To preserve the cohesiveness of the 'Family', Harmony: Achieving the family objectives to bring-in all-round happiness among the family members, Beauty: Enhancing the member's perception of beauty in the various stages of family life, and Wisdom: To mould the 'Family' into a successful social unit.

Three clusters were finally created each reflecting: high family-value profile - G1, low family-value profile - G2, moderate family-value profile-G3. Under Group I: Muslims and Hindus formed a cluster based on high family value profile. Under Group II: Sindhis and Nagarathars formed a cluster with low family value profile. Under Group III: Nadars and Jains formed a cluster with a moderate family value profile.

Group I with Hindus and Muslims preferred a nuclear family under the cultural, economic and sociological dimension and an extended family under the psychological dimension. Group II with Nagarathar and Sindhis preferred an extended family under all the four dimensions. Group III with Nadars and Jains preferred a large family under all the four dimensions. The table 2 given below represents the segmentation done: Wilson (2011) defines that Segmentation is as

demographics so the population is constantly changing.

3. Discrete Population Segments

Discrete population segments are used to designate a specific group of people the organization want to track or interact with over time. These segments are typically behavioral-based and governed by a specific time frame. Therefore, this population does not change over

Table 2: Segmentation proposed by C. V. Gopal

Sl. No.	Segments	Description
1	Group I	Muslims and Hindus with high family value profile. They preferred a nuclear family under the cultural, economic and sociological dimension and an extended family under the psychological dimension.
2	Group II	Sindhis and Nagarathars with low family value profile. They preferred extended family.
3	Group III	Nadars and Jains with a moderate family value profile. They preferred large family.

(Gopal. C. V, 2010)

much an art as it is a science. It's done a million different ways, and there is no right or wrong. Following are bases which may be used to segment customers of life insurance:

1. Life Stage Segments

These segments are used to classify target audience into discrete segments, which are mutually exclusive. These may map to a defined business process within organization, like a sales cycle; to relationship with the individual; to the individual's engagement with the brand, such as recency or social media interaction; or other factors.

2. Focused Target Segments

Focused target segments are used for very specific targeting campaigns. Typically, these segments are based on a combination of Life-Stage Segments, behaviors and demographics. People may move in or out of these segments, depending on changes in behaviors or

time. These types of segments are sometimes referred to as "cohorts." The table 3 given below represents the detail segments:

Another interesting classification or segmentation in life insurance is proposed by Fodor and Kocsir (2008). They primarily classified life insurance customers on the basis of lifestyle and value system. According to them Value system and lifestyle can affect human behavior as well as consumer behavior. That can be the reason why the traditional, socio-demographic criteria are not enough for the segmentation of the consumer market and to explore the inner logic of the factors determining consumer behavior based on the marketing practice these days. The conditions of life and value structures are playing a more and more significant role in the formation of consumer preferences so their segmentation role has also been given a greater emphasis.

Further on the basis of cluster analysis three

Table 3: Life insurance market segments proposed by Jennifer Wilson

Life Stage Segments	Focused Target Segments	Discreet Population segments
Include every person	Subset of people with behavior(s)/attribute(s)	Describe a specific set of individuals
Mutually exclusive; people only in one segment	No natural relationship within or across segments	Static — people do not move in or out of this segment
Track progression across segments	Track membership (in or out) and profile members	Track behavior over time and compare
Use in combination with focused target segments	Can be used for specific campaigns and offers	Used for retention analysis and seasonal analysis

distinct segments were formed as follows:

- Family-centered, aiming at security
- Hedonistic and
- Caring well-off

The first cluster consists of those family-centered aiming at security. They regarded comfortable, calm, balanced life, thriftiness and family happiness more important than the mean sample. At the same time, when compared to the sample, they underestimated exciting, enjoyable life, career, success and hobby. The group is rather characterized by a traditional, clear, classical, mature value system.

The members of the second cluster follow

hedonistic values. They prefer enjoyable life rich in adventures and for them financial well-being is more important than average to afford themselves something good. Career, plenty of leisure time and hobby are all the most overestimated factors in this group when compared to the mean of the sample. At the same time, the somehow contradictory things to the instant enjoyment of life, namely, comfortable, calm and balanced life were judged to be less important than average. Those who prefer self-remuneration and individual features belong to this group. It is proved by the fact that taking care of others and giving a source of happiness for others are less important than average for this group.

In the "caring well-off" cluster those aiming at

Table 4: Market segmentation in life insurance by Monika Fodor and A. C. Kocsir

Sl. No.	Segment	Description
1	Family centered	Aims at security, considers comfortable, calm, balanced life, thriftiness and family happiness more important. Under-estimate exciting, enjoyable life, career, success and hobby. The group is characterized by a traditional, clear, classical, mature value system.
2	Hedonistic	Prefer enjoyable life rich in adventures, financial well-being to afford themselves something good, Career, plenty of leisure time and hobby are all the most overestimated factors in this group.
3	Caring well off	Aims at security, socially sensitive, have a lot in common with those in the first cluster with a mature value system but, group values like the source of enjoyment for others, peaceful, harmonic family life and friendship are significantly overestimated. This is the most socially sensitive cluster. Self remuneration and making individual lifestyle exciting and enjoyable are pushed in the background and communal values are emphasized instead of the individual ones.

security and who are socially sensitive are put. The members of the sample have a lot in common with those in the first cluster with a mature value system but, in this group values like the source of enjoyment for others, peaceful, harmonic family life and friendship are significantly overestimated. This is the most socially sensitive cluster. Self remuneration and making individual lifestyle exciting and enjoyable are pushed in the background and communal values are emphasized instead of the individual ones.

The group "Family-centered, aiming at security" is typically made up by families living with a child or children older than 19 years old so adults. Mainly the middle aged group and the representatives of the older generation over 60

would like to buy only those policies which give them security and can be liquidated very easily. These essentially comprised endowment as well as unit linked policies. High Net Worth Buyers: Those who likes traditional policies. The Sophisticates: Those who are predisposed towards mutual funds, stocks through portfolio managers. These include whole life and unit linked money back policies. The Pension Savers: Those who are old and more inclined towards safe bonds, traditional offers providing income in later years. The Neophytes: Those who have just started out, willing to look at non-traditional offers with safety

Proposed Model

All the above models have concentrated mostly on psychographic and demographic aspects of

Table 5: ING-Vysya's Market segments

Segments	Preference of life insurance policies by the segment
Defensive insurance buyers	Policies which gives security and can be liquidated easily.
High net worth buyers	Prefers traditional policies
The sophisticates	Predisposed towards mutual funds, stocks etc.
The pension savers	Inclined towards safe bonds, traditional offers providing income in later years
The Neophytes	Just started and willing to go for nontraditional policies

make up this segment. The table 4 given below represents a brief picture of the segmentation.

ING-Vysya instituted a "brand experience process" called "live the brand" to understand the customer segments and innovate their offerings. In order to understand consumer segments and equity, a large segmentation and cluster study based on life stages and market dynamics/behavior mapping was conducted. This study innovatively messed the socio-demographic and psychographic variables with the life stage need states of consumer (IMRB, 2008). They identified some key segments like, The Defensive Insurance Buyers: Those who

market segmentation and not on other bases. So, a multiple segmentation model for life insurance consumers is hereby proposed (table 6). Further, it is to mention that the basic concept is derived from the paper entitled 'Advances in Market Segmentation' by William D Neal and John Wurst (2001).

The Table 6 contains 4 factors and 12 sub factors in each axis. These 12 factors if put into a three dimensional figure with X, Y and Z axis would produce 1728 cells. Now, each person of a population can be placed into one such cell. Hence, 1728 such segments can be formed where people with similar psychographic, demographic and behavioral factors are placed together. This

Table 6: Proposed model for segmenting life insurance customers

X axis (Psychographic factors relating to life insurance)		Y axis (Demographic factors relating to life insurance)		Z axis (Behavioral factors relating to life insurance)	
Motivation	High	Age and Life Cycle	Young	Marketing Factors Sensibility	Highly Sensitive
	Medium		Adult		Moderately Sensitive
	Low		Old		Non Sensitive
Lifestyle	High	Income	High	Benefit Sought	Advanced
	Medium		Moderate		Moderate
	Low		Low		Adequate or Minimum
Value System	High	Social Class	High	Attitude	Positive
	Medium		Middle		Neutral
	Low		Lower		Negative
Personality	Strong	Occupation	Professional	Loyalty	Hard Core Loyal
	Moderate		Service		Split Loyal
	Weak		Self Employed		Switchers

would help to find the exact needs and requirements of a customer regarding life insurance services and policies.

For example, a working bachelor in early 20's with high motivation, medium life style, high value system, moderate personality, moderate income (considering he/she works in a BPO), middle class family background, occupationally in service, highly sensitive to marketing campaigns, looking for advanced benefits, positive attitude and split loyal can fall into one such segment out of 1728 segments. Whereas, another person with medium motivation, medium lifestyle, medium value system, weak personality, low income (considering him/her to be employed part time), middle class family

background, moderately sensitive to marketing campaigns, moderate benefit seeker, neutral attitude and with switching tendency would fall into separate segment.

In the above example, though both the person belongs to same age group but, their needs and requirements would distinctly vary from each other. The first person, being a fully employed person, may prefer unit linked policies with advanced benefits at a moderate premium (unlike high end business man) whereas, the second person, being a partially employed person, may look for traditional policies which provides life risk coverage at a low premium.

Developing customized services for these

segments may look complicated apparently but, a closer look reveals that the customizing services may not be a herculean task considering the fact that the segments are interrelated in many aspects and unique in may be only few aspect/s. This means that the core service or policy can remain same and through peripheral adjustments or additional benefits or features the specific needs of individual segments can be satisfied. Hence, the cost of service development would not increase significantly. The rivalry among companies will also minimize, as there will be many segments to cater and thus, each company can have specific segments leading to specialization. Practically, if we divide 1728 segments by 25 life insurance company, it works out to be 69 segments per company.

Conclusion

The concept of life insurance has undergone radical change during recent times. It is no more considered as a mere social provision to make up the unforeseen losses. The ever changing socio-cultural dynamics of the population is posing serious challenges in understanding the needs of the customers and incorporating the same in the products which clearly advocates the need for better and more sensitive way of segmenting the market. The present exploratory work has made an attempt to study some selected models of life insurance customer segmentation and propose a better and easily perceivable model for the same.

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Decomposition of Conditional Volatility- An Application of Component -GARCH Model to study Volatility in Indian Stock Market

CMA. Potharla Srikanth¹

The present study is aimed at the modelling the conditional volatility in Indian stock market. BSE-Sensex is used as a benchmark index for Indian stock market and S&P 500 is introduced into the CGARCH equation to assess the impact of US stock market on Indian stock market. The period of study is from April, 1999 to March, 2013. The comparatively higher negative value of skewness of S&P 500 index indicates that S&P 500 index is more volatile than BSE-Sensex. The study unfolds that the permanent component of conditional volatility is highly persistence, whereas short run transitory component of conditional volatility is not persistence and it quickly reverts into mean. It indicates that shocks in short run do not last for a long period on the Indian stock market and the study also brings out the fact that Global financial crisis does not have its impact on long-run volatility of the returns in Indian stock market.

Key words: Transitional volatility, Indian stock market, CGARCH model.

JEL Classification: C13, C52, C53, C58, G10, G17

Introduction

Proper estimation of volatility is essential for the efficient price discovery for various financial market instruments like stocks, futures, options etc.,. Modelling of volatility helps in efficient management of portfolio of financial assets and it facilitates efficient diversification of portfolios according to changing market conditions. Volatility estimation also plays vital role in risk management. Measurement of volatility in stock markets is a crucial task for investors. History of financial markets research shows the development of many theories and models for modelling volatility of financial markets. Simple measures of variance like standard deviation or squared value of standard deviation, cannot capture the stylized behaviour of stock market returns. Seminal works of Mandelbrot (1963) identified clustering nature of volatility which indicates that the large changes in stock prices follow large changes and small changes follow the small changes. Other common stylized characteristics are autocorrelation, heteroscedasticity, non-normality of the distribution etc.,. Hence, there was a need for suitable econometric models for modelling volatility of stock markets. First significant attempt in this regard was done by Robert F. Engle in 1982. He developed a model called Autoregressive Conditional Heteroscedasticity (ARCH) which can well estimate the volatility of

stock returns having the problem of heteroscedasticity and autocorrelation. But, the exponential nature of volatility could not be well estimated under ARCH model for which generalised form of ARCH model is required and it was developed by Bellerslev in 1986 and the model was named as Generalised Autoregressive conditional heteroscedasticity (GARCH) model. At present, there are numerous variants of GARCH models which are proposed by various econometricians. Each GARCH Model has its own uniqueness serving the different objectives in modelling financial markets volatility.

2. Literature Review

Madhusudan Karmakar (2005)¹ made an attempt to model conditional volatility of the Indian stock market. The study had taken S&P CNX Nifty-50 Index and BSE-Sensex as representative indices for Indian stock market and period of study was 2nd January, 1991 to 10th June, 2003 which is further divided into three different sub-periods. All the fifty stocks included in S&P CNX Nifty-50 index are also studied individually. The study employed GARCH (1,1) model for estimating conditional volatility in the market. Forecast performance evaluation results confirm that the GARCH (1, 1) model is well suited for forecasting market volatility. The study found a strong evidence for time-varying volatility in Indian stock market. The study also observes that

the volatility shows persistence nature. Ching-Chun Wei (2009)² examined the effect of unexpected exchange rate mean and volatility spillover on stock markets in China by applying Component GARCH model. The study used exchange rates of USD, Yen, Euro, dollar to China Renminbi (RMB). The study revealed that USD-RMB exchange rate has significant impact on US domestic stock market than Yen-RMB and Eurodollar-RMB exchange rates. On the other hand, USD-RMB and Yen-RMB exchange rate shocks have significant impact on forex market in China. The study finds an interesting fact that symmetric GARCH model has better forecast performance than asymmetric GARCH model which implies that unexpected shocks have stronger effect on Chinese stock market. Chia-Hao Lee et. al. (2010)³ analysed relationship between volatility and trading volume in five major Asian Index futures markets i.e., Nikkei225, TAIEX, Hang Seng, MSCI Singapore and KOSPI200 and the period of study was from January, 2000 to March, 2007. The results of the study highlight the presence of conditional heteroscedasticity in the volatility of selected future indices. The study brings out the fact that the liquidity variable has positive impact on the volatility indicating that the increase in liquidity may lead to increase in volatility of the indices and the study also observes that the persistence of volatility is not very much affected by the introduction of liquidity variable in variance equation. Adolphus Wagala et. al. (2012)⁴ made an attempt to model volatility of Nairobi stock exchange for a period between 3rd June, 1996 to 30th October, 2011. The authors have applied different GARCH models like IGARCH Model, EGARCH model and Threshold GARCH model on weekly returns to examine the volatility of the stock market in the country. Forecast evaluation performance of the selected models has been done by using Mean Square Error (MSE). The results of the study unfold the fact that negative shocks tend to produce more volatility in the market than positive shocks of same magnitude. EGARCH model outperforms all the remaining GARCH

models employed in the study.

3. Objectives of the study

The presented study is carried out to model the conditional volatility in Indian stock market and to decompose the conditional volatility into permanent component and transitory component. The study also examines the impact of international stock market conditions and global recession on the conditional volatility of the Indian stock market.

4. Data and methodology

The period of present study is from April, 1999 to March, 2013. Daily-wise prices of BSE-Sensex and S&P500 index have been used for the study. BSE-Sensex is used as a benchmark index for Indian stock market and S&P 500 Index is used as a proxy for US stock market. Prices of selected indices are converted into natural logarithmic values, because the log values can easily capture the compounding effect of returns in the stock markets. Besides, log values can generally follow the normal distribution.

a. Descriptive Statistics

To understand the characteristics of the data variables, descriptive statistics like mean, median, minimum, maximum, standard deviation, skewness and kurtosis have been computed for the log values of returns from BSE-Sensex and S&P500 index.

b. Unit Root test

Application of GARCH model requires that the distribution of data should be stationary. Hence, to test the stationarity of the data series, Augmented Dickey Fuller test, without trend and intercept, has been applied on the data series at their level form. The equation of the test is as follows,

$$\Delta Y_t = \alpha_0 + \alpha_1 Y_{t-1} + \sum_{j=1}^p \gamma_j \Delta Y_{t-j} + \varepsilon_t$$

.....(1)

In Equation (1) is the first differenced values of data series, is intercept, is one day lagged values of the data series, is the differenced

value of the data series at lag length 't-j' and is the error term.

c. Component GARCH (CGARCH) model

Mean Equation

$$R_t = \mu_0 + \alpha_1 R_{t-1} + \alpha_2 S \& P500_{t-1} + \alpha_3 D_t \dots\dots\dots(2)$$

In equation (2) is return from Sensex at time 't'; is one day lagged value of Sensex return; is one day lagged value of S&P500 index return; is the dummy variable for Global financial recession which gives value '1' for 2008-09 financial year and value '0' for the remaining study period.

Variance Equation

$$\sigma^2_t = q_t + s_t \dots\dots\dots(3)$$

In equation (3) σ^2_t represents long memory behaviour of conditional variance; qt indicates persistent long run component; st denotes a transitory short run component. has been computed as follows

5. Analysis of Result

Table 1: Descriptive Statistics

Statistic	Sensex Return	S&P500 Return
Mean	0.049209	-0.002438
Median	0.110937	0.047382
Maximum	15.98998	10.95720
Minimum	-11.80918	-9.469514
Std. Dev.	1.704343	1.341937
Skewness	-0.098220	-0.147700
Kurtosis	8.894818	10.24277
Observations	3032	3032

Source: Author's Calculations

$$q_t = \gamma_0 + \gamma_1(q_{t-1} - \gamma_0) + \gamma_2(\epsilon^2_{t-1} - \sigma^2_{t-1}) + \gamma_3 S \& P500_{(t-1)} + \gamma_4 D_t \dots\dots\dots(4)$$

In equation (4), γ_1 shows the long run persistence of conditional volatility derived from the shock to a permanent component given by . is one period lagged value of squared residual and is one period lagged value of squared variance. + indicates the long run persistence of volatility.

$$\sigma^2_t = q_t + (\gamma_5 + \gamma_6 d_{t-1})(\epsilon^2_{t-1} - q_{t-1}) + \gamma_7(\sigma^2_{t-1} - q_{t-1}) \dots\dots\dots(5)$$

In equation (5), $(\sigma^2_{t-1} - q_{t-1})$ indicates transitory component of conditional variance. $\gamma_5 + \gamma_6$ captures the persistence of transitory component of conditional variance.

Table 1 presents the descriptive statistics of log returns of Sensex and S&P500 Index. Average daily log return of Sensex is 0.0492% with a standard deviation of 1.704%, whereas the average daily return of S&P 500 is negative at -0.0024% with a standard deviation of 1.342%. Skewness of the distribution of log returns of both Sensex and S&P500 is negative which

highlights that the distribution of data has longer left tail having large number of high values in the distribution. It indicates speculative nature of the market. Negative value of skewness for S&P500 is more than that of Sensex indicating more speculative nature of S&P500 index compared to Sensex. Kurtosis of the distribution of both the series is leptokurtic indicating that the values in the distribution are closer to their mean value.

Table 2: Augmented Dickey Fuller Test

Stock Market Index	t-statistic	Probability
Sensex Returns	-51.71344	0.0001
S&P 500 Returns	-42.69438	0.0001

Source: Author's Calculations

Table 2 shows results of the stationarity test

conducted on log returns of Sensex and S&P500 at their level form. Results of Augmented Dickey Fuller test clearly indicates that the log returns of Sensex and S&P500 are stationary at their level form.

Table 3 presents results of estimation of Component GARCH model (CGARCH). In mean equation, , representing one day lagged returns of Sensex, is positive and significant (p<0.05). It brings out the fact that the previous day returns have positive impact on current day returns. , which denotes the coefficient of one day lagged returns from S&P500 index, is also positive and significant(p<0.05) implying the impact of international stock markets on Indian

Table 3: Estimation results of CGARCH Models

Variable	Coefficient	Std. Error	Z-Statistic	Prob.
Mean Equation				
	0.101828	0.022530	4.519703	0.0000
	0.060882	0.018485	3.293624	0.0010
	0.296109	0.019865	14.90600	0.0000
	-0.183530	0.155394	-1.181063	0.2376
Variance Equation –Permanent Component				
	2.268235	0.291481	7.781763	0.0000
	0.981556	0.003890	252.2988	0.0000
	0.085943	0.006643	12.93798	0.0000
	-0.084516	0.010682	-7.912142	0.0000
	0.098560	0.062353	1.580683	0.1140
Variance Equation –GARCH				
	-0.085560	0.021674	-3.947572	0.0001
	0.187410	0.030686	6.107404	0.0000
	0.681408	0.062693	10.86896	0.0000
Heteroskedasticity Test: ARCH LM Method				
F-statistic	0.196625	Prob. F(1,3765)	0.6575	
Obs*R-squared	0.196742	Prob. Chi-Square(1)	0.6574	

Source: Author's Calculations

stock market. δ is the coefficient of dummy variable which represents the impact of Global financial crisis on Indian stock market. It is negative, but not significant.

Variance equation under CGARCH model can be divided into two segments. One segment contains the information about the permanent impact of shocks on volatility. Other segment is GARCH equation in which constant is substituted by time varying component 'qt'. α_1 is positive and significant which unfolds the fact that shocks on returns have significant long term impact on volatility ($p < 0.05$). α_2 is also positive and significant which indicates that the permanent shock to volatility is time dependent implying the significant term structure of volatility ($p < 0.05$). β_1 is the coefficient of one day lagged return from S&P500 index and it is negative and significant which highlights the fact that international stock markets have negative impact on the permanent shocks to volatility ($p < 0.05$). It means that decrease in the returns of international stock markets will lead to increase in volatility and vice versa. β_2 is the indicator of the impact of global financial market recession on Indian market and it is positive but not significant ($p > 0.05$). Sum of α_1 and β_1 is 1.068 which is very closer to one and it indicates strong enduring effect of shocks on volatility. α_2 is positive and significant indicating strong positive asymmetric effect of shocks on volatility. It clearly indicates that negative shocks reduce volatility in the stock market. Sum of α_1 and β_2 is 0.108 which is very low indicating the quick mean reversion of volatility caused by short run shocks. ARCH-LM test is conducted for testing whether the residuals obtained from CGARCH model are free from heteroskedasticity. The results of the test confirms that the residuals obtained from the fitted CGARCH model are free from heteroskedasticity ($p > 0.05$).

6. Findings and Conclusions

US stock market has positive significant impact on mean returns from Indian stock market which

implies that increase in US stock market returns causes increase in Indian stock market returns and vice versa. Global financial market crisis is having significant impact neither on mean returns nor on variance of the returns in the long run. Positive asymmetric effect on volatility indicates that Indian market responds in different way to positive and negative shocks. When there are positive shocks, representing favourable domestic and international stock market conditions, market responds quickly and there will be large number of transactions in the market causing greater changes in volatility, but reverse is not true. The findings unveil an important fact that global financial market crisis did not exhibit any long term impact on Indian stock market. The same fact is also confirmed by the very low value of parameter of transitory shock persistence when compared to the value of parameter of long term shock persistence.

The present study is carried out to decompose the conditional volatility into long-term time varying trend component and short-term transitory components. Positive asymmetric effect can give pre-caution to the market that the investors should not become panic to the adverse conditions in the international or domestic markets. It also suggests that short term shocks will not have long lasting impact on the volatility of returns and hence, market should not reshuffle drastically for the short term shocks.

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Factors Influencing Investment in Mutual Fund Products

Zabiulla¹

Investor's expectations and risk-appetite differ across various investment products. They search for "key choice attributes" in the product offerings which are closely matching their preferences. The fact that mutual funds have gained increased acceptance as an asset class for the investors is evident from the robust growth levels of asset under management of mutual funds. A wide array of schemes with varied risk-return characteristics are offered by the mutual funds to the investors. Mapping the expectations of investors today to a hierarchy of needs, the new age investor demands higher rate of returns, more transparency and flexibility to switch from one scheme to another. In this background, this study aims at tracking the key attributes of mutual fund products that influence investment decision making process of retail investors. The survey has been conducted in Bangalore city during July-September 2012. Data for the study was collected through a questionnaire from a sample of 430 retail investors. Factor analysis and multinomial logistic regression is used for data analysis.

Key words: Product Offerings, Investor Behaviour, Key Choice Attributes, Mutual Funds, Retail Investors

Introduction

The macro-economic environment in India has witnessed significant changes in the recent past. The financial market developments contributed to increased interests in the financial instruments available for investments. Retail investors have shown keen interests in the new issue market as well as the secondary market operations. Mutual fund schemes have also become very popular investment avenue for the retail investors. Mutual funds are the most significant vehicle of collective investing and provide investors with professional asset management and great diversification (Rompotis, 2008).

The Indian mutual fund industry has undergone dramatic transformation since the sector was opened up for private players in 1993. Transparency and service levels of the funds have improved and increase in product innovation and performance has also been noted in the recent years (Bindal, 2011). The fact that mutual funds have gained increased acceptance as an asset class for the investors is evident from the robust growth levels of assets under management of mutual funds. The industry has grown exponentially from its asset base worth 25 crores in March 1965 to 759,995 crores by December 2012 (AMFI). As on March 2013, the number of players has grown to 43 as against a single player at the time of inception of the industry.

Investor's expectations and risk-appetite differ

across various investment products. They search for "key choice attributes" in the product offerings which are closely matching their preferences. The new age investor demands higher rate of returns, more transparency and most importantly the freedom to choose from a wide range of product alternatives (PWC). Moreover, it is essential to gauge that investor needs differ in urban cities to smaller towns and the investor awareness programs need to be designed accordingly. There is a need for Indian mutual fund houses to come out with innovative products that suit their investment requirements.

This paper is organized into six sections including the introductory paragraphs. Section two reviews the relevant literature. The objectives of the study are delineated in the subsequent section. Section four sketches the methodology employed. The results and discussions are described in section five while the final section concludes the paper.

2. Review of Literature

A number of studies have examined the impact of demographic variables on investment decision making process of investors. Riley and Chow (1992) and Schooley and Worden (1999) found that demographic factors influenced the risk tolerance capacity of the individual investors. Bakshi and Chen (1994) concluded that risk aversion increases as the population ages. Morin and Suarez (1983) and McInish, et al. (1993) investigated the effect of age on the holding of

risky assets. Wang and Hanna (1997) found that relative risk aversion decreases as people age when other variables are held constant while risk tolerance increases with age. Brynes and David (1999) investigated the relationship between risk and gender and concluded that women tend to take lesser risk than men. Langer (1975) finds that self reported risk tolerance does the best job of explaining differences in both portfolio diversification and portfolio turnover across individual investors. Warren et al. (1990) and Rajarajan (2000) predicted individual investment choices (e.g., stocks, bonds, real estate) based on lifestyle and demographic attributes. Dash (2010) concluded that investors' age and gender predominantly decides the risk taking capacity of investors. Barnewall (1988) suggested the use of psychographics as the basis of determining an individual's financial services needs and takes one closer to the truth from the customer's perspective of need to build a marketing program. Harlow and Brown (1990) observed that psychologists tend to believe that an individual's choice is primarily determined by factors unique to the particular decision setting, whereas economists assumed that there is some individual specific mechanism playing a common role in all economic decisions. Korniotis and Kumar (2011) examined the older investors about their investment decisions. Felton et. al. (2003) concluded that males make more risky investment choices than females, and that this difference was primarily due to the riskier choices of optimistic males. Gunay and Demirel (2011) found that gender has interaction with five of the financial behavior factors namely overreaction, herding, cognitive bias, irrational thinking, and overconfidence. They concluded that behavioral finance factors are effective in individuals' investment decisions. Soane et al (2010), asserted that personality had a direct effect on risky choice behaviour in four domain viz., social, ethical, gambling and recreation and that the perceived costs and benefits mediated the relations between personality and risk-taking. Chitra and Sridevi (2011) found that personality traits had an impact on the choice of investment

method, and that the personality impact was stronger than that of demographic variables.

Understanding the behavioural dynamics of investors is one of the areas of research in behavioural finance in the last two decades. Saha and Dey (2011) asserted that success of mutual fund depends on the complete understanding the psychology of small investors. Barber et al (2005) find that investors are more sensitive to salient fees like front-end loads, but not as sensitive to hidden management fees. Zhu (2005) shows that "busy" investors are more likely to invest in funds rather than individual stocks. Jambodekar (1996) observed that the investors look for safety of principal, liquidity and capital appreciation in order of importance. Shanmugham (2000) reported that psychological and sociological factors dominated the economic factors in share investment decisions. Sidkar and Singh (1996) revealed that salaried and self employed were the major investors in mutual fund schemes primarily due to the tax benefits. In an another study, Ippolito (1992) found that the scheme selection by investors is based on past performance of the funds and money flows into winning funds more rapidly than they flow out of losing funds. Gupta (1993) carried out a household investor survey in order to determine the investor preferences on MFs and other financial assets. Chandra and Kumar (2012) concluded that investors make investment decisions based on heuristics and their investment decisions are highly influenced by representatives. Chakarabarti and Rungta (2000) found that brand image factor influences the investor's perception and hence fund selection. Ranganathan (2006) studied the financial behaviour of mutual fund investors in connection with scheme preference and selection. Bergstresser et al (2009) studied whether mutual fund brokers help educate investors and satisfy their behavioral biases, but conclude that brokers do not deliver tangible benefits for the fees they earn. Christoffersen et al (2006) consider how fund managers respond to the preferences of their investors. Malloy and Zhu (2004) show that

investors who reside in less affluent and less educated neighborhoods tend to select high expense funds.

Not many studies exist that examine the factors influencing investment in mutual fund products particularly in the urban context. This study, therefore, attempts to add to the existing literature on the subject. Besides, it establishes the relationship between demographic characteristics viz., gender and life stage and the mutual fund attributes that influence fund selection.

3. Objectives of the Study

The objectives of the study are:

- (i) To identify the investment goals of retail investors.
- (ii) To examine the factors that influences the retail investors to invest in specific mutual

fund schemes.

- (iii) To establish the relationship between factors influencing fund selection and demographics.

4. The Study

The study is exploratory in nature and focuses attention on the factors that influence the decision making process of investors in mutual fund schemes. The study uses primary data collected through a well structured questionnaire distributed to 430 investors who were chosen purposively for this research. The sampling process adopted in the study could, therefore, be described as convenient sampling. Data collection was done during July-September 2012 in Bangalore City.

Basic demographic profiles of retail investors in an urban environment have been found to be a

Table 1 Demographic Profile of Respondents

Characteristics	Profile	Frequency	Percentage
Gender	Male	323	75%
	Female	107	25%
Age	Below 30 years	150	35%
	31-40 years	194	45%
	41-50 years	52	12%
	Above 50 years	34	08%
Marital Status	Married	271	63%
	Unmarried	159	37%
Educational Qualification	Higher Sec. School	27	06%
	Graduate	206	48%
	Post Graduate	163	38%
Occupation	Professional Degree	34	08%
	Salaried	228	53%
	Business	107	25%
	Professional	69	16%
Annual Income	Retired	26	06%
	Below Rs. 2,00,000	60	14%
	Rs. 2,00,001 – Rs. 4,00,000	198	46%
	Rs. 4,00,000 – Rs. 5,00,000	120	28%
Annual Savings	Above Rs. 5,00,000	52	12%
	Less than Rs. 75,000	176	41%
	Rs. 75,001 – 1,50,000	138	32%
	Above Rs. 1,50,000	116	27%

better source of information for financial service providers. It helps in marketing the financial products required by a specific segment. The emergence of High Net worth Individuals (HNIs) as a niche segment is a case in point. Table-1 describes the demographic profile of respondents.

It can be seen in Table 1 that majority (45%) of the respondents are in the age group of 31-40 years. Those who are below 30 years of age constitute 35%. Occupational profile reveals that a large number of respondents were salaried (53%); businessmen constitute 25%; professionals constitute 16% and retired employees form 6%. The income profile depicts that a greater percentage (46%) of respondents had annual income in the range of Rs. 2, 00,001 - Rs. 4, 00,000, followed by 28% respondents who are in the Rs. 4,00,001 - Rs. 5,00,000 category. With respect their annual savings majority of the respondents saved less than Rs. 75,000 (41%), followed by 32% of respondents about Rs. 75,001 - Rs. 1, 50,000. About 27% of the respondents had annual savings in excess of Rs. 1, 50,000.

As stated elsewhere in the study, gender and life stage plays a key role in investment decision making process. In this regard, cross sectional analysis was done to find the differences that exist between these demographics and investment goals as well as sources of awareness. Chi-square test was used to test the statistical significance.

For ascertaining respondents' opinion about factors influencing the choice of mutual fund selection sixteen variables were selected. The opinions of the investors on these variables were obtained on a five point Likert scale with '1' standing for 'strongly disagree' and '5' for 'strongly agree'. After necessary editing and coding, the collected data were analyzed with the

help of various statistical tools such as factor analysis and multinomial logistic regression by using SPSS software.

Reliability of multi-item scales was assessed through computation of Cronbach's alpha. The alpha coefficient stood at 0.680 thus confirming the homogeneity of the items comprising the questionnaire and indicates an acceptable level of reliability. Kaiser-Meyer-Olkin Measure of Sampling Adequacy of 0.677 signifies that the sample is validated for factor analysis. Further, the chi-square statistic reported by Bartlett's test of sphericity was 1492.08 and the corresponding p-value of 0.000 shows the correlation between the variables. This supports the validity of the factor analysis of the data set.

5. Results and Discussions

5.1 Demographics and Varying Investment Goals

Table 2 presents the varied investment goals of retail investors on the basis of gender and life stage. The objective of majority of investors (35%) is to 'provide for retirement' followed by 'minimization of tax liability' (33%). The cross sectional results reveal that 40% of the male respondents invest in mutual funds to reduce tax incidence while 33% to provide a cushion for their retirement. On the contrary, 39% of the female respondents invest for their retirement needs followed by acquisition of assets (27%). The Asset Management Companies should design the mutual fund products that meet the triple needs of investor viz., tax benefits, safety and assured return. The life stage classification show that the investors up to 40 years of aim at tax minimization while the investors above 40 years invest with the objective of providing for their retirement. Further, the differences among demographics viz., gender and life stage and investment goals were found to be significant. Chi-square tests confirm the results at 1% level of significance with a high degree of consistency.

Table 2 Investment Goals Vis-a-vis Demographics of Retail Investors

Demographics		Investment Goals				Total	Statistical Values
		Provide for retirement	Asset acquisition	Provide for children education	Minimize tax liability		
Gender	Male	108	14	73	128	323	$\chi^2 = 59.746^*$ LR = 56.089 df = 3 CC = 0.349
	Female	42	29	22	14		
	Total	150	43	95	142		
Life Stage	Below 30 years	43	16	27	64	150	$\chi^2 = 44.710^*$ LR = 47.648 df = 9 CC = 0.307
	31-40 years	59	13	53	69		
	41-50 years	26	9	12	5		
	Above 50 years	22	5	3	4		
	Total	150	43	95	142		

Note: * Significant @ 1% level, LR - Likelihood Ratio, df - Degree of freedom, CC - Contingency Coefficient

Figure 1 Investment Goals of Retail Investors Vis-a-vis Gender

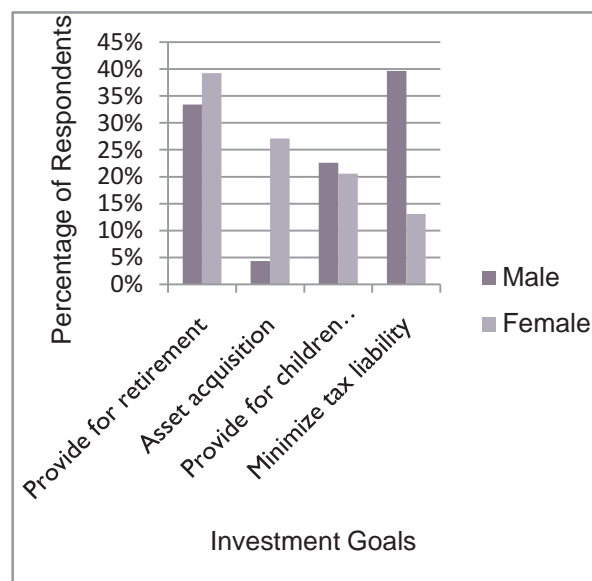
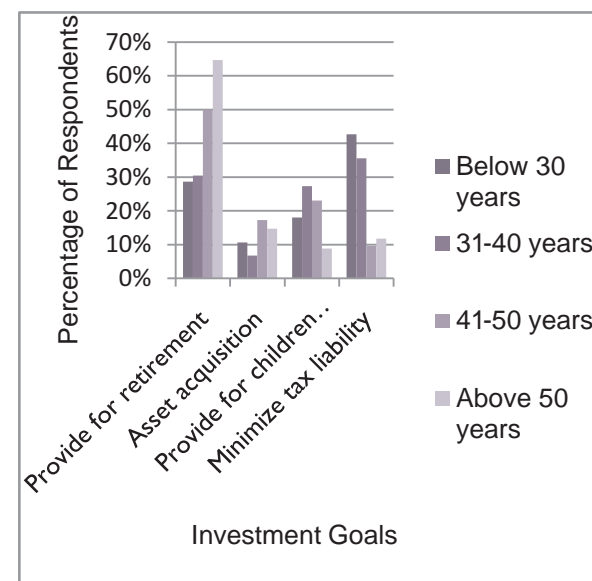


Figure 2 Investment Goals of Retail Investors Vis-a-vis Life Stage



5.2 Identification of Factors Influencing Mutual Fund Investments

The scree plot presented in figure 3 shows that five factors have Eigen value greater than one. About 19.758% of the variance is explained by factor-1, 15.692% of the variance is explained by factor-2, 9.008% of the variance is explained by factor-3,

7.551% of the variance is explained by factor-4 while factor-5 explained 7.085% of the variance. Together, all these five factors contributed to 59% of the variance. The variance reflects considerable contribution of these factors while selecting a particular mutual fund scheme.

Figure 3 Variance Explained by the Factors - Scree Plot Representation

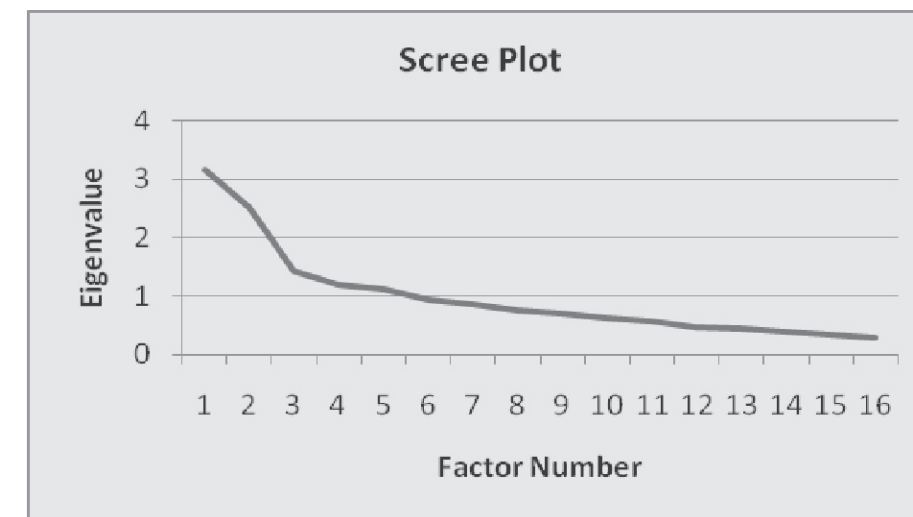


Table 3 Results of Rotated Component Matrix: Identification of Factors Affecting the Mutual Fund Investment Decisions

Factors	Variables	Factor Loadings
F1: Core Portfolio Characteristics	Reputation of fund manager	0.755
	Tax advantage	0.671
	Benefits of diversification	0.650
	Absence of entry load	0.494
F2: Financial Integrity	Transparent disclosures	0.647
	Professional Management	0.755
	Scheme's portfolio	0.761
F3: Protection	Safety of funds	0.658
	Statutory protection	0.754
	Credit rating	0.694
F4: Fund Performance	Capital appreciation	0.529
	Return potential	0.406
	Past fund performance	0.422
F5: Accessibility	Affordability	0.858
	Convenience	0.623
	Liquidity of funds	0.566

Table 3 presents the attributes under each of the five derived factors. The first factor has been named as "Core Portfolio Characteristics" of a mutual fund which include reputation of fund manager, tax benefits, diversification benefits and absence of entry load. The brand value created by the fund manager adds value to investment decision making by investors.

Investors believe that fund performance is necessary but is not a sufficient condition to drive their selection of mutual fund products. Selection of mutual funds by a customer is a function of both the fund performance and brand equity of the fund house. Investors are of the view that the key differentiator at the time of selection of a fund is the positive outlook on performance even if the

numbers do not reveal a spectacular historic performance. The brand equity of a mutual fund includes factors like perception of the brand capability drawn from its performance in other sectors. In addition, investment in mutual funds is attractive to the investors owing to tax benefits. The tax benefits associated with the investment in mutual funds is a key driving force for investments. Diversification is one of the key factors the investors consider while investing in mutual fund products. It is a basic investment strategy to minimise risk. Prudent investors expect that the fund managers to leverage the benefits of diversification. The removal of entry load or fees has been a favourable factor for the potential investors to route their surplus funds in mutual funds. All these attributes drive them towards qualitative investment decision making process.

The second factor is labeled as "Financial Integrity" and includes transparent disclosures, professional management and the composition of scheme's portfolio. Inter alia, disclosure of all the pertinent facts in a right manner about the scheme is yet another positive factor about the fund schemes. Such disclosures enhance the quality of services offered by the fund houses. Retail investors, who cannot take direct participation in the equity markets successfully, invest in mutual funds with the belief that the fund manager's possess active fund management skills and provide the investors with the returns that commensurate their level of risk. The endeavour of mutual fund investments is to leverage professional and prudent fund management techniques and thereby maximize returns for the investors while minimizing risk. Unless the fund provides assured returns, the market response is likely to be weak. The portfolio of the schemes depends on the objective of the scheme. The investors, by and large, want to align their financial goal with that of the scheme's objective.

The third factor is designated as the "Protection" which comprises of attributes like safety of funds, statutory protection and credit rating.

Safety of investments is considered to be the primary goal of investments. As for as mutual fund schemes are concerned, the general perception of the investors is that they (schemes) are safe. Risk-averse investors aim at safety of principal. Investors consider mutual funds as a medium of ensuring financial independence and security. Since most of the mutual fund schemes carry easy liquidity options, investors believe that mutual funds eliminate the need for borrowing money in case of financial exigencies. The credit ratings enjoyed by the schemes will certainly be a critical factor considered while investing.

"Fund performance" is identified as the fourth factor. Capital appreciation, return potential and historical fund performance were grouped under this category. The schemes appreciating its value over a period of time and thus adding to investor's wealth is another attribute. Even though past performance cannot guarantee future performance, investors track the historical performance of the funds vis-a-vis the relative benchmark and peer schemes. Fund houses should design the mutual fund products in such a way that it is easier for an investor to invest and look after.

Another factor "Accessibility" implies the ease at which the investors can trade. The schemes should be affordable for the investors besides they are bestowed with the feature of convenience. Liquidity of mutual fund schemes adds to the attractiveness of an investment. It can be judged in terms market's depth, breadth and resilience. Liquidity for the future is deemed to be of utmost importance in making any investment decision. Therefore the identification of this factor as one of the key factors in the decision process is in keeping with the general objective of investment.

5.3 Relationship between Factors Influencing Fund Selection and Demographics.

Understanding the influence of demographics on fund selection is important for the asset

management companies as it circumscribes the nature of schemes that the potential investors like to invest in. In this regard, multinomial logistic regression is employed to understand the relationship between the factors influencing fund selection and demographics.

Table 4 displays the results of multinomial logistic regression for mutual fund attributes and gender. Under the model fitting information, the -2 Log Likelihood is lower for the final model than the null model. This indicates that the model is a

predicts significantly better, or more accurately, than the null model. The goodness-of-fit table provides further evidence of good fit for the model. The significance of each attribute in the model is tested at 5% significance level to see whether the attribute contribute meaningfully to the full effect. The results show that factor 3 (protection), factor 4 (fund performance) and

Table 4 Results of Multinomial Logistic Regression: Mutual Fund Attributes Vs Gender

Model Fitting Information				
Model	Model Fitting Criteria		Likelihood Ratio Tests	
	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	450.670			
Final	432.992	17.678	5	.003

Goodness-of-Fit				Pseudo R-Square	
	Chi-Square	df	Sig.		
Pearson	389.130	102	.000	Cox and Snell	.40
Deviance	425.227	102	.000	Nagelkerke	.60
				McFadden	.37

Likelihood Ratio Tests				
Effect	Model Fitting Criteria		Likelihood Ratio Tests	
	-2 Log Likelihood of Reduced Model	Chi-Square	Df	Sig.
Intercept	550.728	117.736	1	.000
Core Portfolio Characteristics	433.242	0.250	1	.617
Financial Integrity	435.567	2.575	1	.109
Protection	438.956	5.964	1	.015
Fund Performance	437.484	4.492	1	.034
Accessibility	438.049	5.057	1	.025

Classification			
Observed	Predicted		
	1	2	Percent Correct
1	319	4	98.8%
2	99	8	7.5%
Overall Percentage	97.2%	2.8%	76.0%

better fit. The Likelihood Ratio chi-square test is alternative test of goodness-of-fit. It is inferred from the table that model fit is significant (5) = 17.678, p < .001, which indicates the full model

factor 5 (accessibility) have proved significant among other extracted factors, their p-value

among other extracted factors, their p-value being lower than 0.05.

6. Conclusion

A wide variety of mutual fund products with various risk-return options are made available to investors by the mutual fund houses. The success

of a mutual fund depends on how effectively it is able to satisfy the expectations of investors. This paper examined the factors influencing investment in mutual fund products. It is found

Table 5 Results of Multinomial Logistic Regression: Mutual Fund Attributes Vs Life Stage

Model Fitting Information				
Model	Model Fitting Criteria		Likelihood Ratio Tests	
	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	846.992			
Final	727.958	119.034	15	.000

Goodness-of-Fit				Pseudo R-Square	
	Chi-Square	df	Sig.		
Pearson	903.113	306	.000	Cox and Snell	.44
Deviance	652.078	306	.000	Nagelkerke	.57
				McFadden	.27

Likelihood Ratio Tests				
Effect	Model Fitting Criteria		Likelihood Ratio Tests	
	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	962.731	234.772	3	.000
Core Portfolio Characteristics	728.157	.198	3	.978
Financial Integrity	746.671	18.713	3	.000
Protection	747.063	19.104	3	.000
Fund Performance	742.765	14.806	3	.002
Accessibility	796.544	68.586	3	.000

Classification					
Observed	Predicted				Percent Correct
	1	2	3	4	
1	17	127	3	3	11.3%
2	16	173	0	5	89.2%
3	7	41	0	4	0.0%
4	0	14	0	20	58.8%
Overall Percentage	9.3%	82.6%	.7%	7.4%	48.8%

that investors search for certain key attributes in mutual fund products viz., core portfolio characteristics, protection, financial integrity, marketability, consistency in fund performance and customer engagement. The product offerings by the fund houses should match with investor's preferences. As there is a large untapped market for mutual fund products in India, the fund houses have to design the products that meet their risk appetite. The key choice attributes identified in this study provide information inputs regarding the retail investor's preferences that would really act as guideposts for future fund managers in designing new investment schemes.

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Competency Mapping of the HR Department in an Automotive Component Company in India

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In today's competitive environment, the performance of organizations depends largely on the quality of Human Resources. Down the years, knowledge based and highly skilled jobs are increasing while low skilled jobs are decreasing. This calls for futuristic skill mapping through proper HRM initiatives. Every professionally managed firm should have well defined roles and lists of competencies required to perform each role effectively. These should be used for recruitment, performance management, promotions and training need identification.

In performing or carrying out work, it is essential that required job skills first be articulated. This information not only helps to identify individuals who have the matching skills for doing the work but also the skills that will enhance the successful performance of the work. Yet, often to perform well, it is not enough just to have these skills. It is also critical to complement the skills with necessary knowledge and attitudes. These skills, qualifications and attitudes required for work are usually collectively referred to as competencies. For obvious economic and business reasons, organizations have always been concerned about the competence of its people. Through this paper, the authors attempt to delve deeper into the concept of competency, and its applied role in the present context. It explains how the concept has gradually evolved over the years, its applications in human resource management, and development.

Key Words: Competency, Competency Mapping, Skill Matrix, Human Resource

Introduction

Organizations of the future will have to rely more on their competent employees than any other resource. It is a major factor that determines the success of an organization. Competencies provide a common language and method that can integrate all the major HR functions and services like Recruitment, Training, performance management, Remuneration, Performance appraisal, Career and succession planning and integrated Human resource management system. Over the past 10 years, human resource and organizational development professionals have generated a lot of interest in the notion of competencies as a key element and measure of human performance.

The latent meaning of competency mapping is not just about finding the right people for the right job. The issue is much more complex than it appears, and most HR departments have been struggling to formulate the right framework for their organizations.

In 1973, David McClelland, Professor of Psychology at Harvard University wrote a seminal paper that created a stir in the field of psychology (McClelland, 1973). According to his research, traditional academic aptitude and

knowledge content tests seldom predict on-job performance. He went on to argue that the real predictors of job performance are a set of underlying personal characteristics or 'competencies'. Hence, the history of competency can be traced to the early 1970s when industrial psychologists and human resource managers were seeking ways to predict job performance. There was significant evidence to show that personality testing was very poor at predicting job performance (about 10 percent success rate was achievable). At the same time, a number of studies showed that traditional academic aptitude, knowledge tests, school grades and credentials did not predict job performance. Evarts (1988) defined competency as an underlying characteristic of a manager which causally relates to his/her superior performance in the job. According to Jacobs (1989), it is an observable skill or ability to complete a managerial task successfully. Hornby and Thomas (1989) defined it as the ability to perform effectively the functions associated with management in a work situation. In the recent years, many meanings and new labels have evolved through common usage for the terms 'competence' and 'competency' (Strebler et al., 1997). Usually, the term 'competency' has been used to refer to the meaning expressed as

behaviors that an individual needs to demonstrate, while the term 'competence' has been used to refer to the meaning expressed as standards of performance (Hoffmann, 1999).

Competency Defined

This definition is synthesized from the suggestions of several HRD specialists who attended a conference on the subject 'competencies', in Johannesburg, South Africa, in October 1995. A competency is "A cluster of related knowledge, skills and attitudes that affect a major part of one's job (a role or responsibility), that correlates with performance in the job, that can be measured against well-accepted standards, and that can be improved with training and development".

Katz and Kahn (1966) grouped competency under three areas, which were later expanded to the following four:

1. Technical or functional: Associated with the technical or functional expertise required to perform the specific role.
 2. Managerial: Knowledge, attitude and skills required to plan, organize and mobilize various resources.
 3. Human: Knowledge, attitude and skills required to motivate, utilize and develop human resources.
 4. Conceptual: The ability to visualize the invisible and think at abstract levels.
- The requirement of the above competencies varies across different levels. As one moves higher in hierarchy, more is the requirement of the managerial and conceptual competencies.

The Two Approaches to Competency

Boyatzis' model investigates which characteristics of managers are related to effective performance and it can be considered as an adaptation of the classical psychological model of behavior (McClelland, 1971). The authors see 'competency' as an 'underlying characteristic' causally related to superior job performance (McClelland, 1971 and Boyatzis, 1982). This approach is also known as the input

approach to management competency (Tate, 1995 and Hoffmann, 1999), as it was used to define the inputs needed to demonstrate a competent performance and to find out what makes managers competent. The second approach identifies the outcome expected from a job when it is performed adequately. It suggests not only skills and knowledge but also the range of qualities of personal effectiveness required to get a job done (Ashworth and Saxton, 1990; Silver, 1991; Boam and Sparrow, 1992 and Burgoyne, 1989). The main contraposition between the two meanings of the term 'competency' is that one refers to the output or the result of the training, while the other refers to the inputs or the underlying attributes required of a person to achieve competent performance.

Competency Models

A competency model describes the combination of knowledge; skills and characteristics needed to effectively perform a role in an organization and is used as a human resource tool for selection, training and development, appraisal and succession planning (McLagan, 1989). Different companies use different kinds of model, e.g., a small, yet fast growing and upcoming product development company, with staff strength of 650, introduced a role and value-based universal competency model for different hierarchical levels in the organization ranging from engineer to vice president. They identified a set of eight competencies-product knowledge, technical skills, planning, communication, initiative, self-development, team work and management-that are applicable to every level. On being asked the idea behind such a design, the response was, "Competencies remain the same for different levels but the way it is demonstrated becomes different for different roles", e.g., technical skills for a development manager will be to evaluate different technologies, develop product map, cost benefit analysis, etc. For a vice president it would mean developing product vision, i.e., envisioning the competition the product would likely face and the like.

Characteristics of an Effective Model

As suggested by Madhavi Mishra, Hewitt Associates, the characteristics of an effective model are as follows:

- * It should be established through a process, maximizing effective communication and involvement across all levels in the organization.
- * The model should be effective in distinguishing superior performance.
- * The competencies must support the business strategy by ensuring identification of all skills required to implement the strategy effectively.
- * The model should not be vague; the abstract concepts must be translated into observable behavior.
- * The model should be future focused.

About Classic Stripes Private Limited

Classic Stripes Private Limited (CSPL), established in 1987, is one of the largest manufacturers of automotive graphics in the world, with a production capacity of over 15 million automotive graphic sets per annum. Today, CSPL has a significant market share in the Indian automotive OEM printing industry. CSPL is a global player with presence in the UK, USA and the Middle East. CSPL is highly committed to quality and innovation which is evident from the numerous awards it has won over the years and the creative designs developed for its customers in its in-house design studio. With an excellent in-house QC lab and design studio, CSPL is widely regarded as a leader in new product development. For seven consecutive years (2005-2011), CSPL has been featured in the "Top 25 Best Places to

Work in India", a survey conducted by "Great Places to Work", Institute (India) in partnership with Business World & Economic Times.

Competency Mapping at Classic Stripes

The Steps involved in competency mapping with an end result of job evaluation included the following:

- Step 1: Identify departments/functions for competency profiling
- Step 2: Identifying hierarchy within the organization and selection of levels
- Step 3: Obtain the job descriptions
- Step 4: Preparation of semi structured interview
- Step 5: Recording of interview details
- Step 6: Preparation of a list of Skills
- Step 7: Indicate proficiency levels
- Step 8: Validate identified competencies and proficiency levels with immediate superiors and other heads of the concerned department
- Step 9: Preparation of competency dictionary
- Step 10: Mapping of competencies

Use of Competency Mapping

Competency mapping at Classic Stripes served a number of purposes, which included .

- o Gap Analysis
- o Role Clarity
- o Selection, Potential Identification, Growth Plans.
- o Succession Planning.
- o Restructuring

Competency Based Matrix

1. Qualifications and Experience Profiling

Grade	Designation	Qualification	Age	Experience
M1	Vice-President	Ph.D. or Masters degree Such as MBA/PGDM/PGDBA/ M.Sc. in HR	35 - 45 years	15-20 Years
M2	Deputy General Manager/ Chief Officers	Bachelor's degree in public, personnel or business administration, or related field. Masters Degree and professional certification preferred	30 - 40 years	10 - 12 Years
M3	Senior Manager	A Bachelor's degree in economics/ commerce/ finance/business administration. Masters Degree Preferred.	30 - 35 years	8 - 12 Years
M4	Human Resources Managers	A master's degree in human resources, business administration organizational development, labor relations and behavioral and social sciences.	30-35 years	6 - 12 Years
M5	Assistant Manager	Bachelor's degree in public, personnel or business administration, accounting, finance or related field. Masters Degree and professional certification preferred	28 - 32 years	5- 8 years
M6	Senior Executive Recruitment	Bachelor's Degree in Business Administration, Communications, Public Relations or a related field. Masters Degree and professional certification preferred	25 - 30 years	3- 5 years
M7	Executive	Bachelor's Degree in Business Administration, Communications, Public Relations or a related field. Masters Degree and professional certification preferred	25 - 28 years	2- 5years
M8	HR assistant	A Bachelor's Degree or diploma (preferably in HR)	22 - 25 years	1- 3years
MT	Management Trainee	Masters degree Such as MBA/PGDM/PGDBA/ M.Sc. in HR	22 - 25 years	0- 1years

2. Mapping of key competencies

Designation	Personality Traits	Skills and Abilities	Knowledge	Work Approach
Vice-President	<ul style="list-style-type: none"> Diplomatic Pragmatic Passionate 	<ul style="list-style-type: none"> Analytical Thinking Administration and negotiation skills Excellent oral & written Communication Forward Planning and Decision Making Ability to take calculated risks and change management 	<ul style="list-style-type: none"> Employment legislation Modern policies and practices Employee classification Compensations and benefits Recruitments, selection, and training Knowledge of computerized information systems 	<ul style="list-style-type: none"> Initiative Innovation Persistence
Deputy General Manager/ Chief Officers	<ul style="list-style-type: none"> Ethical Diplomatic Empathetic Broad-minded Understanding 	<ul style="list-style-type: none"> Complex Problem-solving Critical & Analytical thinking Conceptualize & think creatively. Strong Planning & Organizing Skills Listen effectively and respond appropriately. Effective Communication & Presentation Skills 	<ul style="list-style-type: none"> Industry Labor laws and regulatory guidelines Thorough knowledge of HR functions, particularly in the areas of organizational development, compensation, and employee relations 	<ul style="list-style-type: none"> Initiative Innovation Persistence Attention to Detail
Senior Manager	<ul style="list-style-type: none"> Intelligent Confident Optimistic Highly personable 	<ul style="list-style-type: none"> Good computer literacy Organizational & presentation skills Excellent verbal and written communication 	<ul style="list-style-type: none"> English Language Best HR practices. Employment legislation Knowledge of computerized information systems 	<ul style="list-style-type: none"> Diplomacy Courtesy Accuracy Cooperation Flexible and mature approach towards work
Human Resources Managers	<ul style="list-style-type: none"> Passionate Perceptive Meticulous Persistent Knowledgeable and Intelligent 	<ul style="list-style-type: none"> Negotiation Active Listening Analytical and Critical Thinking Fair Judgment and Decision Making Excellent Communication and Presentation skills 	<ul style="list-style-type: none"> English Language Business sector of company Business and management principles Human behavior and performance Individual differences in ability, personality, and interests 	<ul style="list-style-type: none"> Diplomacy Perseverance Coordination Cooperation

Recruitment Manager	<ul style="list-style-type: none"> Honesty Friendly Persuasive Discretion Fair-mindedness 	<ul style="list-style-type: none"> Great Planner Decision marking Time management Conflict Management Effective Communicator Ability to architect and drive change Dealing with change and ambiguity Build strong working relationships, internal and external to the organization Strong leadership, budgeting, writing, presentation and project management Skills 	<ul style="list-style-type: none"> English Language Business sector of company Communications and Media Professional recruitment knowledge Professional certificates as requirements. Administration and Management Human behavior and performance Individual differences in ability, personality, and interests 	<ul style="list-style-type: none"> Integrity Attention to Detail Analytical Thinking
Training & Development Manager	<ul style="list-style-type: none"> Active Creative Pragmatic Perceptive Persuasive 	<ul style="list-style-type: none"> Good computer literacy Interpersonal skills Coaching and leadership skills Organizational and planning skills Strong presentation and facilitation skills. Effective oral and written communication Decision marking and Time management Initiative and the ability to offer new ideas Personal commitment to improving one's own knowledge and skills 	<ul style="list-style-type: none"> English Language Administration and Management Personnel and Human Resources Principles and techniques of coaching, mentoring and performance consulting Learning theory and training methodologies and the measurement of training effects 	<ul style="list-style-type: none"> Initiative Flexibility Patience Persistence
Payroll Manager	<ul style="list-style-type: none"> Intelligent Confident Highly organized 	<ul style="list-style-type: none"> Interpersonal skills Mathematical skill Managing resources Good computer literacy Good communication skills Decision marking and Time management Manage and lead staff to excellent performance 	<ul style="list-style-type: none"> English Language Law and Government Tax, Economics and Accounting Administration and Management Personnel and Human Resources 	<ul style="list-style-type: none"> Integrity Accuracy Dependability Attention to Detail
Compensation and benefits Manager	<ul style="list-style-type: none"> Intelligent Proactive Social Perceptiveness 	<ul style="list-style-type: none"> Sound judgment Active Listening Problem Sensitivity Creative and analytical thinking Decision Making and Forward thinking Planning, organizing and coordinating competencies. 	<ul style="list-style-type: none"> English Language Law and Government Tax, Economics and Accounting Administration and Management Personnel and Human Resources 	<ul style="list-style-type: none"> Cooperation Dependability Attention to Detail

Employee Relations Manager	<ul style="list-style-type: none"> Demonstrate discretion, fair-mindedness, and a persuasive, congenial personality. Social Perceptiveness 	<ul style="list-style-type: none"> Active Listening Problem Sensitivity Conflict Management Creative and analytical thinking Decision Making and Forward thinking 	<ul style="list-style-type: none"> Organizational Development Human behavior and performance Individual differences in ability, personality & interests Assessment and treatment of behavioral and affective disorders 	<ul style="list-style-type: none"> Initiative Integrity Empathy Innovation Cooperation
Assistant Manager	<ul style="list-style-type: none"> Confident Determinant Approachable Well presented Highly personable Bright, confident personality 	<ul style="list-style-type: none"> Problem-solving Active listening Good computer literacy Leadership and communication skills Judgment and Decision Making Flexible and mature approach towards work 	<ul style="list-style-type: none"> Grievance Resolution Administration and Management Personnel and Human Resources Employment law and legislative requirements 	<ul style="list-style-type: none"> Diplomacy Courtesy Flexibility Monitoring Cooperation Attention to Detail
Senior Executive Recruitment	<ul style="list-style-type: none"> Perceptive Demonstrate discretion and fair-mindedness 	<ul style="list-style-type: none"> Computer literacy Time Management Judgment and Decision Making Effective Verbal and written communication 	<ul style="list-style-type: none"> Administration and Management Familiarity with city, state and national laws, regulations and codes related to employment and Equal Employment Opportunity regulations 	<ul style="list-style-type: none"> Flexibility Cooperation Dependability Attention to Detail
Senior Executive Training	<ul style="list-style-type: none"> Reliable Personable Empathetic Enthusiastic 	<ul style="list-style-type: none"> Time management Strong analytical skills Creative and forward thinking Excellent Communication Skills Strong presentation and facilitation skills 	<ul style="list-style-type: none"> Administration and Management Techniques and philosophies of adult education 	<ul style="list-style-type: none"> Flexibility Persistence Cooperation Dependability
Senior Executive Payroll	<ul style="list-style-type: none"> Intelligent Meticulous Methodical High degree of professionalism 	<ul style="list-style-type: none"> Decision-making Problem-solving Analytical skills Communication skills Organizational, multi-tasking, and prioritizing skills 	<ul style="list-style-type: none"> National and State income tax regulations Computerized management information systems Principles and practices of supervision and personnel management 	<ul style="list-style-type: none"> Accuracy Dependability Attention to Detail

Senior Executive Compensation and benefits	<ul style="list-style-type: none"> • Creative • Organized • Open minded 	<ul style="list-style-type: none"> • Leadership and administration skills • Good observation skills • Think from multiple perspectives • Analytical and problem solving skills. 	<ul style="list-style-type: none"> • Labor law & Tax regulations .Basic HR • Salary structure and development, benefits and compensation, surveys/benchmarking and job evaluation systems. 	<ul style="list-style-type: none"> • Persistence • Cooperation
Senior Executive Employee Relations	<ul style="list-style-type: none"> • Open minded • Social Perceptiveness 	<ul style="list-style-type: none"> • Active Listening • Problem Sensitivity • Conflict Management • Creative and analytical thinking 	<ul style="list-style-type: none"> • Human behavior and performance • Individual differences in ability, personality & interests • Assessment and treatment of behavioural and affective disorders 	<ul style="list-style-type: none"> • Patience • Diplomacy
Executive	<ul style="list-style-type: none"> • Meticulous • Perceptive • Open minded • Self motivated • well-organized 	<ul style="list-style-type: none"> • Listening skills • Ability to negotiate • Organizational skills. • Decision Making and Problem-solving Skills • Computer Literacy and Good numerical Skills • Good communication and inter personal skills 	<ul style="list-style-type: none"> • Industry • Labor laws and regulatory guidelines • Administration and Management • Personnel and Human Resources 	<ul style="list-style-type: none"> • Patience • Diplomacy • Accuracy • Dependability • Confidentiality • Attention to Detail
Recruitment officer	<ul style="list-style-type: none"> • Reliable • Perceptive • Organized 	<ul style="list-style-type: none"> • Negotiation • Speech Clarity • Active Listening • Analytical thinking • Communication skills • English language fluency 	<ul style="list-style-type: none"> • Recruitment tools and technologies • Personnel practices, methods and techniques • Administrative and clerical procedures and systems • Current literature, trends and developments in personnel administration • Human behavior and performance • Individual differences in ability, personality, and interests 	<ul style="list-style-type: none"> • Initiative • Persistence • Confidentiality • Analytical Thinking
Training officer	<ul style="list-style-type: none"> • Creative • Sociable • Enthusiastic • Presentable • Forward thinker 	<ul style="list-style-type: none"> • Presentation skills • Encouraging and motivating people • Good at organizing events such as workshops or courses 	<ul style="list-style-type: none"> • Business sector of company • Professional training knowledge • Understanding of systems and processes 	<ul style="list-style-type: none"> • Initiative • Innovation • Consistency • Cooperation

		<ul style="list-style-type: none"> • Computer literate, especially Microsoft Word, PowerPoint, Excel • Communication skills – including the ability to fluently translate into appropriate language 	<ul style="list-style-type: none"> • Culture and custom knowledge of working place assigned 	
Payroll officer	<ul style="list-style-type: none"> • Reliable • Perceptive • Organized 	<ul style="list-style-type: none"> • Computer literacy • Organize workload • To communicate (written and verbal) clearly, timely, and accurately • Adapt quickly to change and deliver under the pressure of deadlines 	<ul style="list-style-type: none"> • National and State income tax regulations • Computerized management information systems 	<ul style="list-style-type: none"> • Integrity • Dependability • Confidentiality • Attention to Detail
Compensation and benefits	<ul style="list-style-type: none"> • Sociable • Enthusiastic 	<ul style="list-style-type: none"> • Proactive • Good analytical skills • Time management and organizational skills • Good judgment and decision making capability 	<ul style="list-style-type: none"> • Job evaluation systems • Benefits and compensation • Market trends/industry information 	<ul style="list-style-type: none"> • Initiative • Innovation • Cooperation • Confidentiality
HR assistant	<ul style="list-style-type: none"> • Dynamic • Perceptive • Conscientious 	<ul style="list-style-type: none"> • Excellent computer skills • Mathematical and statistical skills • Time Management. • Able to exhibit a high level of confidentiality 	<ul style="list-style-type: none"> Personnel practices, methods and techniques 	<ul style="list-style-type: none"> • Integrity • Accuracy • Dedication • Dependability • Attention to Detail
Recruitment & selection Assistant	<ul style="list-style-type: none"> • Dynamic • Ambitious • Conscientious 	<ul style="list-style-type: none"> • Proactive • Excellent computer skills • Effective Verbal and written communications 	<ul style="list-style-type: none"> Personnel practices, methods and techniques 	
Training & development Assistant	<ul style="list-style-type: none"> • Sociable • Ambitious • Enthusiastic • Conscientious • Straightforward 	<ul style="list-style-type: none"> • Active Listening • Computer applications • Communication Skills • English Language Fluency 	<ul style="list-style-type: none"> Training methods and techniques 	
Payroll Assistant	<ul style="list-style-type: none"> • Reliable • Dynamic • Ambitious • Conscientious 	<ul style="list-style-type: none"> • Good numerical skills • Computer and communication skills 	<ul style="list-style-type: none"> Keep informed about changes in tax and deduction laws that apply to the payroll process 	
Compensation and benefits Assistant	<ul style="list-style-type: none"> • Sociable • Dynamic • Conscientious 	<ul style="list-style-type: none"> • Speech Clarity • Active Listening • Computer and communication skills 	<ul style="list-style-type: none"> Understanding of Compensation & Benefits 	

Management Trainee	<ul style="list-style-type: none"> • Inquisitive • Interactive • Confident and smart 	<ul style="list-style-type: none"> • Active Listening • Good numerical skills • Inter-personal and communication skills • Commitment to deliver and respond in a timely manner to deadlines 	<ul style="list-style-type: none"> • Business and management principles 	<ul style="list-style-type: none"> • Flexible • Integrity • Adaptable • Confidentiality • Attention to Detail
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Conclusion

Competencies have been identified at Classic Stripes and can be used further to improve individual performance, by modeling the behaviors that make high performing employees successful in their jobs.

Ideally, competencies can help fix attention on key business goals and values, such as improved customer service. Applying the competencies at work will help individuals become more flexible and creative in meeting job demands and adapt to changes at work. Finally, competencies, identified clearly can encourage teamwork by ensuring role clarity. Competency mapping can at best help lay out a road map to superior performance.. Only the personal commitment of employees to excellence, intrinsic motivation, and consistent efforts determine their actual performance level.

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Emotional Intelligence and its Impact on Employees Job Satisfaction and Organizational Effectiveness

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In present times Emotional Intelligence (EI) has become the major determinant of employee effectiveness and organizational growth. Employee functionality is determined by their level of self awareness, self regulation, and motivation, social awareness and social skills, which are the primary factors determining employee emotional intelligence level. Awareness about self, molded with strict self discipline and higher levels of motivation along with the awareness about environment, people and culture and skills to better manage social relations can redeem constructive, committed and effective employee for better organizational roles and performances. The present study analyses the relationship of EI with Organizational Commitment, Work Motivation, Self Efficacy, and Organizational Effectiveness disposed by an employee. The Impact of the effective component of Emotional Intelligence on Job Satisfaction becomes very interesting especially when we are talking about the frontline employees who are the visible face of the organization. The frontline retail staff is the first point of contact for the customers. They can be considered to be doing emotional labor as they are dealing in and out with the whims and fancies of a continuous stream of customers. In this context it would be interesting to study whether a high Emotional Intelligence leads to job satisfaction for the employee or not?

Keywords: Emotional Intelligence, Job satisfaction, organizational commitment, works motivation.

Introduction

Emotional Intelligence (EI) is old wine in a new bottle. It is about self-awareness and empathy, and those are skills that both employees and bosses need in building a successful organization (McGarvey, 1997). In addition, emotional intelligence is 'good old street smarts' which includes knowing when to share sensitive information with colleagues, laugh at the boss's jokes, or speak up in a meeting. Emotions impact everything we do. In an office setting, emotions can lead to team camaraderie and increased productivity. Likewise, emotions can also prove destructive. Not surprisingly, it is an individual's emotional intelligence that dictates interpersonal relationships (Klausner, 1997). One costly consequence of the relentless demands on leaders' time is their propensity to turn away from emotional issues and to stick as closely as possible to the realm of facts and intellect - to value only things that can be ordered, analyzed, defined, dealt with, controlled, and contained. Emotions seem 'leaky'. They can get people riled up, and then who knows where their time and energy might go? Many managers just want to keep emotions out of a situation and deal with things only rationally. Yet, research shows that emotions, properly managed can drive trust, loyalty and commitment - and drive many of the greatest productivity gains, innovations, and

accomplishments of individuals, teams and organizations (Cooper, 1997). If managers and employees develop their emotional intelligence, they will both benefit. Managers will have a workforce willing to engage with passion and employees will have managers who are receptive and open to their needs. Companies have built teams, reengineered processes, even downsized for the sake of profitability. Now it is time to make sure organizations are getting the most efficient, high performing managers and employees possible; ones who won't check their brains and hearts at the door. Managers can have a strong impact on the people working around them. In fact, research has shown that managers with high emotional intelligence can get results from employees that are beyond expectations. Executives, on understanding their own feelings and that of their subordinates are more likely to achieve business outcomes and be considered as effective leaders by their employees and direct manager. According to Diggins (2004) the best managers need to possess emotional intelligence (EI) to make decisions that based on a combination of self-management and relationship skills and an awareness of how their behavior affects others in the organization. He argued that emotional intelligence plays a greater role than 'traditional' intelligence in determining leaders' and organizations' success and concluded

that emotional intelligence helps people to be more aware of their interpersonal style;. Recognize and manage the impact of emotions on their thoughts and behavior. Develop their ability to judge social dynamics in the workplace; and understand how well they manage relationships and how to improve. In organizations, the inclusion of emotional intelligence in training programs has helped employees to cooperate better and be more motivated, thereby increasing productivity and profits. An understanding of emotion, both our own and those of other people, plays an important part in organizational life.

Emotional Intelligence

The concepts of emotion and intelligence have been debated throughout history. Every Individual possess both but the level of use differ from person to person. When Gardner in 1983 refers to social intelligence he gives a lot of importance to the affective component. Mayer and Salovey(1990) had come up with the ability model of Emotional Intelligence and more recently Daniel Goleman talks about a mixed model which includes the trait and the ability models . In 1990, Mayer and Salovey published two articles on emotional intelligence. The first article (Salovey & Mayer, 1990) reviewed literature through the disciplines of psychology and psychiatry, artificial intelligence, and other areas, and concluded that there might present a human ability fairly called emotional intelligence. The idea was that some people reasoned with emotions better than others, and also, that some peoples' reasoning was more enhanced by emotions than others. Since that time, Mayer, Salovey, and their colleagues defined their model of emotional intelligence (see Mayer & Salovey, 1997), and expended considerable efforts toward developing a high-quality ability measure in the area. The newly developed Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT V2.0; Pronounced "Mes-keet"; Mayer, et al., 1999, 2000, 2002a, 2002b) is the result of this theoretical and empirical research. The model introduced by

Daniel Goleman focuses on EI as a wide array of competencies and skills that drive leadership performance. Goleman's model outlines four main EI constructs: Self-awareness, Self-management Social awareness Relationship management. Goleman included a set of emotional competencies within each construct of EI. Emotional competencies are not innate talents, but rather learned capabilities that must be worked on and can be developed to achieve outstanding performance Goleman posits that individuals are born with a general emotional intelligence that determines their potential for learning emotional competencies.

Prior to early 1990's, the concept of EI got very little attention and the main focus of researchers was on the significance of cognitive intelligence for obtaining workplace achievement (Carmeli, 2003). The sense of self-awareness, of being smart about what one feels, serves as a foundation to emotional intelligence, on which most other emotional skills depend. It is foundation because it allows one to implement some self-control. The idea is not to hold back the feelings but rather to do what Aristotle considered the hard work of the will; Anyone can become angry that is easy, but to be angry with the right person, to the right degree, at the right time, for the right purpose, and in the right way this is not easy [Aristotle, The Nicomachean Ethics.] (Quoted in Goleman, 1995: ix).The individuals having the same IQ level may not necessarily be having the same Success because they all possess different levels of EI (Brown and Brooks, 2002; Suliman & Al-shaikh, 2006). There is empirical evidence which suggest that only the intelligence cannot explain our achievements at work or life; it is the emotion as well which plays a key role in organizational success (Goleman et al., 2002; Wong & Law,2002; Law et al., 2004; Suliman & Alshaikh, 2006). Emotional intelligence is not just being pleasant, giving positive expressions and controlling feelings, nor is it about managing, using, or influencing people (Cooper & Sawaf, 1997; Cherniss 2000). It is the skill to precisely

recognize and comprehend own emotional responses and of others (Cherniss, 2000). More formally defined, emotional intelligence refers to the skill of recognizing and expressing emotions, understanding emotions, incorporating emotions in thought, and controlling positive and negative emotions in self and others (Matthews et al., 2002). It is evident from the literature that individuals with higher EI have happier, more fruitful lives and seem to do well at work (Tischler et al., 2002). The EI based competencies predict the performance very well as compared to IQ by itself (Snarey and Vaillant, 1985; Feist and Barron, 1996; Cherniss, 2000). People who manage themselves on their own (Bandura, 1976) and are meticulous (Barrick and Mount, 1991) have a propensity to be more productive. According to some scholars (e.g. McGarvey, 1997 and Johnson and Indvik, 1999), the richer the organization in terms of emotions, the higher an employee's emotional intelligence is likely to be (Suliman and Al-shaikh, 2007). The work success is described as the improvement in one's work behavior (Tischler et al., 2002). Emotionally intelligent individuals experience permanent positive mood and feelings that generate satisfaction and well being as compared to those who take these feelings as anger, depression and disappointment (Carmeli, 2003). The employees not only get involved in the job for their selfinterest; but they also do so because they involve their emotions in it. Similarly, an emotionally intelligent individual would not hold the organization responsible in case of every frustration they encounter (Abraham, 1999). Employees are anticipated to identify, handle and utilize their emotions to eliminate the hindrances in the way of choosing and advancing their career prospect in a better way (Carmeli, 2003). A person with high emotional intelligence has the ability to better regulate the emotions therefore his/her withdrawal intentions may also be low. EI is positively related to job performance (Goleman, 1998, 2001). Business community is suggested to consider EI as a better way to evaluate individuals during the recruitment in order to predict success in the organization

(Goleman, 1998; Dulewicz et al., 2003).

2. Literature Review

Stein, Steven J. (2009) et.al: The study was conducted to examine the emotional intelligence (EI) scores of two high profile executive groups in comparison with the general population. Also the study aims to investigate the executive group's emotional intelligence scores in relation to various organizational outcomes such as net profit, growth management, and employee management and retention. The Emotional Quotient Inventory (EQ-i) was administered to a sample of 186 executives (159 males and 27 females) belonging to one of two executive mentoring associations, the Young Presidents' Organization (YPO) and the Innovators' Alliance. The results showed that top executives differed significantly from the normative population on the EQ-i in eight of the 15 EQ-i subscales. Executives who possessed higher levels of empathy, self-regard, reality testing, and problem solving were more likely to yield high profit-earning companies.

Kirk, B.A., Schutte (2009) et.al: A study was conducted in the areas of emotional intelligence and self-efficacy (i.e., beliefs in one's capabilities to organize and execute the courses of action required to produce a given attainment); a measure of emotional self-efficacy was developed and validated. Two hundred and seven participants rated their self-efficacy for adaptive emotional functioning. High emotional self-efficacy was associated with greater emotional intelligence, as measured by the MSCEIT, higher positive mood and lower negative mood. Emotional self-efficacy showed evidence of incremental predictive validity in that it remained associated with positive and negative mood after emotional intelligence was controlled. Assessment of emotional self-efficacy may be useful in future studies that aim to better understand the process of adaptive emotional functioning and its impact on life outcomes.

Samuel O Salami (2008): Research was

conducted to investigate the relationship of demographic factors (age, marital status, gender, job tenure add education level); emotional intelligence, work-role salience, achievement motivation and job satisfaction to organizational commitment of industrial workers. Three hundred twenty participants were randomly selected from five service and five manufacturing organizations in Oyo state, Nigeria. Measures of biographical data, emotional intelligence, work role salience, achievement motivation, job satisfaction and organizational commitment were administered on the sample. Hierarchical multiple regression analysis was used to analyze the data collected. Result showed that emotional intelligence, work-role salience, achievement motivation, job satisfaction and all demographic factors except gender significantly predicted organizational commitment of the workers. The finding of the study revealed the need for organizational managements and psychologists to consider the factors investigated when designing programmes for increasing the organizational commitment of the workers.

Annamaria Di Fabio Letizia Palazzeschi (2008): A study was conducted to further analyze the construct of emotional intelligence and its relation to occupational self-efficacy in a sample of Italian teachers. 'The Italian version of the Bar-On emotional quotient Inventory' (Bar-On, 2002) and the Ohio State Teacher Efficacy Scale (Tschannen-Moran & Woolfolk- Hoy, 2001) were administered to 169 participants. It was found that a significant differences in emotional intelligence emerged with respect to age. In comparison to females, males obtained higher scores in the intrapersonal dimension, while women scored higher on the interpersonal dimension. Teacher self-efficacy was best explained by the intrapersonal dimension.

David W. Chan (2008): Research was conducted to investigate the emotional intelligence (interpersonal and intrapersonal) and general teacher self-efficacy were assessed

to represent personal resources facilitating active and passive coping in a sample of 273 Chinese prospective and in-service teachers in Hong Kong. The finding of the study revealed that interpersonal emotional intelligence were found to predict significantly active coping strategy, but teacher self-efficacy might interact with intrapersonal emotional intelligence in the prediction of active coping especially for male teachers.

Bhattacharya Ashok K (2008) et.al: Research was conducted to examine the factor structure of the construct of emotional intelligence in India. In the study 49 items were selected that were subject to principal component factor analysis. Analysis of the study yielded five factors, appraisal of negative emotions, appraisal of positive emotions, interpersonal conflict and difficulties. Finding of the study revealed that emotional inter-personal skill and flexibility and goal awarding intelligence involve appraisal and experience of emotion for self and inter-personal situation in specific terms.

Rathi Neerpal (2008) et.al: The relationship between Emotional Intelligence (EI) and Occupational Self-Efficacy was studied on 112 scientists in a number of research organizations, using the emotional intelligence scale developed by Hyde, Pethe and Dhar and occupational self-efficacy scale developed by Pethe, Chaudhari and Dhar Correlation and regression analysis have revealed that emotional intelligence has a positive relationship with occupational self-efficacy and is found to be one of its significant predictors. The study implies that people with higher emotional intelligence are more effective employees as compared to those with lower emotional intelligence.

Stubbs Koman E (2008) et.al: The study was conducted to examine the team leader's competencies; team leader emotional intelligence and team performance. Data for the study was collected from 422 respondents representing 81 teams in a military organization.

The findings of the study was that team leader emotional intelligence is significantly related to the presence of emotionally competent group norms on the teams they lead, and that emotionally competent group norms are related to team performance.

Rosete David (2007) et.al: The study was conducted to investigate the relationship between emotional intelligence, personality, cognitive intelligence and leadership effectiveness. Forty-one executives who completed an ability measure of emotional intelligence (MSCEIT); a measure of personality (16PF5) and a measure of cognitive ability (the Wechsler abbreviated scale of intelligence). Leadership effectiveness was assessed using an objective measure of performance and a 360 assessment involving one-hundred and forty nine each leader's subordinates and direct manager. Data was analyzed through co relational and regression analyses. The finding of the study revealed that higher emotional intelligence was associated with higher leadership effectiveness.

Singh Sanjay K (2007): The study was conducted to explore two important variables, Emotional Intelligence and organizational leadership in an Indian context in a software organization. The study sampled 210 male and 130 female software professionals to investigate the relationships of emotional intelligence with organizational leadership as well as the impact of emotional intelligence on leadership effectiveness. The results indicate positive and significant relationships of emotional intelligence with organizational leadership for both the genders. Also, it is indicated that emotional intelligence of male and female software professionals contribute huge variance in the total variance of their leadership effectiveness.

Christie Anne (2007) et.al: Research was conducted to explore the relationship between emotional intelligence and motivation. An empirical study was done to test the two different

conceptualizations i.e. emotional intelligence and motivation. The sample taken for the study was one hundred and thirteen individuals. The individuals completed the measures of emotional intelligence and McClelland's three motivational needs. Structural Equation analysis in the study revealed that motivation is a factor related to emotional intelligence but is not a component part of emotional intelligence construct.

S. Yuvaraj (2007) et.al: Research was conducted in relation to the role of emotional intelligence in Managerial Innovation and Effectiveness. The sample of the study was 90 which consist of male and female executives from entry-level managers to middle-level managers from 11 organizations from Mumbai, Ahmadabad and Chennai. The result of the study indicate a positive correlation between Emotional Intelligence and Managerial Innovation and Managerial Effectiveness implying that with the help of emotional intelligence, one could successfully complete the activities of his position and achieve desired result, also an emotionally intelligent manager could also undertake activities of developing his or her potential further which would lead to the development of the organization. Hence emotional intelligence should be an integral part of an organization's recruitment and development process.

Petrides K (2006) et.al: Research was conducted to assess the relationships between trait emotional intelligence ('trait EI' or 'emotional self-efficacy') and four job-related variables (perceived job control, job stress, job satisfaction and organizational commitment). Gender specific data (167 males, 87 females) were analyzed via multi-group structural equation modeling. Perceived job control had a negative effect on stress and a positive effect on satisfaction. Older females had higher EI and lower organization commitment scores than their younger counterparts. There were many gender differences in the model, mainly concerning age, which was negatively

related to control and commitment in the female sample only.

Jayan. C (2006): A study was conducted to explore the role of predictive variance of emotional competencies, personality variables and job attitude in job performance. The sample consisted of 204 middle level managers, who completed Emotional competency Inventory, Type- A personality pattern and performance rating scale was used. Co-workers and superior rating for these managers were also obtained. Regression analyses showed that emotional competence, personality and job attitude are significant to the predictor of job performance. Sullivan Mary-A (2006): Research was conducted to explore the effectiveness of executive coaching for the development of emotional intelligence competencies. Eight executives from the same government agency were interviewed regarding the coaching they had received. The study was qualitative in nature. The coaching was offered as a component of an executive development program that was grounded in action learning, through these interviews, the executives shared their perspectives of the coaching process and the degree to which they and their teammates were able to benefit. Peers and Subordinates of the executives, as well as four executive's coaches who were involved in the program, were also interviewed for their perspectives of the process and of the participants. Data collected through this study suggested that executive coaching is an effective tool in the enhancement of emotional intelligence competencies in executives.

3. Objectives of the Study

The main objectives of the study are how Emotional Intelligence plays an important role in Employees job satisfaction and organizational effectiveness.

With the help of the above literature the conceptual framework has been framed for Examining Practical, Emotional, and Social Intelligence which highly influences the

employee's better organizational roles, job satisfaction and organizational Effectives.

4. Conceptual Framework for Job Satisfaction by Examining Practical, Emotional, and Social Intelligence

The below presents a conceptual framework that we adapted from Chan and Schmitt (2005) to organize the discussion and guide future research on the validity of practical, emotional, and social intelligence. Following Chan and Schmitt, the framework construes all three types of intelligence as competencies that are multidimensional constructs, each of which is a partial mediator of the predictive or causal effect of one-dimensional knowledge, skills, abilities, and other characteristics (KSAOs) on job performance or other job-relevant criteria. In addition, our framework construes the three types of intelligences as distinct but related competencies with common and unique construct space as depicted by the three overlapping boxes representing practical, emotional, and social intelligence. The framework in Figure shows that proponents and opponents of each of these three constructs are right and wrong in different ways. Specifically, the opponents typically focus on the KSAOs and correctly argue that practical, emotional, and social intelligences are not factorally pure (unitary) KSAOs, but they incorrectly dismissed the validities and value of these intelligence constructs. Conversely, the proponents typically focus on the multidimensional competencies and correctly argue that practical, emotional, and social intelligences are proximal (and hence sometimes better) predictors of performance and other criteria, but they incorrectly ignore the important role of KSAOs in determining the nature of this intelligence constructs.

Our framework is consistent with and may reconcile several extant findings and the debate over the value of the three types of intelligence. For example, each of the three intelligence constructs is inherently multidimensional in the sense that it is conceptualized as a

multidimensional competency resulting from a combination of several different individual difference constructs. The relationships linking each type of intelligence and the various individual difference constructs explain the consistent findings from factor analytic studies that the intelligence measure is factorial complex and the data from the measure do not produce good fit with a single factor model.

substantial zero-order validities and incremental validities of practical intelligence in predicting job performance over the prediction provided by cognitive ability and personality traits (e.g., Chan & Schmitt, 2002) are consistent with the proximal status of practical intelligence competencies (relative to the distal status of KSAOs) in the prediction of job performance. Similarly, the proximal status of emotional and

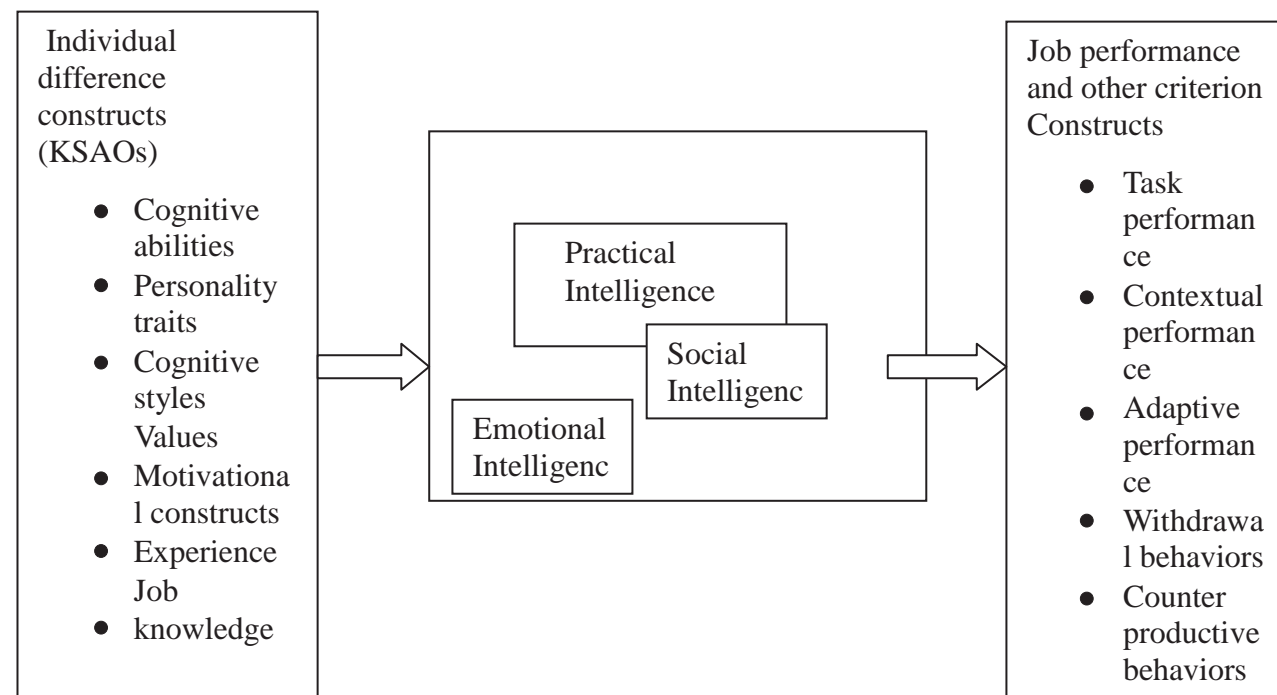


Figure 1 (As shown above) :Conceptual framework for examining practical, emotional, and social intelligence. (Adapted from Chan, D., & Schmitt, N., Situational judgment tests, in A. Evers, O. Smit-Voskuil, & N. Anderson, Eds., Handbook of personnel selection, 219-242, Blackwell, Oxford, United Kingdom, 2005.)

These relationships also explain the significant and sometimes substantial correlations between the intelligence measure and the established measures of traditional KSAOs such as cognitive ability and personality traits. In addition, these relationships provide the conceptual bases for examining ability models, trait models, and mixed models of emotional (as well as practical or social) intelligence. The findings on the

social intelligence also explains the findings from studies that showed zero-order and incremental validities of these intelligence measures in the prediction of job performance and other criteria (for meta-analytic review of studies, see Druskat & Jordan, 2007).

Interestingly, Figure may also explain why SJTs and ACs, which are multidimensional measures, do better than factorially pure measures of single unitary constructs (e.g., cognitive ability, personality) in predicting job-relevant performance criteria, which are often multidimensional in nature. That is, much of what SJTs and ACs are assessing may well be multidimensional competencies similar, if not identical, to practical, emotional, and social

intelligence. We believe the conceptual framework in Figure-1 is consistent with existing findings and reconciles much of the debate on the validity of practical, emotional, and social intelligence, but more direct empirical support of the framework is certainly needed. We reiterate the call in Chan and Schmitt (2005) that to obtain more direct evidence for a framework that construes the intelligence competencies as multidimensional mediators in the relationship between KSAOs and job performance (and other criteria), we would need to specify and test hypothesized and alternative structural equation models (on the basis of primary data from a single study or accumulation of results from past studies using meta-analyses) linking KSAOs, intelligence competencies, and job performance or other criterion outcomes. Future research could derive theory-driven specific models from the general framework depicted in Figure to empirically examine the validity of one or more of the three intelligence constructs that would facilitate the interpretation of the correlations between the intelligence construct and more established individual difference KSAOs, as well as the zero-order and incremental validities of the intelligence construct in predicting different criterion outcomes. In the following section, we suggest various strategies for formulating theory-driven testable models that are likely to advance research in ways that make conceptual and practical contributions to the study of practical, emotional, and social intelligence.

5. Discussion of the Conceptual Framework

Affective and normative commitments have been found to be predictors of positive organizational behavior, including increased work performance and satisfaction, tenure and attendance (Allen and Meyer, 1996). Locke and Latham give a comprehensive definition of job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. Job satisfaction is a result of employee's perception of how well their job provides those things that are viewed as important. Luthans

(1998) posited that there are three important dimensions to job satisfaction: (a) Job satisfaction is an emotional response to a job situation. As such it cannot be seen, it can only be inferred, (b) Job satisfaction is often determined by how well outcome meet or exceed expectations and (c) Job satisfaction represents several related attitudes such as work itself, pay, promotion opportunities, supervision and coworkers which are most important characteristics of a job about which people have effective response. Job satisfaction is so important that its absence often leads to lethargy and reduced organizational commitment (Moser, 1997). A variety of antecedents and outcomes of commitments have been identified in the past thirty years (Angle and Perry, 1981) Job satisfaction is in regard to one's feelings or state-of-mind regarding the nature of their work. Job satisfaction can be influenced by a variety of factors, eg, the quality of one's relationship with their supervisor, the quality of the physical environment in which they work, degree of fulfillment in their work, etc. Job satisfaction is one of the most important attitudes in the field of organizational psychology that affects workplace behavior and productivity. Locke (1976) defines job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. Job satisfaction has been studied both as a consequence of many individual and work environment characteristics and as an antecedent to many outcomes. Employees who have higher job satisfaction are usually less absent, less likely to leave, more productive, more likely to display organizational commitment, and more likely to be satisfied with their lives (Lease, 1998). Job satisfaction is an attitude, which Porter, Steers, Mowday and Boulian (1974) state is a more "rapidly formed" and a "transitory" work attitude "largely associated with specific and tangible aspects of the work environment".

6. Conclusion

Since Emotional Intelligence is trainable competency (Daniel Goleman), training can be

provided to the staff. Emotional Intelligence is not about being 'non' or 'un' emotional but it is more about understanding one's emotions and emotional states and using it to enhance performance at workplace. The Freidman's training programme for sales staff which is followed consists of step by step selling. This is a fantastic method but is highly mechanical and standardized whereby the personal touch warmth and individualized treatment of the customer is lost to a great extent. If the existing training is supplemented with training in Emotional Intelligence then the vision of the company can be easily achieved. When the Emotional Intelligence increases, consequently the job satisfaction and the organizational performance and effectiveness too increase because the way in which the front end staff approaches their roles and responsibilities too changes this change results in an overall change in the work climate and hence arrests attrition, improves service and thus contributes to the Organizational vision of achieving customer delight.

Employees with high emotional intelligence are better equipped in emotion regulation than employees with low emotional intelligence. Hence, effective emotion regulation strategy and a high level of emotional intelligence among employees are prerequisite in organizations, and organizations need to focus on development of these skills. However, developing one without the other would not be as effective as ensuring that the employee has both the ability to monitor his or her emotions as well as the knowledge of what emotional expression is expected and appropriate in a particular workplace or position. If both facets of employee emotional performance - emotional intelligence and emotional labor - are not considered together, then the employee's skills with emotional expression will suffer. This will affect the perception of employee performance and, subsequently, career success.

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Needs, Drives and Actions: A Century of Research in Human Motivation

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This is a literature review paper which chronologically analyses and reviews the various studies conducted in the field of human and organizational motivation and the resultant theories and posits thereof. The main objective of this paper is to connect the threads between different studies with a purpose to elaborate how one study and its findings influenced another and thus led to the development of motivational theories in the field of behavioural and management sciences for over a century. Another objective of this study is to present as a comprehensive whole the approaches and theoretical constructs that have developed out of studies in motivation and their rationale and logic.

Key Words: Motivation, Organizational Psychology, Behaviour

Introduction

This review seeks to explore literature on the broad theoretical constructs in the field of human and organizational motivation. Behavioural scientists have propounded motivation as the primary cause for certain human behaviour. More than a century and a half of painstaking research has gone into studying human motivation and its various aspects. The question that was seemingly manifest in the early studies on motivation was: 'What are the aspects of cognition, affect and behaviour that benefit most from a motivational analysis?' (Gollwitzer and Oettingen 2001). The proponents of the classical learning theory like Hull (1943) stressed that the process of motivation does not guide or control certain behaviour but encourages inborn, natural and at times learned behaviour. Motivational researchers like Aitkinson (1957) and McClelland (1955) studied whether thoughts and feelings which may have been guided by definitive purposes and goals influence the choices of individuals as also the efforts that individuals make towards the accomplishment of such choices.

Early learning theorists propounded a very generalized concept of need without a specific content. Personality Psychologists brought in an aspect of content to the need. McDougall (1932), Murray (1938), Maslow (1954), Herzberg et al (1959) dwelt into the aspect of motivation and needs. While these researches proved useful in describing motivation and defining the different constructs that influence human need they did not

provide instruments to assess those needs. Some questions like what triggers some needs in certain situations and why at other times these needs are switched off were left unanswered. Later researchers like McClelland (1985) and Baumeister and Leary (1995) studied possible answers to these questions.

Earlier theorists like Lewin (1926), Hull (1943) described humans as 'prototypical' (Gollwitzer and Oettingen 2001) beings who were like machines and could only react to internal or external situations without any conscious thoughts or reflections. The assumption was that humans could be motivated by pushing the right switch. Later researchers however shifted their approach and described humans as thinking, knowledgeable creatures who would take decisions based on their judgements and knowledge. Theories like the expectancy value theory (Atkinson 1957) suggest that human beings take rational and well thought decisions based on their knowledge of the probability of attaining their goals and the expected value of such goals. Attribution theory (Weiner 1980, 1992) proposes that people are motivated by a positive outcome wherein they are able to feel good about themselves. Bandura (1997) proposed the self-efficacy theory according to which a person's belief in his or her self-efficacy or potential to succeed determines how he or she behaves, feels or thinks.

The present researches in motivation not only study the processes and variables that determine

the goals of individuals they also study the factors that determine the implementation of such goals. Thus the earlier studies are taken a step forward and a new concept of humans as 'flexible strategists' (Gollwitzer and Oettingen 2001) is brought forth. This is a two-step process: in the first when a person chooses a goal he or she is the quintessential knowing and rational person that the earlier researchers postulated, however when the implementation stage comes people take on strategic roles (Gollwitzer 1990). Higgins (1997) postulated the Regularity Focus Theory according to which there are two independent self regulatory orientations in a person: prevention and promotion. The relatively recent studies in self regulation have its echoes in the early studies of the mentalists like James (1890) who postulated that self regulation involved either the strengthening of a weak resolve to carry out action that was desired or to weaken a strong resolve to carry out an action that was undesirable or unwarranted. German psychologists like Lewin (1926) also worked on the willful control of behaviour and their works find their echoes in the modern researches on motivation which draw distinctions between the motivational approaches to the choice of goals and the volitional approaches to the implementation of such goals. (Gollwitzer and Oettingen 2001).

Early works (1890- 1950)

Late 19th century saw a separation of the subjects of philosophy and psychology. William James (1890) was one of the first psychologists to make a concerted effort to bring the 'self' under the realm of empirical scientific analysis. He developed a model of the self which is still relevant and widely in use in contemporary research today. According to James there were three levels of the self. At the basic level he explained the concept of a material self which deals with things individuals call 'mine': clothes, house and other material possessions. At the second level comes the social self which consist of ideas and images that people (other than the particular person) have about an individual. At the third level is the spiritual self which in reality

are the faculties of an individual's mind : memory , determination ,will power etc. Further William also proposed an instinctive theory of motivation wherein he proposed that humans were born with a plethora of instincts (20 physical instincts 17 mental instincts) some of which were attachment, play, shame, anger, fear, sociability, cleanliness, and love. These instincts were the motives behind more complex behaviour. Kurt Lewin (1926), a German psychologist, applied Gestalt psychology of the Berlin school to the theory of personality and social dynamism. He termed his theory, field theory. Lewin explained human behavior in relation to the forces and tensions that direct people to action. William McDougall (1932) was a British experimental psychologist who formulated a theory of instinctive behaviour in humans. McDougall sought to distinguish the concept of motive from the other human tendencies. McDougall's provided taxonomy of human motives and tendencies based on which future psychologists like Henry A. Murray worked. Henry Alexander Murray (1938) took the theory of human motives further and brought forth his theory of psychogenic needs. His study essentially dealt with human personality and constituted a two and a half year research with 51 male subjects of college going age by 28 researchers. A plethora of tests like Rorschach test, dramatic productions test, memory for failures test and TAT were used for the study. According to Murray 'needs' were, "potentiality or readiness to respond in a certain way under certain given circumstances" (Murray, 1938). Murray described needs as being of two types that of primary or basic needs for biological existence like food ,water or oxygen and secondary needs which were mainly of psychological nature like that of love , nurturing , affection , achievement and others. Clark Leonard Hull (1943) was an American psychologist .He was a proponent of the behaviorist learning theory like Skinner and Pavlov. Like the behaviorists Hull believed that all behaviour could be explained by the principles of conditioning. Hull thoughts were

mathematical in nature and he saw human behaviour as mechanical and cyclical which could be explained in terms of mathematical models. Hull used a unique method for his studies: The Hypothetico- Deductive method. He developed a Mathematico Deductive Theory of Behaviour. Hull's theory has been severely criticized for being too precise and mathematical. Many of his predictions did not work and his theory was slowly abandoned but not before it had made its mark in motivational research and led to new theories including Abraham Maslow's acclaimed theory of needs.

Later works (1950-1980)

Abraham Maslow (1954) propounded that every individual has five hierarchical needs. They are: - Physiological needs: thirst, hunger, shelter, sex or other bodily physiological needs. Safety needs: This includes security and protection needs from emotional or physical harm. Social needs: Social needs include acceptance, belongingness, affection, and friendship. Esteem needs: This includes both external esteem factors like status, recognition and internal esteem factors like self respect and autonomy. Self-actualization needs: The need and drive to become what one is fully capable of becoming; this includes growth, achieving ones potential and self fulfillment. David McClelland (1955) was influenced by the works of Henry Murray. He and his co worker John William Atkinson who was a great contributor to the field of psychology in his own right worked with the assumption that motivation was a better predictor of achievement than intelligence was. They used the TAT or Thematic Apperception Test as a measure for motivation and developed a scoring system for the Thematic Apperception Tests which measured an individual's scores on three needs. John William Atkinson (1957) later proposed his theory of achievement motivation. It is a model which intends "to explain how the motive to achieve and the motive to avoid failure influence behavior in a situation where performance is evaluated against some standard of excellence" (J. W. Atkinson, 1957). Atkinson postulated that

motivation occurs from achieving success and avoiding failure. Frederick Irving Herzberg (1959) is known for his motivation -hygiene theory which is also known as the two factor theory. The two factor theory was related to Maslow's theory of needs but Herzberg postulated another dimension to the needs. The basic postulate of the two factor theory is that certain factors in the workplace cause job satisfaction while others cause dissatisfaction. The ones that cause satisfaction are termed motivators and the ones that cause dissatisfaction are termed hygiene factors. The two-factor theory was developed from data collected by Herzberg from interviews with 203 engineers and accountants in Pittsburgh. However there are some criticisms of Herzberg's theory. In recent times satisfiers and dis-satisfiers are no longer assumed to be present on separate scales. Another criticism is that the theory does not take into account individual traits and differences, every individual might react to situations differently according to his own individual characteristic. The basic simplistic assumption that happy and satisfied employees will produce more may not be right. An employee may be happy and satisfied but may not produce more. The theory concerns itself with average behaviour patterns despite very significant individual difference that lie among people's behaviour pattern. Albert Bandura (1977) ranks as one of the most cited psychologists of all times. According to Bandura an individual's self esteem comprises of the person's attitudes, abilities and his or her cognitive skills. This influences how a person perceives situations and behaves in such situations. Bandura introduced the concept of self efficacy which he said played an important part of the self-system which he described. Self efficacy has been described as the person's belief in his or her ability to succeed in a certain situation. This belief has been described by Bandura as the determinant of how people behave, feel or even think in situations. Bandura described four sources of efficacy: 1. Mastery experiences which directly relate to the successful performances of tasks 2. Social

modeling which relates to experiencing other people successfully performing a task. 3. Social persuasion wherein other people can persuade a person to believe that he or she has the capability to successfully perform a task. 4. Psychological responses wherein a person's own emotional and psychological response to a situation determines and impacts self efficacy.

Recent works (1980-2009)

Bernard Weiner (1985) was a pioneer in a form of attribution theory, which is considered to be a major theory of motivation in the field of contemporary psychology. Attribution theory is a social cognitive theory of motivation which concerns itself with perceived causes of success and failure. Attribution theory describes a three stage process wherein behaviour is observed, it is determined and then it attributed to internal or external causes. Attribution to external causes relates the causes of the event to external or outside agents whereas internal attribution assigns the cause to the person or individual himself. The theory postulates four causal attributions: ability, effort, task difficulty, and luck. Each of the attributions is characterized as stable or unstable, internal or external, and controllable or uncontrollable (Weiner, 1985). Beaumaster and Mark Leary (1995) hypothesized the need to form strong interpersonal relationships and evaluated the hypothesis in the light of empirical literature that is available. Their study wanted to illustrate that humans have a natural need to belong with other humans. E. Tory Higgins (1997) formulated the regulatory focus theory of motivation. The theory posits two separate, independent, self-regulatory orientations: prevention and promotion. A prevention focus emphasizes safety, responsibility, and security needs whereas a promotion focus emphasizes hopes, accomplishments, and advancement needs. Peter Gollwitzer's (1997, 1999, 2008, 2009) research deals with the relationship of cognition and behaviour with goals and plans. He introduced the concept of implementation intention. This is essentially a self regulatory strategy and is

described in the form of an if-then plan. If situation x arises then one can decide to perform a specific behaviour y. Gollwitzer observed that when a person forms implementation intentions it helps him or her to detect, attend and recall critical situations. When a critical situation arises the goal directed behaviour is immediately initiated without any conscious effort or intention. Gollwitzer and Brandstaetter reported in 1997 that implementation intention can help people move towards the fulfillment of their goals and over a period of time this turns into an automatic behaviour without conscious effort. Achtziger, Gollwitzer and Sheeran (2008) reported a study wherein they had shown that implementation intentions can be used as a self regulatory tool to shield people from unwanted thoughts and feeling and resisting temptations like craving for junk food.

Gaps in research and scope for further studies

While the studies on human motivation have been extensive, there has not been an attempt on the part of behavioural scientists to view motivational processes as a system, consisting of subsystems which influence each other. This can be held as a gap wherein opportunities can emerge for further research to establish a systems approach to motivation.

Conclusion

The concept of motivation has changed overtime. Theorists and researchers like McDougall (1932), Murray (1938), Maslow (1954), McClelland (1955), Baumeister and Leary (1995) dealt on needs and their fulfillment as the basis of human motivation. Lewin (1926), Hull (1943), Atkinson (1957), Weiner (1985), Gollwitzer (1997, 1999, 2008, 2009) posited the influence of actions and their control on motivation. Action control theorists had three distinct approaches. Theorists like Lewin (1926), Hull (1943) were proponents of 'prototypical theories' (Gollwitzer and Oettingen 2001) wherein they proposed that humans were like machines. Later theorists like Weiner (1992)

proposed that humans knew creatures and would consciously determine a course of action based on certain variables. The thirds group of theorist like Gollwitzer(1997 , 1999, 2008 ,2009) and Higgins (1997) described humans as flexible strategists .

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Banking Reform in India: Opportunities and Challenges

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The banking reform bill 2012 was purported to bring more investment in banking sector in India. The legislation paved the way for more corporate houses to run banks by enabling Reserve Bank of India to issue new bank licenses. That could help India expanding the access of banking to large population who otherwise were denied the access. The increasing shareholder's voting right would send the right signal in favor of pro business government policy. But analysts were skeptical about the consequence of the reform. Could it help India to achieve inclusive Banking? Would it help economy in the long run? Or was the bill a mere signal without strategic commitment?

Key words: Banking Reform Bill 2012, Indian Banks, Financial Inclusion, Inclusive Banking, Priority sector loan, Basel, Corporate Governance,

Introduction

During December, 2012 both the houses of the parliament passed the much awaited banking amendment bill. Former finance minister Mr. Pranab Mukherjee initiated the bill during the February 2010 Union Budget. Subsequently, RBI has issued draft guidelines in August 2011, inviting comments on it. RBI's reluctance was because of lack of power to regulate the proposed new banks in the bill. Besides, RBI remained apprehensive about the possibilities of big business groups having banking license utilize public deposit in the best of interest of their respective business. The bill has supposedly taken proper care to safeguard public deposit from any such possibilities. Besides, it is purported to inject capital in Indian banking system so that more and more people who otherwise can't participate in the banking system could be included. The Bill, Mr. Chidambaram expected will help in easing out the growing tension between have and have nots which in turn may help India having sustainable economy. Citing example of China, Mr Chidambaram said that India must have world class banks which China has already got. And without banking reform, it will not be possible to ascend on economic supremacy. But, the detractors of the bill pointed out that striking the right balance between socialist purposes with capitalist objectives could be difficult to attain.

Indian Banking: Nationalization and onwards -

Nationalization of Indian banks took place with

the objective to provide the banking service to the unbanked population of the nation. It took place in two phases, one in the year 1969 where 14 Indian banks went for nationalization whose deposits were more than 8930166 .10³ dollars. The second phase took place in 1980 where 7 more banks were nationalized. The nationalization was aimed to maximize the social welfare of the nation, to combat against the concentration of the monopoly powers in financial sectors, to eliminate the intra state disparities of the nation, to ensure adequate funding and lending towards the priority sector like agriculture in an agro based economy as well as to facilitate the inclusive development. Though the nationalization was done for the noble causes; there were several limitations in the policy framework itself. Inadequate allocation, mobilization and utilization of resources, operational inefficiency due to political intervention and bureaucratic hassles as well as lower profitability can be mentioned as some of the major drawbacks. The shareholders of the banks were the worst sufferers as their share certificates converted to a valueless papers document all on a sudden when the banks became nationalized.

In the post 1991 scenario, when the liberalization, globalization and privatization entered into Indian economy, apart from few key strategic sectors, all other sectors were opened for the private and foreign players including banking sectors. Again banking sector was opened in front of domestic private players and

foreign players. The nationalized banks were also converted into the Public Sector Undertaking banks where retail investors, High Net worth Individuals (HNIs) as well as Qualified Institutional Buyers (QIBs) could buy the share of PSU banks. During the post liberalization phase, the scheduled banks of India could be broadly categorized into two broad groups - commercial banks and co-operative banks. Scheduled commercial banks were classified into four major heads- the public sector undertaking banks, private sector banks, regional rural banks (RRB) and foreign banks.

RRBs in India comprised a number of institutions that utilized "self-financing" methods of poverty alleviation. Similarly the co-operative banks could be stratified into two major strata depending on its geographic territory of operation such as Urban and rural cooperative banks. The cooperative banks were formed to protect the marginal people from the clutches of the unscrupulous money lenders who used to charge exorbitantly high rate of interest. But the bureaucratic hassles and red tape had crippled the smooth functioning of the cooperating banks. Often the cooperative banks were unable to deliver the goods due to political intervention where individual's vested interest dominated the depositor's interest.

Reforms in banking sector: The Financial Reforms which was initiated in the early 90s and the Globalization and liberalization measures brought in a completely new operating environment to the Banks. The arrival of foreign Banks and Financial Institutions, the setting up of a number of private banks and the measures of de-regulation has encouraged competition. The branches of the foreign banks were the pioneer in introducing computerized banking system. In order to retain the market share in challenging as well as competitive environment, private players were compelled to provide the computerized banking services. The PSU banks joined the race much later. Implementation of the core banking solution was a revolutionary effort in the domain

of Indian banking. Gradually the invention and innovation of Automated Teller Machine, debit card, credit card, net banking, and mobile banking were introduced. In order to open a bank account, Permanent Account number was made mandatory. The Financial Inclusion had been given utmost priority. Some of banks since - started offering general purpose credit cards and artisan credit cards which offer collateral-free small loans. The RBI has simplified the KYC (Know your customer) norms for opening a 'No frill' account. Other aspects of financial inclusion are Affordable credit, Micro insurance, Micro pension, financial literacy, Safe transfer etc. A, B, C of financial inclusion is Advice, Banking and Credit. Branchless banking is an innovative concept where account can be opened and operated without actually going to bank branch. This can be done with the help of banks' business representative in the area of individual. These representatives are local people who are authorized by the banks to act on their behalf. Profile of Business Facilitator and Business Correspondents were created so that they could work as the agent of banks, directly dealing with poor villagers.

RBI issued the operational guidelines for implementation of Electronic Benefit Transfer (EBT) and its convergence with financial inclusion plan. The RBI advocated use of 'one district many banks' -one leader bank model for EBT implementation. In this model, all the banks present in a district would participate in EBT through for administrative convenience, the State Government is required to deal with only the leader banks, in consultation with the regional Office of the Reserve bank and the State Level banker's Committee who will obtain the funds from the State Government and in turn will arrange transfer of funds through interbank transfer to other banks for credit to the accounts of ultimate beneficiaries.

The Indian government had also decided, in principle, to transfer food subsidies to the bank account of the beneficiaries. This can be used as

another crucial instance for EBT.

In spite of all the efforts that the government has put into making financial inclusion happen, a large majority of people remained excluded from the banking services. Government believed that increasing no of branches could be one of the solutions.

Banking reform Bill 2012

" To help India's public sector banks improve their financial health and promote growth and investment without having to constantly look over their shoulder at the government, the rules need to be rewritten" - Raghuram Rajan

The Banking Laws (Amendment) Bill 2012, passed during winter session 2012 was purported to amend Banking regulation act 1949, the banking companies act 1970/1980 and proposed several changes. It recommended for raising the cap on voting rights in public sector banks from 1% to 10%. It had restricted foreign shareholding in any form to 49% for the first five years (Private Banks in India can have up to 74% foreign shareholding today). It enabled the nationalized banks to raise capital by issuing of preference shares or rights issue or bonus shares. It would also enable them to increase or decrease the authorized capital with approval from the Government and RBI without being limited by the ceiling of a maximum of Rs. 3000 crore. The bill allowed any person to acquire 5% or more shares or voting rights in a banking company subject to RBI's approval. For private banks, the cap on voting right has been 26%.

This Bill would strengthen the regulatory powers of RBI. It had empowered RBI to "supersede the board of directors of a banking company for a period of six months if its modus operandi is detrimental to interest of the depositors. This period can be extended upto 12 months at most if situation demands so. An administrator will be appointed during this period to monitor the management of the banking company till alternate arrangements are made. A committee

can be constituted which composes of experts of the different functional areas such as accountancy, economics, business law, finance and banking to facilitate the job of the administrator. It also empowered RBI to collect information and inspect the associate enterprises of the banking companies. Further, RBI could issue license to the primary cooperative societies to carry on the business of banking. RBI could also conduct special audit of cooperative banks. The bill has created the provision to construct the Depositor's Education and Awareness Fund from the inoperative deposit accounts for the purpose of promoting and maximizing the depositors' interest.

The proposed amendment empowered RBI to demand penalty from the defaulting bank, on its failure to maintain Cash Reserve Ratio on any day of the year. The defaulting bank would be liable to pay a penalty at the rate of 3% above the bank rate on the amount by which it had shortfalls from the prescribed CRR. Further the penalty would be increased to the rate of 5% above the bank rate for each subsequent day, if the default continues.

According to the new banking bill, 2012, the Directors on the Board of RBI can enjoy a fixed maximum tenure of eight years with terms of four years each. Nobody will be able to enjoy the profile of the board of directors of RBI more than two terms either continuously or intermittently in consonance with the directions of the ACC.

The Bill would pave the way for new bank licenses by RBI resulting in opening of new banks and branches. This would not only help in achieving the goal of financial inclusion by providing more banking facilities but would also provide extra employment opportunities to the people at large in the banking sector. But RBI had already ensured many caveats. The draft RBI guidelines mentioned that entity applying for a license must have "diversified ownership, sound credentials and integrity" and a successful track

record of at least 10 years. Groups with significant interests in real estate and capital market activities, represent a business model and business culture that are quite misaligned with a banking model," will not be entertained. The guidelines also stipulated that 25% of the branches must be opened in unbanked rural centers.

Elixir for sustainable economy?

Some of the critics argued that by dint of exercising control, state could never meet the policy goals of providing credit access to the poor and marginal sections of society. They posited that corruption and political bounty like loan waivers, etc had made the goals impossible to achieve.

Uniquely Indian invention" of loan melas (loan fairs) had a devastating effect on the financial health of the public sector banks. Critics pointed out many times how politicians summoned bank executives to these "loan fairs," where they were told to whom they should lend. "This was without any credit evaluation and purely on the politician's word," "Obviously, [the politician's] friends and relatives got the credit, and obviously they didn't bother to repay [the loans]."

"The problem is, rural India needs credit," said Rajan. "With the attraction of a highly subsidized rate, do people with the best credit get the loan? The guy who has bribed the most gets the loan." He cited household surveys where respondents reported paying bribes of up to 43% of their loan amounts to secure their loans. He said the beneficiary has no intention of paying back the loan, "because that is the only way he can justify the bribe."

Many critics believed that prevailing environment deterred public sector banks introducing new technology which impacted negatively on debt recovery and eventually their financial performance. Many economists attributed the problem to Indian central bank for its directed lending policies and reserve

requirements that favored banks' investments in government bonds or state-approved securities.

40% of the credit disbursed by Indian public sector banks need to be at below-market rates for the "priority sectors," including the agricultural sector, small-scale industries, retail trade and housing. Foreign banks have a lower requirement of 32% of net credit. Cash and statutory liquidity reserve requirements for Indian banks account for another 32.5% of their disposable credit and thus leaving limited scope for banks to improve profitability. This created a completely lackadaisical attitude for the banks to stay financially healthy.

Another pitfall in credit disbursement was the average time taken for loan by any public sector bank which remained very high at 33 weeks. Moreover the loan had never been disbursed at the moment of distress because of this high processing time. Therefore in comparison with public sector, private sector banks performed much better in terms of extending credit during rural distress like drought. So the purported role of public sector banks as a social insurance net had been neglected consistently.

Narasimham committee report strongly advocated a reform which would lift interest rate control, de-politicize lending, and put a stop on government's meddling into the activities of public sector banks too often.

Further, the report advocated for the new private banks and foreign banks.

To a large extent the reforms had been complied like Banks brought down their non-performing assets, shortened debt recovery periods and used that to expand credit availability for growth. Moreover, with the entry of private banks and newer foreign banks, competition intensified. Some of the private sector banks who could bag the license showed good performance while some of them performed poorly.

Success stories included ICICI Bank HDFC

Bank and Axis Bank while Global Trust Bank was taken over by oriental bank of commerce due to major scam. Centurion Bank and Bank of Punjab were merged with HDFC Bank. HDFC has also taken over times Bank.

Post banking rule amendment 26 applications were received by RBI from PSU, Private players as well as NBFCs which includes L&T Finance, Tata Group, Reliance Capital, Aditya Birla Nuvo, Bajaj Finserv, Videocon, IDFC, Muthoot Finance, India Bulls, Bandhan, Bangalore based Janalakshmi Microfinance, Noida based little known Smart Global Ventures, Gurgaon based advisory services firm INMACS Management, UAE Exchange of India: a remittance and foreign exchange service firm, India Infoline, LIC Housing Finance, Religare, Edelweiss, Magma Finance, SREI Infrastructure Finance Corporation, IFCI, The Department of Post (Government of India), Tourism Finance Corporation of India, Suryamani Financing(part of Kolkata based Pawan Kumar Ruia Group), JM Financial, Shriram Finance. The new banking bill, 2012 can be viewed as a masterstroke by the Central Government to eradicate the curse of the financial exclusion (RBI database as on 1st July, 2013).

The central bank on August 27, 2013 has suggested that after years of single-track approach to bank licensing, it could consider different types of licenses, but did not elaborate. If this approach comes into force some of the rules such as mandatory holding of 23% of deposits in government bonds, and four percent of the deposits with the central bank may be waived. According to RBI as a consequence of broadening and deepening of financial sector, some banks will be motivated to serve the niche segment. This has certain obvious advantages in terms of managing business and risk management. Some countries have a differentiated bank licensing regime where differentiated licenses are issued specifically outlining the activities that the licensed entity can undertake. The idea comes from Singapore

which has five different kinds of licenses, and Hong Kong a three tier structure. Indonesia recently moved to based on the "capital condition" of banks, and only those institutions with hearty capital reserves will be eligible for the multiple licenses permitting multiple activities. (Sinha, 2013)

But the critics remained skeptical on applicant's ability to pass the stringent criteria and yet remain profitable.

Penetrating into the rural areas eventually resulted into increased personnel costs compared to business generated. "If the new banks are expected to do business with a client segment that is much less remunerative, it is going to put a larger burden on them," noted Shinjini Kumar, director of Pricewaterhouse Coopers (PwC) India. He further felt that the "private-sector banks cannot afford to have a financial inclusion piece that does not lead to a profitable business model. They have to put the two pieces -- financial inclusion and profitability -- together. It cannot be one at the cost of the other -- which is how public-sector banks have always functioned".

Some analysts identified the middle class as the backbone of any economy and in India there remained a huge market containing of emerging middle class who were placed between middle class and the financially excluded. Kumar believed "This is a space where most of the new bank license aspirants are already present (byway of different businesses). They have cracked the code of doing business in this segment. They understand this segment and its dynamics. This space is also a priority area for policy makers today, so new entrants eyeing this space are likely to find a supportive climate" She further added ""If the new players can pull this off, it will change the banking landscape completely for the sub-middle class segment, similar to how ICICI changed the retail banking landscape for the middle class when it entered the sector."

According to Rajesh Chakraborty, Executive Director of the Bharti Institute of Public Policy at the Indian School of Business (ISB) perceived the bill as a positive catalyst for the sector. He noted that "More players will create more competition and the net effect, I think, will be positive. It is possible that some new entrants or incumbents may not be able to survive the competition. But as long as they can exit through a takeover without hurting the depositors -- and we can have enough faith on the RBI to ensure that -- the effect will be mostly positive. The only conceivable downside can be a rush to the bottom for loan quality. But once again RBI's monitoring of NPAs [non-performing assets] is likely to prevent that."

So, the onus again remained at RBI court. Could it strike the right balance between protections of depositor's interest with credit injection in sustainable economy?

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Role of Information and Communication Technologies in Tourism Industry

Bethapudi Anand¹

Information and Communication Technologies (ICT) play a major role in Tourism, Travel & Hospitality Industry. Integration of ICT in the tourism industry is essential for success of tourism enterprise. ICT facilitates an individual to access the tourism products information from anywhere at any time. Tourism Enterprises also can reach the targeted customers across the globe in a single click on the keypad after emergence of Mobile, Computers, Web Technologies etc.,. The purposive sample of 112 Managers of Tourism, Travel and Hospitality Enterprises in India (at the levels of Managing Directors/Directors/General Managers/Team Leaders/Senior Managers) were surveyed through a questionnaire. The present study explores the Business development, Revenue generation, minimization of cost and reaching the customers. This paper explains the gaps between Tourism Business and ICT influence and suggests measures to fill the same. The Strategic goal is to Integrate ICT with tourism that will enable more accessibility, Visibility of information, availability of variety of products and satisfaction.

Keywords: Tourism, Information, Communications Technologies, Integration, e-Tourism

Introduction

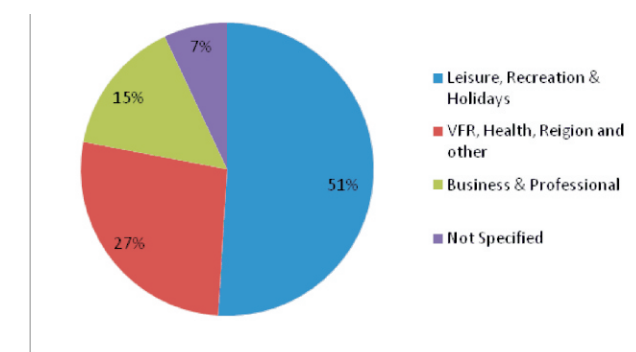
Information and Communication Technologies (ICTs) have been transforming tourism globally. The ICT driven re-engineering has gradually generated a new paradigm-shift, altering the industry structure and developing a whole range of opportunities and threats. ICTs empower consumers to identify, customize and purchase tourism products and support the globalization of the industry by providing tools for developing, managing and distributing offerings worldwide. Increasingly ICTs play a critical role in enhancing competitiveness of tourism organizations and destinations. ICTs are becoming a key determinant of organizational competitiveness. The enhancements in ICTs' capabilities, in combination with the decrease of the size of equipment and ICTs' costs, improved the reliability, compatibility and inter-connectivity of numerous terminals and applications. ICTs provide a powerful tool that can bring advantages in promoting and strengthening the tourism industry's strategy and operations.

2. Scenario of Global Tourism Industry - Tourist arrivals

The tourism industry is one of the fastest growing sectors of the global economy, accounting for more than one third of the total global services trade. International tourist arrivals have grown at a CAGR of 4.3 percent between 1995 and 2008.

In recent years, air transport has increased more than surface transport and the expansion of low-cost air travel has greatly altered the industry in many regions. The Exhibit 1 provides statistics to demonstrate the visitor objectives characterizing inbound tourism for 2011.

Exhibit 1: Inbound Tourism by purpose of Visit, 2011



Source: WTO Report

Trends in Tourism Industry

Demand for International tourism maintained momentum in 2011, despite economic challenges in most of the source markets. International tourist arrivals grew by 4.6% to reach 983 million worldwide, up from 940 million in 2010, .accounting for an estimated US\$ 1,030 billion revenues , up from US\$ 928 billion in 2010(+3.9% in real terms). Europe, which accounts for over half of all international tourist

arrivals worldwide, was the fastest-growing region, both in relative terms(+6% tied with Asia and the Pacific) and absolute terms .The Middle East(-8%) and North Africa(-9%) were the only (sub) regions to record a decline in arrivals, due to the Arab spring and political transitions in the region., .

According to the monthly and quarterly data for 2012, included in the UNWTO World Tourism Barometer, international tourist arrivals worldwide grew at a rate of 5% in the first four months of 2012, consolidating the growth trend that started in 2010. Forecasts prepared by UNWTO in January 2012 point to growth of 3% to 4% in international tourist arrivals for the full year 2012.

Over the past six decades, tourism has experienced continued expansion and diversification, becoming one of the largest and fastest- growing economic sectors in the world. Many new destinations have emerged, challenging the traditional ones of Europe and North America. Despite occasional shocks, international tourist arrivals have shown virtually uninterrupted growth - from 277 million in 1980 to 528 million in 1995, and 983 million 2011.According to Tourism Towards 2030, UNWTO's recently updated, long term outlook and assessment of future tourism trends, the number of tourist arrivals worldwide is expected to increase by 3.3% a year on average from 2010 to 2030. This represents some 43 million more international tourist arrivals every year reaching a total of 1.8 million arrivals by 2030.

3. Role of Information Communications Technologies in Tourism Industry

Effective and high-speed ICT infrastructure and software applications in the Tourism and Hospitality industry are crucial for tourism development. ICTs allow customer - management relations and supply chain management to be combined into a single source that facilitates a variety of operations - product

selection, ordering, fulfillment, tracking, payment and reporting to be performed with one easy- to use tool. ICTs ultimately cut costs by enabling the provider to be in direct contact with the consumer and also impact employment through the need for required maintenance of ICT equipment. Management within tourism companies use ICTs to undertake a range of tasks that enhance the efficiency of employees in the workplace, notably online reservations.

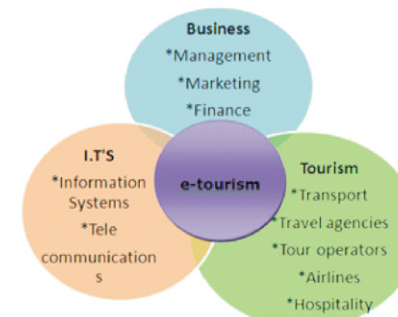
The development of ICTs has also led to changes in demand and supply. A higher demand for flexible, individualized options and quality of information has personalized leisure and tourism behavior, a consequence of increased ICT use. Through new technology and social and economic ratings (e.g., social media platforms like Facebook, Twitter, blogs) , customers have the ability to share information and research ratings on destination, quality of service in hotels and restaurants and environmental and social conditions. A number of hotels (e.g., Marriot Hotels and Resorts, Ritz Carlton Hotels, Hyatt Hotels and Resorts) have strengthened their brand image and communicate directly with their customers by posting links to a press release or promoting new package through Twitter.

e- Tourism - demand and technology-driven revolution

Internet revolutionized flexibility in both consumer choice and service delivery processes. Customers have become more sophisticated and discerning. This is because they have experienced high levels of service and also because the standard of living has grown considerably. As a result, tourists have become more demanding, requesting high-quality products and value for their money and, perhaps more importantly, value for time. This reflects people's shortage of time. Having been exposed to several tourism products and destinations, experienced, sophisticated; demanding travelers rely heavily on electronic media to obtain information about destinations, as well as to be able to communicate their needs and wishes to

suppliers rapidly.

Exhibit-2: e-Tourism-Information technology for Strategic Tourism Management



Source: DIMITROS BUHAILS, "e-Tourism", Printice Hall - Financial Times, Person Education (2003), p: 77.

e- Tourism impacts on the marketing mix

ICTs provide unique opportunities for innovative organizations to redesign tourism products to address individual needs and to satisfy consumer wants. ICTs have also become part of the core product, especially for business travelers who now expect certain facilities to be available during their trip. The internet and the World Wide Web have revolutionized the promotion and communication functions of tourism. ICTs can reduce commission costs.Expedia, eBookers, to emerge and gain a significant market share, propelling a reintermediation in the distribution channel.

e-Airlines

In 1962, American Airlines introduced its SABRE Computerized Reservations Systems (CRS) to in the place of manual reservations on display boards where passengers were listed and travel agencies had to locate the best routes and fares for their customers in a manual and then telephone for availability, reservation and confirmation before issuing a ticket manually.

The lodging industry is the most under-automated segment of the international travel industry. Property Management Systems (PMSs) were introduced to facilitate the front office, sales, planning and operation functions. This was

achieved by administering a database with all reservations, rates, occupancy and cancellations, thus managing the hotel inventory. Hospitality organizations increasingly use computerized systems to improve their inventory management, communicate with their interaction with consumers and reduce some of their operational costs.

e- Hospitality

ICTs have penetrated hospitality management at a fast pace, integrating the hotel operations, reshaping the marketing function, improving total efficiency, providing tools for marketing research and partnership building, and enhancing customer services, while also providing strategic opportunities. In addition, consumers increasingly expect ICT facilities in their rooms; internet access via the television set and data ports have become standard for higher hotel categories. The Internet has improved the hotel representation and reservation processes dramatically. Booking through the web is particularly convenient for customers who frequent the hotel , as that provides an efficient and effective communication mechanism. The greater the capacity, number of departments, transactions, arrivals, departures and reservations, the greater the need for technologies to facilitate the processes. Further integration between PMSs and Hotel CRSs can improve efficiency, facilitate control, reduce personnel and minimize the response time to both customers and management requests.

e-tour Operators

Tour operators need constantly to interact with all their partners, including accommodation and transportation principals, ICTs are also critical for the distribution of tour operators' packages. The introduction of the Internet, Intranets and Extranets as strategic tools has as strategic tool has a number of benefits for tour operators. The co-ordination and exchange of timely information is important because it allows tour operators to co-ordinate activities, to resolve potential problems and to ensure that customer

requirements are communicated to all principals delivering the tourism product. Strategically, ICTs play a critical role for tour operators. e.g., Kuoni allows consumers to alter their tourism package online and to build their own itinerary by making it possible to extend the trip, change accommodation, meal plans and add value - added services such as car rentals, scuba driving lessons.

However, it is quite evident that tour operators will need to shift their focus from the information provision and the reservation mechanism to a more strategic role of adding value to the product and the process. Tour operators will therefore need to re-assess their core values and identify specific market segments that they can satisfy in the future.

e-travel agencies

ICTs have introduced major improvements in the internal organization of travel agencies. By integrating their back-office (e.g., accounting, commission monitoring, personnel) and front Office (e.g., customers history, itinerary development, ticketing and communication with suppliers) functions, travel agencies have achieved significant synergies, efficiencies and cost savings. As transactions made in branch offices can automatically be reported back to the head office, tighter financial control can be achieved.

In addition, transactions provide invaluable marketing research data, which can almost instantly report market movements and aid tactical decisions. At the individual level, CRM systems support agencies in tracking the activity of their efficiency, control and competitiveness. Storing information in data warehouse can also help them to develop proactive marketing tools in order to target individual customers with specialized products, thereby increasing the value added services offered to each customer, and also to defend themselves against disintermediation. Hence, agencies need to utilize updated ICT on par with the suppliers and customers usage.

e-Destinations

Destination Management System (DMS) has been used to integrate the entire tourism supply at the destination. Their contribution to strategic management and marketing is demonstrated by their ability to integrate all stakeholders at destinations and to reach global market. DMS offering innovative information and sometimes facilitating reservations. Destination Integrated Computerized Information Reservation Management Systems (DICIRMS) address entire range of needs and services required by both tourism enterprise and consumers for specific destinations. DICIRMS provide the infrastructure for communications and business processes between all stakeholders, including consumers, principals, distributors and destination marketing organizations.

4. Need for the Study

The tourism industry in India is in growth stage and has a high potentiality to grow and equipped with the number of tourist destinations to attract domestic and international tourists. After emergence of low cost aircraft services in India, India has more growth potential, however, The satisfaction level of the tourist is not high in terms of ICT in India. WTO has ranked tourism industry in India at 61st position as a matter of competitiveness. The number of Inbound tourists reaching one billion in 2012, therefore, Indian tourism has strengthened to prepare to attract maximum number of Domestic and International tourists, In this scenario, ICT has a vital role to play to promote, integrate and build brand loyalty in Indian tourism. Government, Entrepreneurs, Management and Employees of tourism and hospitality industry are the major contributors for the development of tourism industry, hence, there is a need to study the ICT role and its implementation to increase the profitability of Indian tourism industry.

5. Objectives

- i) To identify the Role of ICT in the tourism industry;
- ii) To find the gaps in level of usage of ICT in

tourism Industry in India;

- iii) To analyse the opinion of industry top executives towards ICTs in Tourism in India; and
- iv) To suggest measures to improve the profitability by implementing ICTs in Tourism.

6. Survey process

To achieve the Objectives of the study, research has been focused on scenario of international tourism trends and role of ICTs in the tourism by referring WTO, OECD, ILO reports and globally reputed standard text books and Journals.

To identify the gaps in the levels of usage of ICTs in tourism and to analyze the opinion of the managers and to suggest the measures, a five point scale questionnaire has been prepared by understanding the industry literature, observing, understanding and consulting industry experts and professors and respondents of 112 professionals were responded across India and responses have been recorded online and offline using a questionnaire. The responses are being represented in the form of horizontal bar diagrams and pie charts.

Exhibit 3: Sector wise respondents



Among the 112 respondents, 41% of the respondents are from Tourism Organizations, 15% of the respondents from Air lines/Travel and Tour operations and 37% of the respondents from hospitality industry. The average experience of the respondents is 8.4 years in the industry, ranging from one to thirty five years. The respondents are located in different parts of the country. The primary data is collected during the months of November- October, 2012.

Scope of the research study:

The research study has been conducted in Tourism Organizations, travel agents, Hotels, Restaurants, Resorts, professionals in tourism, travel and Hospitality industry across the country (India).

Limitation of the Study:

The respondents are from the industrial employees from India only, the study was conducted in a span of two months only.

7. Gaps in ICTs in tourism, travel & hospitality industry

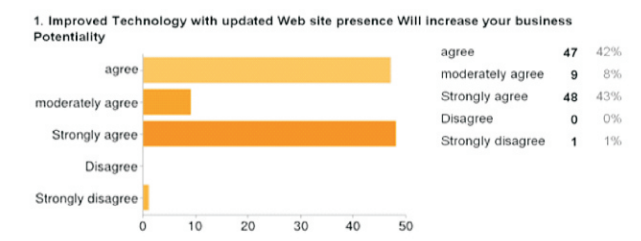
The study revealed the following gaps:

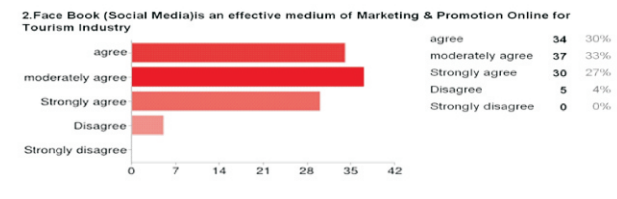
- i) Most Indian Tourism, travel and hospitality websites are not mobile ready
- ii) Top level Managements are not aware of updated
- iii) ICTs Employees are not trained in usage of ICT
- iv) Many of the enterprises are operating with the traditional tools.
- v) Majority of the Enterprises are not integrated with the updated ICTs
- vi) Most of the Enterprises are not utilizing social media for business development purpose
- vii) The internet connectivity is not available everywhere across the country and there was lack of awareness among the rural elite class.

8. Details on each major finding

The following is the analysis and interpretation of data behind each of the major findings;

Exhibit4: Updated Websites with improved Technology



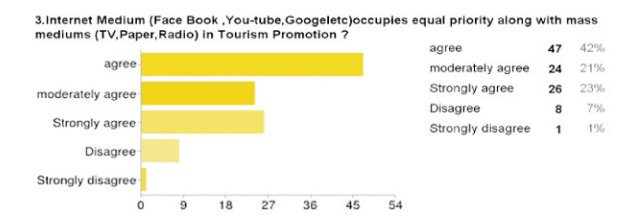


Interpretation: 93% of the respondents agreed that the updated website has vital role in improvement of business potentiality. 1% of the respondents disagree the statement.

Exhibit 5 : Social Media in Marketing

Interpretation: 90% of the respondents agreed that social media is an effective in promotion online and marketing tool for enterprises. 5% the respondents disagree.

Exhibit 6 : Internet medium vs Mass medium

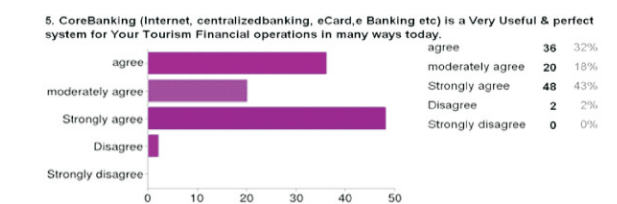


Interpretation: 86% of respondents agreed that internet has a equal role with the TV, news paper and radio. 9% of respondents disagreed.

Exhibit 7 : Search Engine options for tourism Products

Interpretation: 88% of the respondents agree that google has more role to play in promoting, with 7% disagreeing with the statement.

Exhibit 8 : Core Banking as a Tourism Financial Operations



Interpretation: 93% of the respondents agreed that the core banking has more role to play in tourism financial transactions.2 % of

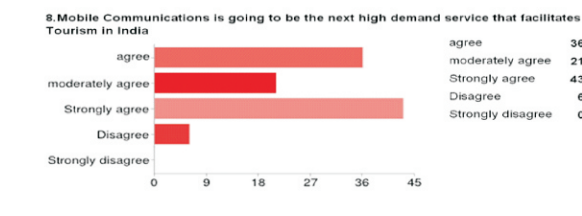
respondents disagree the statement.

Exhibit 9: ICT and Online Reservation



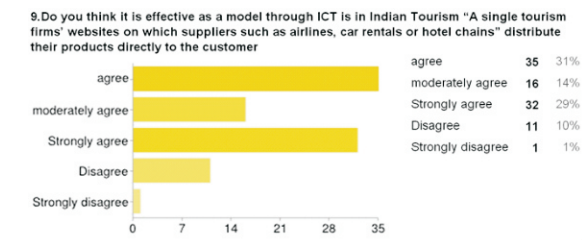
Interpretation: 91% of the respondents agreed that the online reservation system is essential to sell the products and services online.2% of the respondents disagree the statement.

Exhibit10: Mobile Communication in Tourism



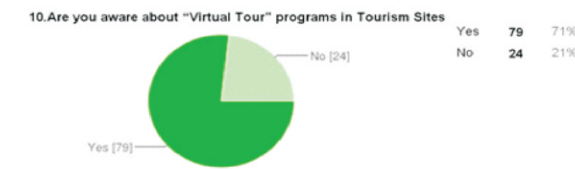
Interpretation: 89% of the responds agreed that the role of the mobile commerce is very high in tourism industry. 6% of the respondents disagree the statement.

Exhibit11: Website as a Direct Product Distribution



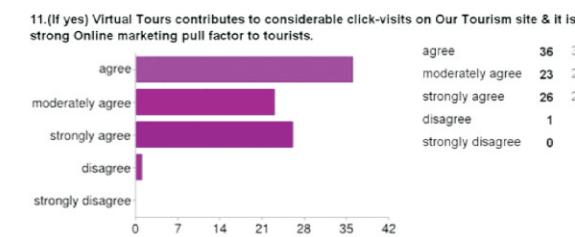
Interpretation: 74% of the respondents agreed that the websites will reduce the tourism intermediaries. 12% of the respondents disagree the statement, which is significant because they could not understand the question.

Exhibit12: Awareness of Virtual Tour



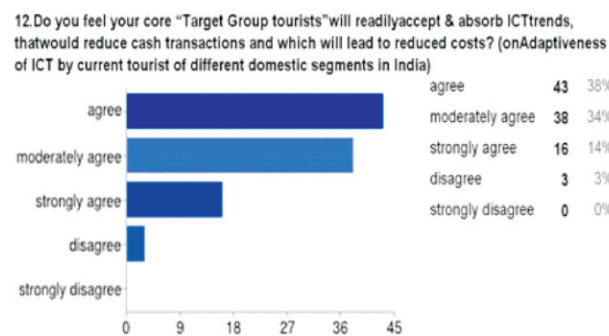
Interpretation:71% of the respondents agreed that they are aware of the Virtual tour and 21% of the respondents said that they are not aware of Virtual tour.

Exhibit13: Virtual Tour as a pull factor



Interpretation:76% of the respondents agreed that the Virtual tour acts as a online marketing pull factor and 1% disagree the statement

Exhibit14: Amativeness of ICT in Tourism



Interpretation: 86% of the respondents agreed that they will readily accept the ICTs trends to reduce costs and 3% of the respondents not supporting the statement.

9. Imperative to leverage ICT to Develop Tourism

ICT plays a major role in the development of Tourism; ICT is an inevitable part in the expansion of tourism industry. Most of the Hotels & Tourism Organizations are in need to be

upgraded with the latest ICT trends. Travelling is one of the important things in the tourism so on line reservations; accommodation also plays an important role. More awareness must be done on process of information and Training is needed in India for ICT at various levels of tourism, travel and hospitality Enterprises. Tourism Education in India should focus also on ICT trends. India should work on penetration of ICT into the masses which are essential for its success. This is the most efficient way to do business in Tourism Industry. Tourism organizations should provide more services to customers which is easily access to everyone in their places. Govt. of India possesses huge amount of responsibility in streamlining the usage of ICT amongst stake holders (B to B) and clientele (B to C). The Tourism websites should be upgraded and updated continuously. There is a Need of more facilities for B2C as well as B2B for mode of payment through mobile phones for their bookings

10. Suggested Strategies

Enterprises websites should be upgraded and updated with the latest technologies to increase the business potentiality. Govt. and enterprises should encourage and train the industry people on utilizing the social media. Govt. also should ensure that the high speed Internet availability and affordability to reach common man and prices of the computer systems should go down further. The awareness for the stakeholders towards Google search should be provided. Enterprises should integrate all the departments through ICT. High speed internet facilities should be provided by the government and power failures should be avoided. Government should encourage the development of Mobile commerce (e.g., promotion, payments etc.,) and should be integrated with the tourism industry.

11. Conclusion

It is essential that the current Information and communications technologies should be updated, upgraded and seamless integration both internally and externally should be done to

improve the tourism business operations. Integration of ICT in Tourism will benefit both service providers and customers bringing together and other stakeholders on a common platform. Selection of right Information, Communication Technology tool is crucial to match the customer requirements with service dimensions. Proliferation of technology throughout the tourism distribution channels and professionals helps in usage of new tools in order to retrieve information, identify suitable products and perform reservations. ICTs integration provides a powerful tool that brings advantage in promoting and strengthening the tourism industry.

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Acknowledgements: Particular gratitude is due to Dr.P.Narayana Reddy Director, NITHM, Dr.J.krishnaiah DGM, APSFC, and Dr.G.V.R.K. Acharyulu Associate professor, Hyderabad Central University for their continuous encouragement and exceptional research guidance.

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Geo- Spatial Technologies as an Efficient E-Governance Tool to Curb Corruption - Case Study of Land Record System in India

Varun Prakash¹

A 2004 World Bank study, 'Doing Business', found that the cost of registering land transactions, as a percentage of property value in India was among the highest in the world. Land Records information has been one of the major sources of corruption in India. Lack of centralised land records data, transparency, complex and hidden procedures has been major source of corruption like bribery, favouritism, extortion and blackmail to citizens. There has been lack of transparency in government procedures of land record which helps the perpetrators in carrying corruption in various forms and tracing the crimes becomes very difficult task in lack of clear protocols. E-Governance is not meant only for introducing or using technological tools, it fundamentally strives to bring about a change in mindset and work culture to integrate government processes and functions to serve the citizens better. By E- Governance, we mean the application of advanced information and communications technology to improve governance. The paper emphasises on use of geospatial technologies for e-governance for management of land records and information and provides as platform for information to citizens as well government to curb corruption related to land records. The study aims at finding various factors responsible for corruption and how innovative technologies like GIS can address various issues related to citizens' specially poor and middle class people.

Keyword: corruption, GIS, land records-Governance

Introduction

A good land records system is a necessity for any harmonious and progressive society. Over the years, significance of error-free, tamper proof and effortlessly accessible land records has been the focus in India. It is estimated that about 30 million cases are pending across various courts in the country and astoundingly eighty percent of them are civil cases and greater part of these civil cases are in some way or the other, land related disputes. A study by McKinsey (2002) has come out with a fact that, but for the proper land records management, growth in GDP would have been more by at least 1.3% situation is much worse in urban areas. Reformers are increasingly eyeing on e-governance as a salvation vehicle to achieve good governance, democracy and transparency. E-governance is the application of ICT for delivering government services, exchange of information communication transactions, integration various stand-one systems.

The study tries to understand existing system of land records system and loop holes in the system which gives rise to corruption in the system. The various difficulties faced by citizens are studied and the possible solutions which can be given to citizens through geospatial technologies in E - Governance.

Literature Review

Subhash Bhatnagar (2003) in his paper "Transparency and Corruption: Does E-Government Help?" discusses how E-government reduces corruption in several ways. It takes away discretion, thereby curbing opportunities for arbitrary action which often results in corruption. It increases chances for exposure by maintaining detailed data on transactions making it possible to track and link the corrupt with their wrongful acts.

A Transparency International India-Centre for Media Studies survey (2004) on the impact of corruption on the so-called below the poverty line (BPL) households found that 18% of those surveyed had interacted with the office of land records; states such as Kerala and Karnataka reported interaction rates of 61% and 51%, respectively. About 3.5 million BPL households surveyed ended up paying a bribe to avail the services; the bribes added up to Rs 123.38 crore.

Manisha A. Kumbhar (2012) in thesis stressed on e-governance as effective means of communication with case study of pune city. This study mainly relates to the awareness and usage of e-governance services implemented by the PMC. It also compares the e-governance system

with the manual system with respect to time required to avail PMC service, cost of availing service and efforts. Four out of five Objectives and four hypotheses lay primary emphasis on this subject. The fifth objective flows from the employee's perspective and it is focused on how easily they can deliver services after incorporating e-governance services.

Vishal Bhat (2011) in his paper has clearly emphasised on applications of GIS in building land information and management system. The paper discussed building GIS based land record systems and how these technologies can help citizens in better service and governance.

Corruption and Land Records

Need for Land records

Land plays a very important role in lives of people for our country especially when large part of our population depends on agriculture for their lively hood. People need to access the land records in various forms whether as per our tradition it is division of land between brothers after death of parents or land dispute between the neighbours. Land records play very important

role in lives of people living in rural and semi urban areas.

Some of the needs where land records most often required are listed below (refer figure 1)

- Obtaining Land Records
- Paying Land revenue
- Obtaining Income Certificate
- Sale/Purchase of Land
- Obtaining Caste Certificate
- Recording transfer of Property
- Getting Agricultural Land on Lease
- Obtaining Stamp Paper

Difficulty Faced by the Citizens

As discussed people very often needs information related to land , now to access these information in the current system in most parts of our country government officials are the only single point of contact for citizens to help them for their cause. People who are force to take help of many middle men who promise the citizens to get their work done.

Some of the factors where most difficulty is faced by the citizens are as follows : (Figure 2)

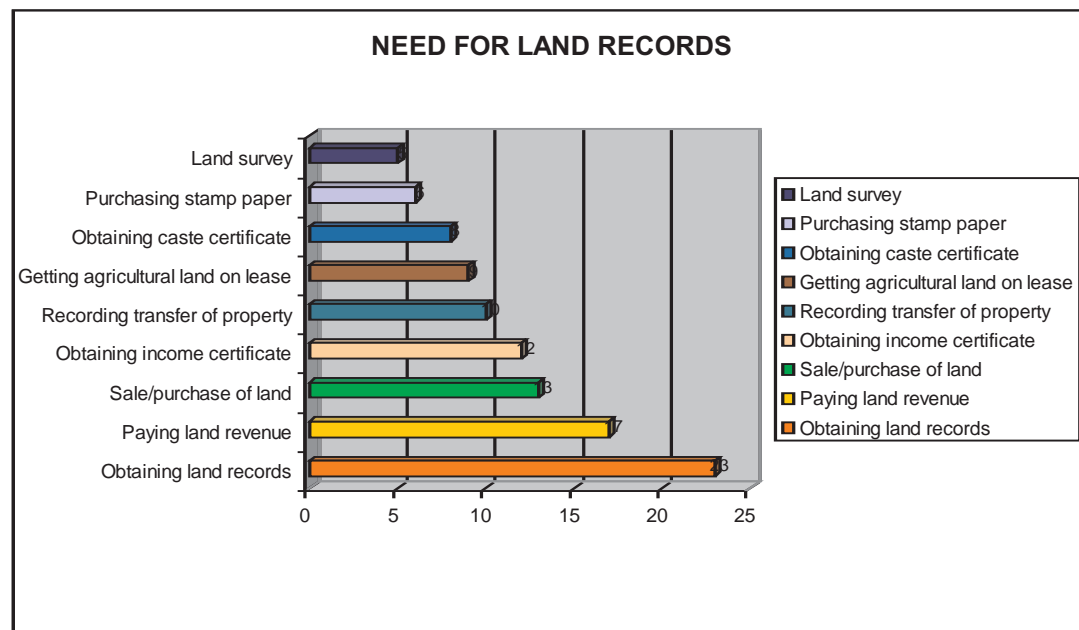


Figure 1, Source: Transparency International India-Centre for Media Studies survey

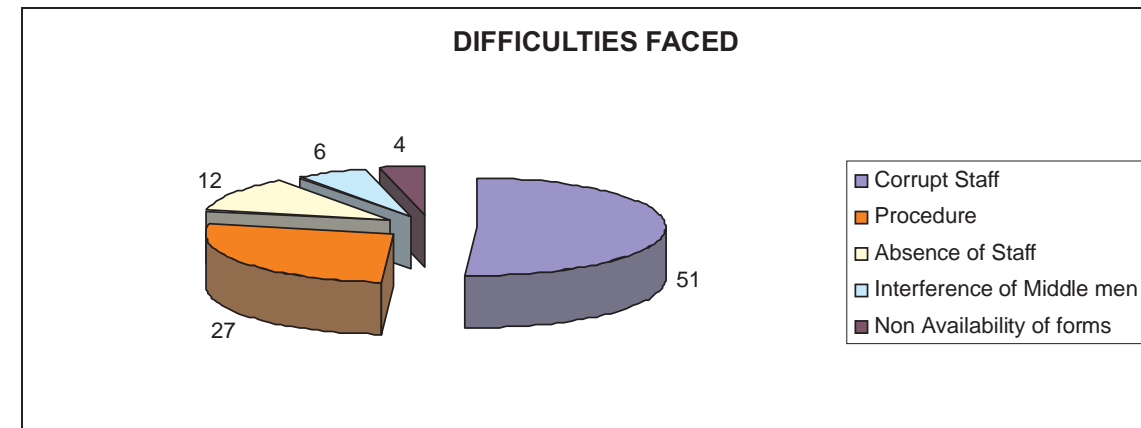


Figure 2, Source: Transparency International India-Centre for Media Studies survey

Reasons for Paying Bribe

Citizens generally get entrapped in to corruption for various work for which comes in contact with either agents/middle men or government officials.

Some of the reasons for which citizens has to pay bribe are listed below (Figure 3)

- Obtaining land records
- Obtaining income certificate
- Land Registry
- Sale/purchase of land property
- Obtaining caste certificate
- Recording transfer of property
- Land survey
- Getting agricultural land on lease
- Paying tax
- Purchasing stamp paper

Means Used to Get Work Done in Land Department:

Land records form the basis for the assignment and settlement of land titles and are needed to sell, purchase and mortgage land without dispute. Accessing them is one of the most arduous tasks in India, primarily because of the absence of updated records, a multiplicity of laws and the administrative involvement of several Union ministries and state procurement agencies.

Route of bribe payment

As per the survey, at least eight out of ten BPL households paid the bribe directly to the department official. The survey has established a clear nexus between the higher-level officials and the lower-level staff; as a result, bribes for the former were routed through the lower-level staff.

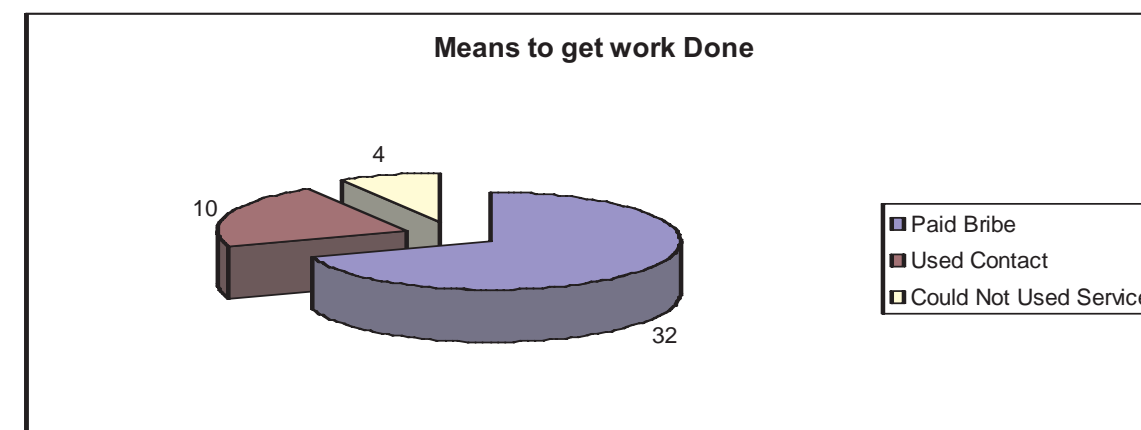


Figure 3,Source: Transparency International India Centre for Media Studies survey

And, about one in five BPL households ended up paying a bribe to a middleman to avail the services of the land records office.

About 69% of BPL households who visited the revenue and registration departments alleged these were corrupt. In some states, this figure was substantially higher.

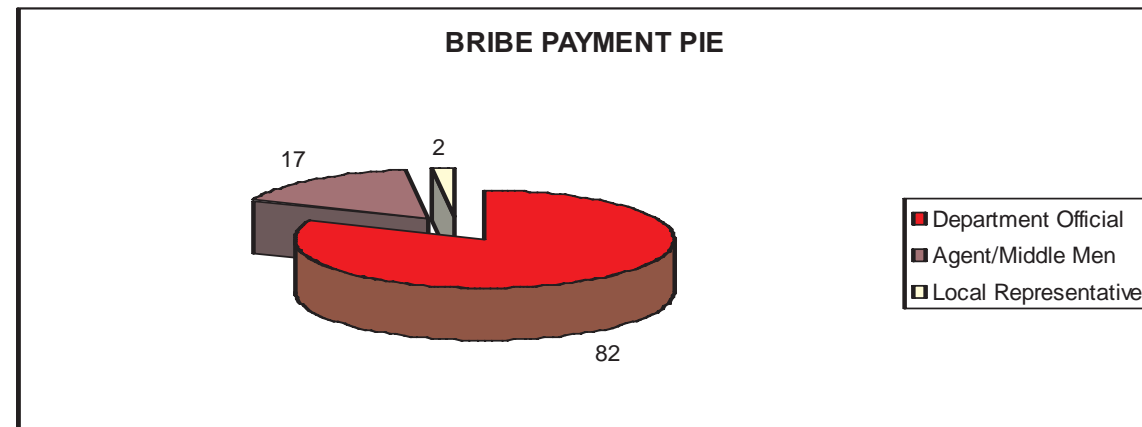


Figure 4, Source: Transparency International India-Centre for Media Studies survey

Bribe payment

According to the survey conducted, results were very surprising, almost one-third of BPL households surveyed paid a bribe, about one-tenth used the services of contact to move the authorities. These figures clearly indicate most of the people have no option but to pay bribe to the department officials to get their various works like land registry, mutation to be done.

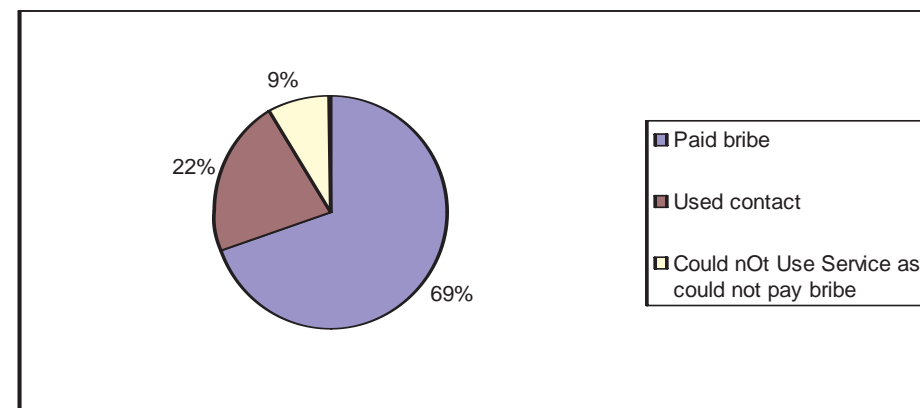


Figure 5, Source: Transparency International India-Centre for Media Studies survey

Geospatial Technologies for Land Record Information

The National Land Records Modernization Programme (NLRMP) was launched by Government of India in August 2008, aimed to modernize management of land records, minimize scope of land/property disputes, enhance transparency in the land records

maintenance system, and facilitate moving eventually towards guaranteed conclusive titles to immovable properties in the country. The major components of the programme are computerization of all land records including mutations, digitization of maps and integration of textual and spatial data, survey/re-survey and updation of all survey and settlement records including creation of original cadastral records

wherever necessary, computerization of registration and its integration with the land records maintenance system, development of core Geospatial Information System (GIS) and capacity building.

The main objective of the NLRMP is to develop a modern, comprehensive and transparent land records management system in the country with the aim to implement the conclusive land-titling system with title guarantee, which will be based on four basic principles, i.e.,

- (i) a single window to handle land records (including the maintenance and updating of textual records, maps, survey and settlement operations and registration of immovable property)
- (ii) the -mirror principle, which refers to the fact that cadastral records mirror the ground reality

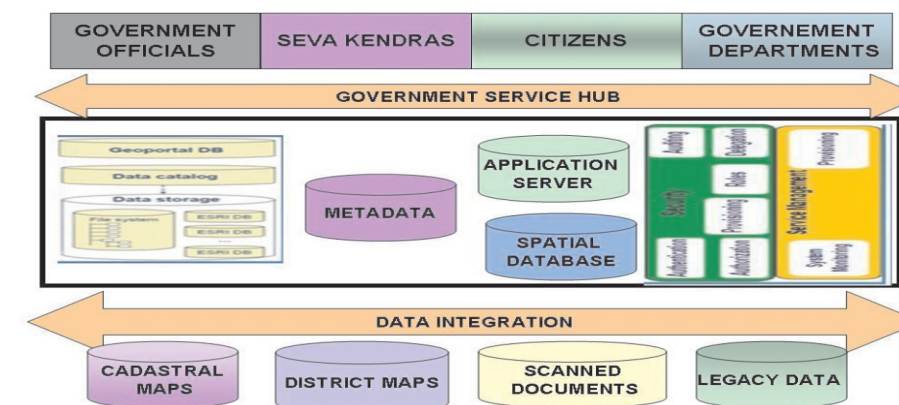


Fig 6 Architecture of GeoSpatial based Land Information System

- (iii) the -curtain principle which indicates that the record of title is a true depiction of the ownership status, mutation is automated and automatic following registration and the reference to past records is not necessary, and
- (iv) Title insurance, which guarantees the title for its correctness and indemnifies the title holder against loss arising on account of any defect therein.

The typical architecture of Land Record Information is shown in figure 1.

Components of Geospatial Based Land Record System

Data Base Management System

For each village (one or two) cadastral maps are available at Tehsil records rooms. It is very essential to convert them to electronic formats for further processing and records keeping process. Digitization of Cadastral Maps depends upon availability of maps, their sizes, quality of maps, scale, features, availability of grid points, S/W or colour status, media used, etc. hence in the first step it would be required to examine availability of the same and evaluate them for further processing. In areas, where cadastral maps are not available or Cadastral maps are in bad quality or land pattern has changed, survey/re-survey using modern technology of surveying & mapping is proposed. In such cases a policy decision is to be taken for conducting fresh survey (De-novo Survey). Appointment of a

Nodal Officer, Formation of QC Team, Single point of contact, setting up of tolerance limit (depending upon the source map) should be finalised for the Tehsil.

Land Registry System

The Geospatial Land Information based system will act as bridge between land registry system and the application. The mutation and change in ownership will be coupled with land registry system. The web based application will be interface and source of information for land registry application, various documents required

and which can be uploaded and fees to be paid at different stages. The system will reduce time and will help citizens to understand the work flow process better.

Third Party Integration

Land records data information once becomes live will be used not only by land record govt officials but also by other agencies state government planning agencies who propose for mega projects or SEZs. Planning departments who responsible for building various infrastructure based project needs to refers to land records at different stages of the project, current status of land, their owner. Similarly revenue department which is responsible for collection of property and other different types of taxes can also access this information, which can help them in decision making.

Service Delivery Platform

This platform will enable the users to access information through mainly two different ways:

Website: The website which can be accessed by the citizens and they apply online for various different types of land related information. They can also view the status of the Application online.

Government service centres : The service delivery platform will be used both by the citizens as well as government officials. This will act as a source of contact to train the users how to access the information through trainings and user manuals.

Geospatial Technologies to Address Corruption

There are many success stories the world where ICT has helped in better governance and thus reduction of corruption drastically over the years. As discussed in earlier sections, various types of corruption associated with land record system and difficulties faced by citizens due to n lack of information and knowledge.

The various factors which instigate corruption and how geospatial technologies can help in addressing them are as follows:

Point of Contact: Govt Officials is single point of contact between government & Citizens .Due to non availability of other source or e-portal which can be line of communication between the citizens and government. Geospatial online web portal can be point of contact between citizens and government where citizens can access various information related to land records

Work Flow Information : Generally citizens not ware about the actual procedure of their work request. They depend totally on officials for this source of information. Geospatial technologies will help citizens in creating awareness among the citizens and also they can question the officials if some thing wrong is being done. Fees for various land registry/mutation procedures: In lack of centralised information citizens are not very aware of the fees of various procedures like land registry, mutation etc.

Complex procedures : The current procedure of land registry and mutation is very complex and manual. The geospatial application will help in re-engineering the process and making the process more users friendly and less complex and thus increasing transparency in the system.

Lack of centralised records : GeoSpatial database will act as centralised database where the officials can view land information of all records, change of record of in ownership over period of time various records and reports can be generated like list of registry and mutation done in last six months, list of pending work etc.

E-Governance Story So Far In India....

The success of various E-governance projects has already been demonstrated in few states like Bhoomi in Karnataka, Madhya Pradesh etc. These projects also illustrate how automation can be used to take discretion away from civil servants at operating levels.

In a Karnataka Village Accountants provide RTCs ranged from 3 to 30 days depending upon the importance of the record for the farmer and

the size of the bribe. A typical bribe for a certificate could range from Rs.100 (\$1= Rs 50) to Rs.2000.

If some details were to be deliberately written in an ambiguous fashion, the bribe could go up to Rs.10, 000. A recent evaluation by an independent agency indicates that in the perceptions of the farmers Bhoomi has improved service and lowered corruption. During a 12 month period nearly 5.5 million farmers have paid Rs 15 and collected their RTCs from the Bhoomi kiosks. Bhoomi has reduced the discretion of public officials by introducing provisions for recording a mutation request online. Farmers can now access the database and are empowered to follow up.

Similarly Him Bhoomi & Bhu Naksha -A E-Governance Project in Himachal Pradesh has changes the culture of governance in land departments some of benefits gained from the project are listed :

Citizens

- Reduced delivery times for registration/ mutation/ issuance of RoR copies
- RoR copies on anytime-anywhere basis:

Availability of certified copies of RoR (Jamabandi) and Shajra Nasb (Family tree) through LokMitra endra (LMK-

- Citizen Service Centres on 24x7 basis subject to the LMK Centre being open .
- LMK Centres available at Panchayat level for these services.
- No need to visit Patwari offices for RoR.
- Legible & Standard Format of RoR: A4 size Jamabandi copy in place of A3 size paper for easy manageability.
- Option to get instant mutation done at the time of Registration itself.
- LMK Operators authorized to issue certified copies.
- Search fee for Land Records reduced to Zero as the process to make Land Records Data in public domain in underway.

Department of Revenue & Registration

- Simplified procedures for Mutation/ Entry of Court Cases/ Multiple Service points
- Online System for Monitoring Progress of NLRM Programme
- Graphical Reports for Decision Makers
- Chances of fraud reduced due to integration of Land Records data with Registration
- Record up-dation frequency reduced to 7

● Online System for Monitoring Progress of NLRM Programme



प्रबंधन पटल		
<p>Una-1</p> <p>Top LMK Centre in State Based on last 10 day's total RoR distributed</p>	<p>6105</p> <p>Number of Copies Issued Total nakals distributed through GNG LMKs in last 10 days</p>	<p>1707</p> <p>Number of Copies Issued Total nakals distributed through Zoom LMKs in last 10 days</p>
<p>+52.60%</p> <p>% age Increase/Decrease Over last Month's Revenue through RoR issuance till today's day.</p>	<p>273390</p> <p>Monthly Revenue Generated Total collections of LMK charges + Govt Fee in the current month.</p>	<p>2183759</p> <p>Revenue Generated During Current Financial Year Total collections of LMK Charges + Govt Fee in Rupees for the Year.</p>
<p>247</p> <p>Total Nakals Issued Today Number of RoR (Jamabandi) Copies issued today in the State.</p>	<p>Mandi</p> <p>Top District in State Based on last 10 day's total RoRs distributed.</p>	<p>—</p> <p>Total Registrations Total Number of Registrations done in the State, yesterday.</p>

- days on computerized LRC
- Reduction in Reports Processing Time. New Jamabandi processing time reduced to just 4 days as compared to almost 6 months in manual system.
- Court case entry in RoR for easy reference
- Access of Land Records given to State Vigilance Department to check landed property details of corrupt Government officials
- Online verification of LMK Issued RoR copies

Graphical representation of data through geospatial technologies can help government officials as well as citizens in better usage of the system.

Graphical Reports for Decision Makers

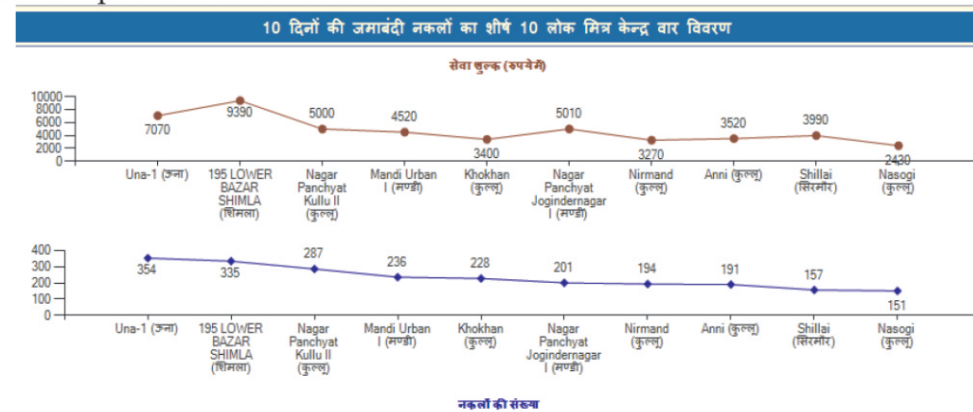


Fig 7, Source: Revenue Department, Govt of India

Conclusion

Geospatial technologies in E-Governance Projects can help in bringing down corruption to a large extent. It will also improve transparency and speed up various government land processes like mutation, land registry etc. All these will help in better governance in the state. However, there are many obstacles in implementing such projects, which include rigidity in redefining rules and procedures, As government officials are not very easily convinced with introduction of the new technologies in their inherited legacy systems, computerization and digitization of these legacy data, capacity building etc, many E-governance projects have failed in India., Of course, there is no substitute to good management in implementation of these projects.

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Persona Driven IT System

Ramnish Singh¹

This paper presents the value of Personas for decision making. It provides a good grounding on the basics of personas and covers current issues and challenges that many people have when trying to understand their users. The paper also helps the reader understand why employing Personas is better than current techniques that are typically used for initiative planning. It relays the value that personas bring to a planning project, and concludes with an example of how Microsoft's cloud computing model can be adapted by organizations using Personas.

Key Words: Persona, Decision Making, IT System, Cloud Computing

Introduction

Businesses do not garner insights or make decisions, invent new products, or find new efficiencies. People do. Companies excel when they empower their people to drive the business forward. Strategies, organization, motivation, and leadership all set the stage for business success. But to see results, businesses also have to give their people the right tools, information, and opportunities - because ultimately, success comes from people.

To integrate technology into a business effectively, the workforce needs to be analyzed to gain insight into their current status and challenges. Workforce analysis is a useful tool for aligning employees' capabilities with the business vision. When it comes to workforce analysis, every company is different, every individual unique. However, attributes of tasks and activities performed, along with perceptions about the workplace, can be gathered, patterns discovered, and improvements made.

The outcome of a workforce analysis is a usable set of personas. The goal of specifying personas is to obtain insight into how people use technology and, by doing so, determine what skills, capabilities, and work practices they need to make their work more efficient.

Introducing Personas

A persona is a derived "fictional person" that represents a "class" of target users who perform a set of responsibilities. Personas are characters with a story to tell that is concrete, contextual,

and based on real user data. They encourage a shared understanding of the target user base and act as a common language with which to communicate needs and characteristics because people can more easily remember specific details about other people than a generic list of details. Personas provide a method for bringing workforce data to life.

Personas are also a practical tool to help prioritize features and maintain focus on the target users throughout the strategic business and technical planning efforts. For a set of personas to be useful, their attributes need to align with the initiative's business goals. For example, if exploring unified communications, the focus would be on identifying the different mobility and communication needs of the personas that the initiative will target.

Personas enhance the value of system design, target specific functionality that will be of the most value, and organize knowledge about the targeted users of a new system or process.

Personas and IT System

Using personas brings significant advantages for IT Systems. Specifically they help in enhancing scenarios, increase the effectiveness of adoption, and measurements of realizing value.

Enhancing Scenarios through Personas: Scenarios describe the work that is being done or the functionality which is required. Using personas increases the awareness of who it is that is actually doing the work within a particular scenario.

- **People:** To fully understand scenarios, you also need to know who's performing the work within the scenarios. If scenarios define the work that is to be done, personas help capture and define who will be doing the work. In addition, personas help link scenarios by looking at the people that perform the work within them. For example, a single persona might perform one scenario in the morning and another in the afternoon, and then a third before going home. Finally, by looking at personas through scenarios you can begin to identify the needs of a team
- **Behavioral Change:** To realize value, change needs to happen. Usually, that change needs to happen with people; with the way they work, the tools they work with, or the actual work that they do. To change people, we must consider their entire day. By identifying the work they do within a day, you can see what types of habits need to change. If a targeted scenario only covers 10 percent of an employee's day, a large potential of increased value could be missed. By looking at the persona that is doing the work, within the scenario, and thinking about the activities they perform within their day, secondary scenarios can be identified to further increase the potential for realizing additional value. Finally, you can use personas to identify the best way to market to the employee; because of new technology, new ways of working, or new working environments. After all, if adoption can be accelerated, value can be realized sooner.
- **Visual Representation:** Remembering large amounts of facts isn't always efficient or possible. The human mind is much more capable of remembering specific people and their circumstances. By using personas along with the scenarios they interact within, a list of requirements and goals can

be transformed into a story about a person; which is much easier to remember and you are more likely to come up with new innovative ideas for them. It's also difficult to determine if a project has delivered the value hoped for based on a list of requirements. However, when those requirements are wrapped into the story of a person and the work they do, it's much easier to see where the value may come from.

Adoption Planning: There is significant value that can be realized by using personas to create plans for the adoption of the new technology or ways of working that is being targeted.

- **Marketing:** To drive value, the initiatives should be communicated and marketed to those people who will be affected. By using personas in marketing plans, specific marketing efforts can target the specific personas i.e more specific campaigns can be created for the affected users.
- **Training:** Different people have different learning styles; focusing on one persona enables targeted training. How and when training happens can be planned with the expectation of greater returns on investment because you're able to tailor the plans to the needs of a specific persona, instead of a generalized user population.
- **Habits:** Knowing the "day in the life" view of the people who will be affected by the change can help to change their specific habits and patterns. As stated before, having a holistic view of the entire day of your target persona will help to identify additional habits that may interfere with realizing the value of the target scenario. In other words, focusing on a specific scenario or technology only targets a small fraction of a person's day; focusing on a specific persona has a greater chance of achieving the desired results and corresponding value initially planned for the scenario.

- **Features:** By targeting specific personas when planning technology, more valuable solutions can be created, thus increasing the potential value to the specific persona and to the business. Because the features of the solution are targeted specifically for a persona, it can increase acceptance and usage of the software; reducing spending on software that has the potential to be shelved. In other words, instead of creating a solution with the lowest common denominator for all users, you can create solutions that better target the specific personas.
 - **Support:** By focusing on specific personas, you can target support plans and practices. For example, why waste resources building an internal self-help support website if a persona is mobile 90 percent of the time, cannot access internal applications, and would rather use their phone to receive support? In addition, knowledgeable decisions can be made regarding how the persona likes to be supported - resources such as online documentation, support personnel, and power users within their group.
 - **Maintenance:** Understanding the personas and their potential system utilization can help IT schedule downtimes and upgrades according to when the systems will be least used by the targeted persona. Finally, using personas provides IT with knowledge of how systems will be used, thereby allowing reallocation of resources as needed.
- Value Realization:** Personas helps you take more targeted and accurate measurements to determine the value that is being realized by the initiative undertaken.
- **Measurements:** By using personas in initiative, one can focus more on what to measure, and how to measure it. Personas created for a specific initiative may contain this information within them. Not only does having this information about value measurements within the personas provide

all team members with a target, it also provides the item that will be measured to determine the value of the initiative.

- **Adoption Rate:** Because specific values have been given for the value being measured, the team can track the rate of adoption of the solution after it is deployed. The ability to track the rate of adoption provides the ability to see if the expected value will be realized as the initiative progress.
- **Adjust Plans:** Because specific measurements have been given, and the rate of adoption is being tracked, adoption plans can be adjusted if the targeted expectations might not be met. In addition, a team may decide to change the items being measured. Because the focus is on a persona, it's easier to do these things than if the focus was on the entire user population. In other words, by categorizing users into personas, very specific actions can be taken for very specific people.

Impact on Cloud Computing

With the help of Personas we can illustrate how companies benefit with the design of their IT systems. For the purpose of our example, we will create and depend on personas and use Microsoft's IaaS, PaaS and SaaS computing platforms as example.

Using Personas as an example, we can map the various technologies, products and work streams which are required for each persona. This differentiation will help in most optimum utilization of services from Cloud, On-Premise or Hybrid IT. There will be savings (lower TCO and higher ROI) resulting from delivery of these services from Public / Hybrid Cloud rather than On-Premise IT. The below figure illustrates the mapping of specific functionality or product within Microsoft's Cloud computing model required by each persona.

Office	Mobile	Remote	Task-based	Knowledge Workers
Office users usually move from one computer to another. They typically do not take a computer with them when they move from one location to another; instead, they use the computer at location where they are working.	Users who travel regularly and perform their work using a portable computer. While traveling, they are frequently disconnected from the network, and often connect using low-bandwidth connections.	Remote users differ from mobile users because they generally connect to the network from a fixed location, such as a branch or home office that often involves a slow or intermittent network link	Users who require a computer to perform a specific, limited set of tasks, such as entering orders. The task-based user might only require a computer running Terminal Services.	Users, such as engineers, lawyers, graphic designers, programmers, who place the greatest demands on their computers, often require specialized applications and customized configurations

Table 1: Persona and their Characteristics

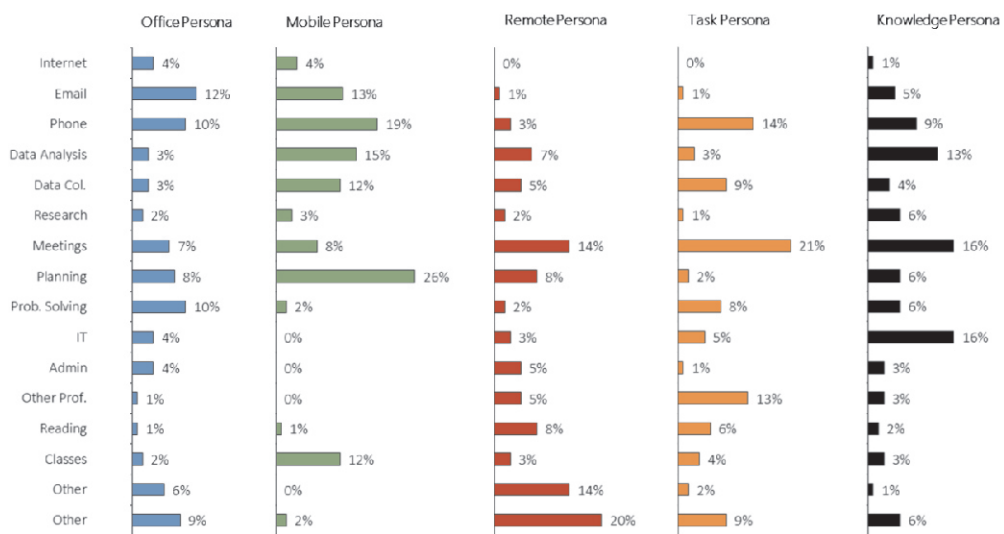


Table 2: Persona Computer Application Telemetry Data

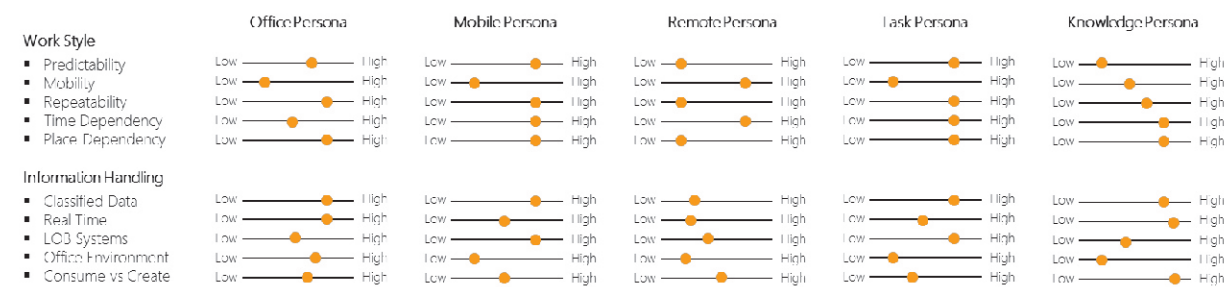


Table 3: Persona Work Style and Information Handling

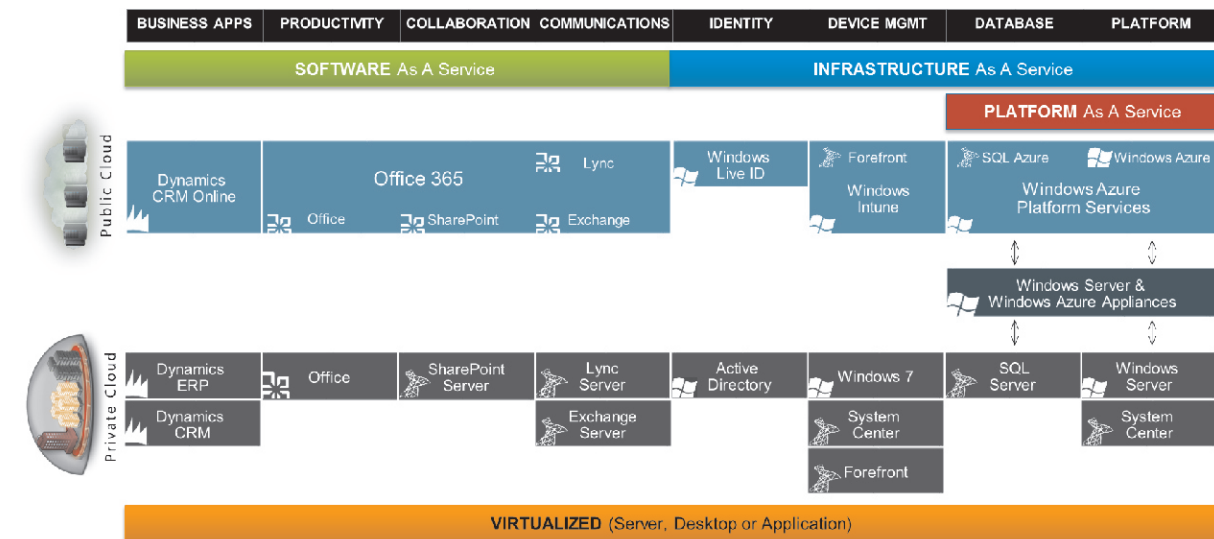


Figure 1: Microsoft Cloud Computing Model (Infrastructure-as-a-Service [IaaS], Platform-as-a-Service [PaaS] and Software-as-a-Service [SaaS])



Figure 2: Personas mapped to Microsoft Cloud Computing Model (IaaS, PaaS, SaaS)

Usage of Opinion Leaders as a Marketing Tool in Rural Markets of India

Debanjan Saha¹

Based on the above analysis, we can now create an IT mapping for implementing the desired IT system. The following figure represents this for various IT capabilities and applications.



Figure 3: Personas mapped to Microsoft Cloud Computing Model (IaaS, PaaS, SaaS)

Conclusion

Personas are a practical tool to help prioritize features and maintain focus on target users. Because people can remember details about other people, using personas as a reference is a powerful and rich tool. Data by itself is complex and hard to memorize, internalize, and recall. In contrast, when a planning team has a specific user to reference, they are able to remember many more details about the end user and can accordingly prioritize features and determine adoption plans. Personas are not a replacement for existing planning processes. Personas are not meant to be a design process in and of itself.

They're a simple tool to help the design and planning team understand the users for whom they are designing.

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This article provides a critical overview of the current practices of marketers in designing and executing marketing communications. It reviews existing literature on consumer behaviour and opinion leadership. Dimensions of opinion leadership and traits of rural consumers are discussed. This brings out the significant role of opinion leaders in influencing rural consumer behaviour. This article proposes a cost effective stepwise framework in usage of consumer behaviour influencing dimensions of opinion leadership to enable rapid transition of consumers through the buying process.

Key Words: Marketing communications, consumer behaviour, opinion leadership, consumer influence, rural consumers

Introduction

Promotions, one of the four major pillars of marketing, have traditionally revolved around outdoor, in-store, print, electronic and online media advertisements and Below the Line (BTL) activities like free samples, trials, demos etc for creating awareness of new product as well as existing products and brands. Media plan for new product launch is invariably restricted to prolonged discussions and detailed workings towards arriving at allocations primarily amongst these options. Of late innovative customer engagement programmes, as part of the BTL portfolio are gaining practice to enhance brand recall, induce brand switch, impulse and trial purchases and to lead the consumer progressively towards instilling brand loyalty and brand advocacy.

Return on Marketing Investments is not very scientifically measured in most Indian businesses with stress primarily on carving out sizeable budgets for marketing resorting to grandiose projections and justifications and thereafter, when budget gets allocated the stress shifts to monitoring on execution for timely and complete consumption of marketing budget over the relevant budget period. In the present days of hyper competition most businesses are left with wafer thin margins. In such environment, investible surplus is scarce and annual budgets finalization process is therefore closely contested (read fought) by sales, marketing, R&D, HR, production and others. Thus cost effective marketing activities is the need of the hour.

This paper explores consumer behavior in rural markets and theorizes the higher effectiveness of usage of Opinion Leaders in reaching out to prospective customers with both new and existing products with greater ease and higher willing acceptance. We shall examine the dimensions of opinion leadership and followership in the social and consumer buying behavior context, in some detail. But first, we shall recollect some basic concepts of consumer buying behavior, which are relevant for better understanding of the current topic.

Consumer Buying Behaviour

Consumer Buying Behaviour is the in depth study of decisions made by individuals for purchase of consumption items. It is of prime importance in marketing to design and offer innovative solutions to consumers in order to secure long term customer relationship. Consumer Buying Behaviour is influenced by several important factors viz. cultural, social, personal and psychological.

- Culture is the set of broad guidelines, norms, values, beliefs and conduct exhibited by members of a group. Conformity to group norms in most aspects of consumption like food, clothing, lifestyle etc are practiced by members who while influencing one another and are greatly influenced in turn by custodians of their culture.
- Society comprises of family, relatives, neighbours, colleagues, friends and social

groups. Group dynamics such as membership reference groups to which an individual belongs, aspiration reference group to which he aspires to belong, disclaimant reference group of which he is a member but does not want to belong and avoidance group about which he resents values and beliefs play a very powerful role in influencing buying behavior.

- Personal factors of age, sex, education, lifecycle stage, and lifestyle contribute to varying extents of influence in buying behavior.
- Psychological factors of individuals like beliefs, attitudes, perceptions and motivation are also subject to influence by others in shaping buying behavior.

While the above factors influence the buying behavior of individuals, the stages in buying decision process that an individual goes through are given in Fig.1. below:

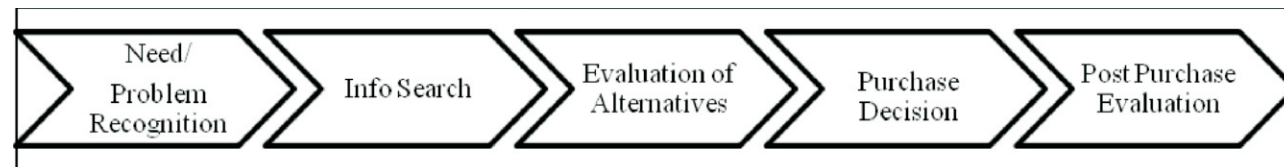


Fig.1: Stages in Consumer Buying Behaviour

The individual is influenced in each stage in varying degrees but is most influenced in the info search and evaluation stages. Information is gathered from various sources like commercial sources viz. advertisements and BTL event experiences, public sources and personal sources. Personal sources include the influences of members of groups covered in social factors. However all purchase decisions need not go through all the stages in Fig.1. Routinised habitual buying behavior involving regularly purchased, non differentiated, inexpensive low involvement product category typically bypasses these stages. Variety seeking buying behavior for similar product category incorporates elements

of fun, change, difference in flavor, perfume, colour, design, look and feel etc., without much emphasis on qualitative differentiation.

As opposed to the above buying behaviours, extensive problem solving buying behaviour is nurtured on a high buyer involvement, with extensive research and cost benefit analysis, for high value, high impact, relatively unfamiliar products which are infrequently purchased, expensive and the buyer perceives significant differentiation amongst brands.

It is in this category of products that buyers actively seek information and are greatly influenced. We shall examine dimensions of opinion leader influence in personal and farm consumption, in this high involvement category of products and build up a case in favour of development and usage of opinion leaders as an effective tool for new product adoption.

Opinion Leadership

Opinion Leadership is defined as "the degree to which an individual is able to influence other individuals' opinions or behaviour in a preferred

way with relative frequency" (Rogers, 1962). It is typically exhibited in individuals by the following dimensions:

- Tremendous passion in their area of interest
- Seek and possess vast knowledge in the area
- Continual updation of knowledge by high exposure to print and online media
- Higher consumer innovativeness in terms of early new product adoption
- Significantly higher level of social interaction
- Burning desire to share the acquired knowledge and latest developments
- An individuated personality with

distinctiveness, individuality, confidence and uniqueness

- Excellent logical conversation skills
- Enjoys trust, respect and affection in society
- Advice and guidance are willingly accepted by opinion seekers.

Whereas opinion leader (OL) influence is evident in most product categories and socio-cultural groups, it is widely prevalent in rural communities and thus acquires greater importance as a marketing tool over conventional advertisements and promotions in rural markets.

Influence of OL on Rural Consumers

All consumers, whether urban or rural, are continuously bombarded by a profusion of brand communications, through print, electronic, outdoor media and progressively through online media as well. Such exposure is not found wanting in rural areas. Urban consumers rapidly soak-in advertisements, exhibit greater individualism in choice of brand in a product category, based on his elevated sense of general awareness and need to display uniqueness, have easier access to internet for evaluation of alternatives resulting in higher consumer innovativeness. Rural consumers, on the contrary, progress to several rounds discussions and are not quickly moved to take a buying decision, based on exposure to advertisements. Rural consumers are hampered by limited internet access, and lower knowledge of English language. They await and seek trustworthy unbiased advice from opinion leaders, for which understanding of their social dynamics and buying behaviour is needed.

Rural consumers are characterized by the following traits:

- Perception of lack of adequate information of products
- Limited access to internet and specialized magazines
- Higher levels of skepticism of new offerings

- Higher distrust on communication by business organizations
- Higher conservatism and lower consumer innovativeness in new product adoption
- Seeking value for money options over novelty purchases
- Higher levels of socializing, caring, mutual support and shared problem solving
- Influenced by a culture of moderation and a propensity to save

Such characteristics make rural consumers good risk averse opinion seekers, who seek reinforcement of their attitude towards a brand. They actively seek out opinion leaders for their greater knowledge and experience with the brand. Once influenced by OLs, opinion seekers thereafter display a rapid positive disposition towards the brand.

Conclusions

Having discussed dimensions of OL and rural opinion seeker consumers, it is now pertinent to state that there is limited impact of traditional media to lead a rural consumer through the later stages of buying behaviour. Advertisement creates brand awareness which induces some discussions on the brand's suitability to provide solution to their unmet needs and wants, but progress thereafter is largely restricted in case of high involvement category products.

Marketers could do well enable rapid transition of such consumers through the next stages to actualize a positive disposition towards a brand, by effective usage of Consumer Behaviour influencing dimensions of Opinion Leadership. Activation of this marketing tool can be very cost effectively carried out in the following steps :

1. Set up call center for providing information in vernacular languages, to be accessed by toll free phone numbers or SMS, to be displayed in advertisements.
2. Release advertisements to a limited extent in outdoor, electronic and print media

including vernacular channels, newspapers and magazines, to create brand awareness.

3. Identify rural opinion leaders, for each major rural market, from amongst progressive farmers, academicians, professionals, social workers, leaders of cooperatives etc. through field survey by marketing representatives and also from those innovative consumers have made voluntary contacts with call center.
4. Institute exhaustive information sharing mechanism with such OLs and innovative customers, through emails, seminars, exhibitions, fairs, promotional events etc.
5. Arrange hands-on product/solution demonstrations and field trials on sustained basis for OLs. Clarify all doubts and wipe out all suspected traces of residual preference for legacy solutions and competing brands from the minds of OLs.
6. Arrange sessions to showcase product demonstrations for rural consumers with OLs leading conversations around their positive experience with the brand. Create opportunities for OLs to effect public diffusion of product innovation in social gatherings.
7. Institute regular feedback and feed-forward mechanisms with OLs. Be alert for signs of initiation of negative communication, which spreads rapidly and causes devastation to a brand's reputation. Early information can help in quick rectification of harm caused.

OLs are motivated by thirst for knowledge and esteem. The above steps fulfill these motives of the OL and increase their brand stickiness. Development of OLs results in generation of significant influence of followers through perceived unbiased evaluation that they trust and recommendation of the brand leading to enhanced customer actualizations. Usage of OL as a marketing tool thus ensures accrual of prolonged benefits to the brand by cost effective

use of scarce resources through segment specific targeting of marketing initiatives. We can therefore express:

Rural Consumer = f (Brand Awareness, OL influence, acceptability, accessibility, Buying Behaviour, availability, affordability)
Marketing initiatives, using the tool of OLs aided with convenient accessibility, availability, robust logistics, service network and pricing perceived by rural consumers as value for money will go a long way to ensure success in rural marketing of high involvement product categories in general and in launch of new products in the category in particular.

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Green Accounting: A Conceptual Analysis in Indian Context

Kirti Ranjan Swain¹

In the modern jurisprudence, green accounting is considered as a recent phenomenon in the corporate world. Macroeconomic and societal indicators are needed to reflect the contribution of biodiversity and ecosystem services. In the recent past, internal costs associated with environmental performance were relatively low, but for a few environmental regulations forcing organizations to better manage and minimize their environmental impacts. It has now changed. In many countries environment-related costs are increasing in response to growing pressures of various kinds. However, green accounting i.e. environmental accounting, was developed in the corporate world to measure the factor environmental costs into the financial results of operations. This study will provide the concepts, importance of green accounting and an overview of the green accounting in Indian context.

Keywords: Green accounting, Biodiversity, Ecosystem, Environmental accounting, Eco- Auditing, National income accounts

Introduction

Since the 1980s, the term green accounting has created a new phenomenon in the corporate world. It is known as a management tool used for a variety of purposes. Basically improving environmental performance, controlling costs, investing in "cleaner" technologies, developing "greener" processes and products, and forming decisions related to their business activities.

Green Accounting involves putting a value on a country's natural resources, like forests and seas, in order to have a more complete "snapshot" of a country's economic performance. Factors like resources being wasted, the effectiveness of use of natural resources, balancing environmental protection, economic growth and environmental quality provide a working model of integration. The model involving environmental balance and sustainable development has led to the growing awareness that nature should be protected. The national income accounts for the single most important source of information about the economy and widely used in all countries to assess economic performance and for policy analysis. The importance of green accounting is increasing due to increasing of environment problems, economic, social and technological developments. The term green accounting has many meanings and uses. Green accounting can support national income accounting, financial accounting, or internal business managerial accounting. Green accounting system has to

include both national and business accounting and deals with both financial and non-financial information. In order to effectively manage the environmental pressures, it needs various types of expertise such as environmental, technical, accounting and finance, marketing and general management for an organisation. Generally, two broad categories of accounting that typically take place in an organisation such as Management Accounting (MA) and Financial Accounting (FA).

FA refer to accounting activities mainly designed to satisfy the information needs of external stakeholders, such as Govt., investors, tax authorities creditors etc. The main aim of the all the external stakeholders are receiving accurate, standardized information about an organization's financial performance and prepare the financial statements directed to external stakeholders. But in relate to management accounting, its main aim is to focuses on satisfying the information needs of internal management and provides information to organization management for internal decision making. But Green accounting defines as the process of environment-based categorization of business activities, collecting, analyzing and then monitoring these environment-related activities. After that put all these information into business balance sheet to help an organization's decision making

This paper attempts to discuss the initiatives

undertaken by India in accounting the environmental impact on economic growth and the steps taken for the implementation of the concepts of green accounting i.e. environmental accounting.

Green Accounting: What it is?

Green/sustainable/ environmental accounting incorporates environmental assets. It is the popular term for environmental and natural resource accounting. The term 'green accounting' hasn't yet been fully defined. In order for a business to be able to reduce its carbon footprint, it must first be able to measure it. Once the size of the carbon footprint is known, a business must be able to report the data to regulators, taxation officials, carbon credit trading organizations and other relevant parties. Green accounting is a type of accounting which refers to attempts environmental costs into the financial results of operations. It involves putting a value on a country's natural resources to country's economic performance. At the corporate level, Green or environmental accounting requires the identification and monetary measurement of the traditional private internal costs that directly affect the bottom line of the balance sheet. A green account takes vital parts and help with decision making in the field of corporate social responsibility. It is vital for every organization because it needs to compare the costs of avoiding or preventing environmental damage against the cost of remedial activities.

Green accounting: It's Importance in Indian context

Greening the national accounts are useful both for economic and environmental policy especially the developing countries. Developing countries are generally natural resource based economies and are characterised by high population growth and pressure on natural resources. Most of the developing countries depend mainly on agriculture, fishing, forestry, mineral extraction and other primary activities, rooted in the natural resources. Green accounting takes vital role for economic and environmental

policy. In India, Double-digit GDP fixation is threatening India's biodiversity and its long-term growth and security. And it has become virtually nation's default measure of progress. The business community and citizens on what impact external events such as the evolving European sovereign debt crisis may have on India's growth and jobs, it might also be the perfect time to take a moment and reflect on India's economic journey over the last decade.

GDP measures the value of output produced within a country over a certain time period. However, any depreciation measurements used, will account only for manmade capital and not the negative impact of growth on valuable natural capital, such as water, land, forests, biodiversity and the resulting negative effects on human health and welfare.

For India, there is much to lose if action is not taken to preserve its natural environment. Its wide range of climate, geography and culture make it unique amongst biodiversity rich nations. Biodiversity is an incredibly valuable asset. It is the underlying foundation of the earth's ecosystems, the variety and abundance of species that inhabit them and the variability and diversity of genetic material found within them. It provides numerous benefits, from food and fuel, to services such as freshwater, soil fertility, flood control, pollination of crops and carbon sequestration by forests that are crucial to both environmental and human well-being. India has the opportunity to show the world that it can take the lead and deliver on its commitments to preserving and protecting biodiversity and the ecosystem services it supports. At least this is one step in the right direction.

What's wrong with GDP?

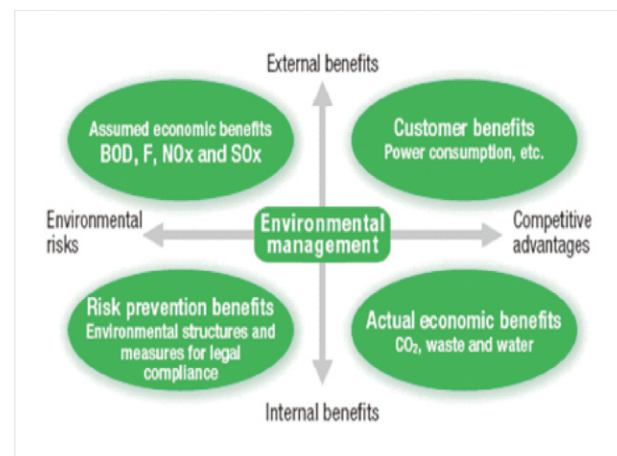
The value of output produced within a country over a certain time period is measured through GDP. However, any depreciation measurements used, only for manmade capital and not the negative impact of growth on valuable natural capital, such as water, land, forests and

biodiversity. If action is not taken to preserve its natural environment, India stands to lose. Its wide range of climate, geography and culture make it unique amongst biodiversity rich nations. A variety of criticisms can be levelled against GDP, from a sustainability perspective the key concern is that it measures only what an economy produces, not the state of capital stocks that underpin that output. Such stocks include manmade capital but also other resources - natural, social and human - which together determine how much a society can produce. In GDP, 'G' stands for 'gross', which means 'before subtracting capital depreciation'.

Green accounting :

A tool for environmental management

In the 21st century, green accounting concept has taken importance place in the business world but it goes beyond the bottom line of black or red. In general, businesses are formed to deliver services or produce products in order to earn a profit. The growing of consumer awareness about green accounting, industries are now more than ever expected to align its business strategies with environmental initiatives.



Environmentally conscious companies have already discovered that they can generate business strategies to help them reduce their carbon footprint, minimize their environmental impact, make the best use of natural resources, become more energy efficient, reduce costs, and

exhibit social responsibility. Companies, who are ready to become an integral part of President Obama's Green Economy, need to expand their accounting staff by hiring accountants who specialize in "green" or environmental accounting.

Green Management Accounting

Green Accounting Management is an important phenomenon in the business world. Every corporate or company now is much more aware about the green or environmental accounting. A green management accounting defined as the identification, prioritization, quantification or qualification, environmental costs and performance and incorporation of environmental costs into business decisions. It collects cost, production, inventory, and waste cost for business decisions and performance data in the accounting system to plan, evaluate, and control is an important aspect of green management accounting. So green management accounting represents a combined approach which provides for the transition of data from financial accounting and cost accounting to increase material efficiency, reduce environmental impact and risk, and reduce costs of environmental protection.

Green or Environmental Accounting

To earn a profit is the basic motto of every business firm by the way of deliver services or produce products. In the 21st century accounting goes beyond the bottom line of black or red - - it includes "green". Companies are more than ever expected to align its business strategies with environmental initiatives because of growing green consumer awareness. Environmentally conscious companies have already discovered that they can generate business strategies which will help to reduce carbon footprint, minimize their environmental impact, make the best use of natural resources, become more energy efficient, reduce costs, and exhibit social responsibility. The role of green accountants in this field is more responsible to identify and track green costs often times working with site, research and

development, and production managers when planning their budgets. If we look after the past, such costs were buried in overhead preventing a clear picture of the cost savings and benefits to the product, process, system or facility responsible for the green initiatives. Green accountants help management by the way of tax benefits, rebates and lower costs of being environmentally friendly add up to a real bottom-line reward for doing the right thing.

The green accounting at the corporate level helps the management to know whether corporate has been discharging its responsibilities towards sustainable development or not. Green accounting addresses the following:

- Operations are managed in such a way that environmental damages do not occur;
- Promote a culture and attitude of environmentally safe working amongst its employees;
- Disclosure to shareholders the amount and nature of the preventative measures taken by the management;
- Ensures safe handling and disposal of hazardous waste;

Scope of Green Accounting

The scope of Green Accounting (GA) is extensive and includes corporate, national & international level. The following aspects are included in green/ environmental accounting:

- The direct investments made by a corporate for minimization of losses to environment and help in reducing potential losses to the environment.
- Due to business operation certain indirect losses also arises. It mainly include;
 - ❖ Degradation and destruction such as loss of biodiversity, air and water pollution, hazardous waste including bio medical waste, coastal marine pollution etc.
 - ❖ Depletion of non-renewable natural resources

❖ Deforestation and land uses.

Natural Resource Accounting: Indian Initiatives

Human welfare is directly linked to environment and evolving a system to develop accounting of all possible relations between environment and economy has become a necessity. Assessing the size of the stock of the natural capital becomes important because the changes in the existing stock might affect the future flow of goods and services from the environment and affect the welfare potential of the future generations. The Environment (Protection) Act, 1986 imposes stringent conditions on the industries and business firms for the implementation of pollution control measures. As a result, firms are investing in plant and machinery for the pollution control equipments and recurring expenditure on the day-to-day operation of the plants in terms of consumables and manpower. The expenditure incurred by the firms is captured and shown in the input/expenditure side of the accounts. Indian industries are not kept a separate account for recording the pollution control expenditure. Goods and services which form part of the domestic consumption like domestic production of meat, fish captured from lakes, rivers and ponds, fuel wood collected from forest, building materials collected for construction of houses, forest produces like honey, wax etc are not accounted for in the National Accounts, as such goods and services do not get involved into any economic transactions.

As per the National Sample Survey Office's, consumer expenditure survey and figures, covering all non-economic activities do not completely addresses this issue. In India, most of the rivers are originated from hills and forests. In a predominantly agriculture oriented economy like India, the rivers and water availability play a vital role in the livelihood of the people. In the Indian context, these scarce resources and maintaining them as the pristine resource hold paramount importance.

Green Accounting :

Balancing Environment and Economy

"Prosperity consists in our ability to flourish as human beings - within the ecological limits of a finite planet. The challenge for our society is to create the conditions under which this is possible." said UK economist, Tim Jackson, in relate to green accounting and balancing environment. At the corporate level, the identification and monetary measurement of the traditional private internal costs that directly affect the bottom line of the balance sheet. These are direct costs, such as materials and labour, which direct relate to a product or department and indirect costs, such as rent, administration, depreciation, fuel and power. Externalities such as social and economic environmental costs that impact the external environment must also be taken into account. In corporate accounts, inclusion of internal items could more efficiently allocate.

An effective green balance sheet would be either in the profit or loss. This would only be after including all internal and external cost categories, such as health problems for workers, emissions and pollution of air, land or water, degradation of the natural environment and depletion of finite resources. Internal and external benefits must also be calculated and quantified using monetary measures. Green growth will come from applying green public procurement and green research and development (R&D). Green accounts are a vital part of corporate social responsibility (CSR) and can help with decision making and profitability. An organisation needs to compare the costs of avoiding or preventing environmental damage against the cost of remedial activities. In green accounting, the national accounts is measuring the sustainability of economic activity and the natural environment as capital allows accounting for nature's resource and sink services like produced capital and its services. Produced and natural capital maintenance is the accounting definition of the sustainability of economic performance and growth.

Conclusion

The green accounting is quite a recent and emerging phenomenon in the business world in the present scenario and has been gaining wider acceptance. As it is very much related to the environmental uses and depletion and natural resource base, we need to give more importance to issues related to green accounting. There is need to do more research on this issue. The study also observes that the green accounting i.e. environmental accounting is important in Indian context for the growth of GDP. The study suggests that the government should study this issue comprehensively for our environmental and development concerned based on the natural resources. The government has been has been trying to introduce environmental accounting system in the policy and calculation of GDP, because it bears much importance with the sustainability issues. The government should encourage the organizations to include the environmental accounting and auditing systems and issues in their activities and performance measures.

Further Work

A number of open questions remain, including the following:

- The valuation of environmental services. Many stocks of natural resources and most sinks for pollutants are not traded in markets. They do not obtain a market price, and their economic value has to be imputed with the help of different valuation techniques. Allowing only for the depletion of economic natural resources, which are already part of the national asset accounts, looks like omitting the environment from environmental-economic accounting.
- Corporate Accounting. Can the corporate accounting model serve as a model for the national environmental-economic accounts? Can it link with the improvement of Corporate Social Responsibility? Obviously, they prefer showing what they have done for the

environment.

- Strong versus weak sustainability. What is the significance of ignoring critical natural capital in weak-sustainability accounting and policy? How can critical capital be identified in the greened physical and monetary national accounts?
- Coverage of human & social capital. It is one of the important aspects in the corporate world. But the question is - can non-monetary indicator sets adequately describe the use of intangible capital? Can all capitals into holistic measures of sustainable development, well-being, or happiness?

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Book Review

Start-Up Sutra - What The Angels Won't Tell You about Business & Life

Tathagata Dasgupta¹

The book, "Start-Up Sutra- What The Angels Won't Tell You about Business & Life" by Rohit Prasad, narrates the success story of Entrepreneurship of two new-age entrepreneurs of Bihar. Abhishek Sinha and his brother Abhinav Sinha, founded a technology start-up, Eko, in October 2007. The author distilled 6 'Sutras' or 'Doctrines' on qualities of successful entrepreneurs, while narrating the story of the brothers and the struggles faced by them in founding the company and making it a success.

The first and fundamental 'Sutra' of a successful entrepreneur is all about courage. An entrepreneur must be prepared to make radical changes, by changing the whole foundation and not just superficial changes. Hence, he/she must have enough courage to do that. According to the author, "courage is not the absence of fear. It is the ability to act in the face of fear, the overcoming of fear, not the annihilation of it."

The second doctrine' talks about resilience of a successful entrepreneur. Resilience is the ability to withstand difficult situations/conditions and go on doing the work in spite of all odds. The author says that, "Resilience is the ability to pay ever-increasing amounts of drama ever-decreasing amounts of attention and focus on moving ahead with day-to-day living as if nothing untoward has happened." The author further adds that resilience is the ability to undergo repeated near-death experiences.

Creative action is the third quality of a successful entrepreneur. According to the author, "creative action" is "combination of creativity in ideation, flexibility in detailing and flawless teamwork in execution". An entrepreneur is innovative and

works with others as a cohesive team to turn the dream into a reality.

The fourth 'Sutra' talks about dispassion as fourth quality of a successful entrepreneur. It is similar to the concept of detachment as practiced in spirituality. An entrepreneur should not become emotionally attached to any idea or product. He/she should learn to "let go" of things, when necessary.

The fifth 'Sutra' highlights the spiritual aspect of entrepreneurship. It lays stress on the fact that entrepreneurs should always listen to the inner voice. Further, according to the author, an entrepreneur should realize that he/she is guided in all endeavours by an unseen force which is greater than all human beings, and he/she should have faith in that force.

The last but not the least 'Sutra' emphasizes self-confidence as an essential quality of a successful entrepreneur. This self-confidence can only come from the realization that "the human spirit can rise again from any adversity and create whatever it needs, in the worst of circumstances". Lastly the author concludes that in present times, happiness and prosperity for the masses can be ensured only through entrepreneurship because "socialism has failed, capitalism is faltering, communism is dead and Gandhi-ism has been taken hostage".

Most of the 'Sutras' on qualities of successful entrepreneurs discussed in the book are not new, as most of the literature on entrepreneurship dealt with the same traits, except the spiritual aspects highlighted in the book. However, the approach of the book in laying down the essential

qualities of successful entrepreneurs is really laudable. The book is almost like a story book with the author presenting the six 'Sutras' while narrating true life-stories of two struggling sibling entrepreneurs from Bihar who finally make their enterprise a success. This makes it very captivating for the readers and hence they will never find the book boring till the end.

On the whole, the book is an easy-to-read and very inspiring. It has combined entrepreneurship along with life's philosophies and also a little bit of spirituality. The book is strongly recommended for practicing and wannabe entrepreneurs as well as families and friends of entrepreneurs.

Title of the book: Start-Up Sutra - What the Angels Won't Tell You about Business & Life

Author of the Book: Rohit Prasad

Publisher: Hachette Book Publishing India Pvt. Ltd., 2013

Pages: 168

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The IUI Journal of Management is a Bi-Annual (November and May) Refereed Journal published by the ICFAI University Jharkhand, Ranchi. The Journal contains research and review papers, views and analysis of contemporary developments, executive experience sharing, book reviews, case studies etc in the functional areas of Management and allied disciplines.

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