SIMULATION OF BSE SENSEX USING WEIBULL DISTRIBUTION

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Abstract:
A simulation model of stock exchange trading is used to test the impact of various stabilization policies on a stock's market performance characteristics (price volatility, the size of its bid-ask spread, and autocorrelation patterns in the security's returns). Market participants include large and small traders, a pure stabilizer, and a speculating stabilizer. The "market architecture" includes the arrival of market and limit orders the maintenance of a limit order book, and the handling of trade execution. Each type of stabilizer improves the operating characteristics of the market, with the speculating stabilizer having a bigger impact and realizing more profits than the pure stabilizer. Using the mechanism of simulation to eliminate other sources of the stabilizer's profit, we find that stabilization per se is an unprofitable activity. In this paper we simulate the BSE SENSEX Closing Index with the normal Distribution

Key Words:- simulation model, price volatility, market architecture, security's returns

Modern financial markets provide a vast amount of microscopic data on the behaviors of agents who make buying and selling decisions of financial instruments. For the past few decades, availability of data made it possible to either validate or challenge theoretical models in finance theory through empirical analyses. In this thesis, I propose an extra step towards the better understanding of market microstructure. This is achieved by introducing statistical models that can be trained using the empirical data. Then the resulting models can simulate infinite number of possible scenarios of outcomes, which follow statistical regularities. These models are more realistic than the theoretical ones with fewer realistic assumptions, and can be better tested. Ahlgrim et al (1999) uses simulation to develop future scenarios for various applications. Wilkie's Provides a review of historical interest rate movements from 1953-1999, summarizes the key elements of several interest rate models and describes how to elect parameters of the models to fit historical movements.

Ait-Sahalia (1999), examines whether interest rates follow a diffusion process (continuous time Markov process), given that only discrete-time interest rates are available. Based on the extended period 1857 to 1995, this work finds that neither short-
term interest rates nor long-term interest rates follow Markov processes, but the slope of the yield curve is a univariate Markov process and a diffusion process.

Bernstein (1996) provides an excellent long term perspective of risk and the development of methods to measure and deal with risk. Explains the shift from a focus on hazard risk to financial risk over the last few decades.

CASFAC (1989) means that anticipated cash flows from existing assets and liabilities will not precisely offset each other. Several mismatch scenarios are evaluated, and it is found that both potential risk and reward are greater, the greater the mismatch. Chan et. Al. (1992), estimate the parameters of a class of term structure models using the generalized method of moments technique and the time series of monthly interest rate data from 1964-1989. They find that the volatility of interest rates is extremely sensitive to the level of the rate.

Chapman and Pearson (2001) provides a comprehensive review of term structure models. They conclude that volatility increases with the level of the short term interest rate and, within normal interest rate ranges, mean reversion is weak. They also point out that the appropriate measure for volatility depends on whether the period 1979-1982 (when the Federal Reserve shifted policy from focusing on interest rates to inflation rates) is treated as an aberration or included in the sample period. They also conclude that more research is needed to determine which interest rate model is best. Chapman and Pearson (2001) provides a summary of term structure literature and contrasts the issues that have been resolved with those areas that require further research. They point out that mean reversion of interest rates is weak and that absolute volatility appears to be related to rate levels. Unfortunately, the specific nature of volatility is currently unresolved. Cox et al (1985) using a general equilibrium framework, CIR develop a process for the short-term interest rate.

Objectives of the Study

(1) To find out the Nature of Closing Index of Sensex
(2) To Simulate the data of closing Index & Predict for next 60 days

Data & Methodology

Data for this paper is the closing index of SENSEX over the time spam on 10 years from 1999 to 2009 the data is collected from the official website of BSE.

Weibull Distribution is the continuous distribution which works on the ups and downs of data i.e. the data which fluctuate a lot over the time period. In this paper the closing index of sensex has been taken, which varies from its mean a lot i.e. hetroscedasticity occurs in the data. This has been explained from the given graph of sensex closing index.
The graph clearly indicates the variation in the closing index with ups and downs. To smooth the series log value of Sensex has been taken.

To smoothen the series, further the Log Return Value of Sensex has been taken.
Fitting the Weibull Distribution of the data with the help of Easy Fit Professional Software has been done

<table>
<thead>
<tr>
<th>Variable Name</th>
<th>VAR_1</th>
</tr>
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<tbody>
<tr>
<td>Distribution</td>
<td>Weibull</td>
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### Estimated Parameter(s)

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<td>Shape (alpha)</td>
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### Estimation of Parameter(s): Maximum Likelihood Method

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<th>Upper Limit</th>
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P values are less than 0.5 so the behavior of the data is weibull Distribution. So the data behave the Continuous Weibull Distribution.

simulate the data while standardized it into Normal Distribution with the help of standard Normal Variate

**Table of Normal Distribution:**

<table>
<thead>
<tr>
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<th>Distribution</th>
<th>Location or Mean(mu)</th>
<th>Scale or SD(sigma)</th>
</tr>
</thead>
<tbody>
<tr>
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</table>

Estimation of Parameter(s): Maximum Likelihood Method

The mean is negative taken as the 0.

Now generate the random numbers for the simulation through normal distribution. The Random Numbers are those numbers which fall in the range of (0.1)
Simulation is done in 30 times, because according to central limit Theorem more than 30 the data behave like the Normal Distribution.

Find out the average of 30 simulations we get the optimum path of the Sensex.
Result & Conclusion

From the simulation of Sensex we concluded that the nature of Sensex data follows the Weibull Distribution in case of transforming the data into log return. The Simulated Graph of SENSEX shows that there are still randomness occurs in the Prediction of closing index of sensex. Excluding the Outliers in the data the data shows the variation of not more than 600-700 variation the closing index of sensex.

References

Simulation of BSE Sensex using Weibull Distribution

ABSTRACT

Positive psychology cultivates appreciative perspective in human nature regarding human potentials, motives and capabilities. Positive psychology is the scientific study of positive experience and positive individual traits, this field concern with well being and optimal functioning and contribute to emotional resilience, health and fulfillment. Positive psychology has been used for stress management, gratitude, optimism, flow, mindfulness and spirituality are some techniques used for stress management. People with high sense of efficacy have the staying power to endure the obstacles & setbacks that characterize difficult undertaking. Self confidence is a feeling that things will go well but also a judgment on our own or other's abilities. Self confidence gives high level of self assurance and sometimes it can be interchanged with word optimism. Self esteem is an essential emotional feeling of an individual about their self worth. Generally a person with positive emotions shows high self confidence, self esteem, self efficacy and less stress.

Positive Psychology

What is positive psychology? It is nothing more than the scientific study of ordinary human strengths and virtues. Positive psychology revisits "the average person," with an interest in finding out what works, what is right, and what is improving. It asks, "What is the nature of the effectively functioning human being, who successfully applies evolved adaptations and learned skills? And how can psychologists explain the fact that, despite all the difficulties, the majority of people manage to live lives of dignity and purpose?" As such, we argue that positive psychology is simply psychology. That is, just as other natural and social sciences try to describe the typical structure and natural functioning of their topics of interest, so should psychology.

Also, just as other scientists express profound appreciation for their topic of study (i.e., the physicist who admires the elegance of Einstein's equations, or the archaeologist who marvels at the achievements of ancient peoples), so should psychologists. Positive psychology is thus an attempt to urge psychologists to adopt a more open and appreciative perspective regarding human potentials, motives, and capacities. Such an endeavor is surprisingly difficult within psychology's reductionist epistemological traditions, which train one to view positivity with suspicion, as a product of wishful thinking, denial, or hucksterism. It is probably appropriate that psychologists receive
such training because all people are prone to be taken in, at least at times, by their own delusions and wishes. However, we suggest that such skepticism, taken too far, may itself constitute a negativity bias that prevents a clear understanding of reality.

Indeed, it is becoming increasingly clear that the normal functioning of human beings cannot be accounted for within purely negative (or problem-focused) frames of reference. In fact, the majority of the human race achieves a state of thriving, rating themselves as happy and satisfied with their lives (Meyers, 2000). Unfortunately, psychologists still know relatively little about human thriving and how to encourage it not only because they have not given this question the resources it deserves but, more important, because they have worn blinders that have prevented them from even recognizing the value of the question.

Positive psychology is the scientific study of positive experiences and positive individual traits, and the institutions that facilitate their development. A field concerned with well-being and optimal functioning, positive psychology may at first glance seem peripheral to mainstream clinical psychology. We believe otherwise. That is, we believe that persons who carry even the weightiest psychological burdens care about much more in their lives than just the relief of their suffering. Troubled persons want more satisfaction, contentment, and joy, not just less sadness and worry. They want to build their strengths, not just correct their weaknesses. And, they want lives imbued with meaning and purpose. These states do not come about automatically simply when suffering is removed. Furthermore, the fostering of positive emotion and the building of character may help—both directly and indirectly—to alleviate suffering and to undo its root causes.

Focus of Positive Psychology

Positive Psychology aims to discover what makes us thrive. It looks at questions like, ‘What contributes to happiness?’, ‘What are the health effects of positive emotions?’ and, ‘What habits and actions can build personal resilience?’

So far, they’ve found some wonderful things. For example, it’s well-documented that negative emotions like anger, anxiety, and sadness can impact our health in negative ways, such as triggering our stress response and contributing to chronic stress, making us more susceptible to cardiovascular disease. But Positive Psychology research has now found that positive emotions can aid health by undoing the physical reactivity that can lead to these problems.

Trends of Positive Psychology

In the late 1990s, positive psychology was conceptualized as having three major concerns: First, positive psychology takes an interest in positive subjective experiences, such as subjective well-being, flow, joy, optimism, and hope. Second, it has an interest in studying the personality traits of thriving individuals, with a particular focus on character strengths and virtues, such as courage, perseverance, open-mindedness, and
wisdom. Finally, at the social psychological level, positive psychology is intent on identifying, studying, and enhancing those qualities of social institutions that sustain and enhance positive subjective experiences and adaptive personality traits of individuals (Gillham & Seligman, 1999; Seligman & Csikszentmihalyi, 2000).

Positive psychologists have consistently credited humanistic psychology for pioneering the territory of positive psychological research and practice. For example, Martin Seligman (2005, p. 7) has acknowledged that Abraham Maslow (1971), Gordon Allport (1961), and other humanistic psychologists are “distinguished ancestors” of the movement he has championed as positive psychology. Mihaly Csikszentmihalyi and colleagues have noted that their concept of flow was, for a long time, ignored by mainstream psychology but, not surprisingly, was originally “assimilated within the humanistic tradition of Maslow and Rogers” (Nakamura & Csikszentmihalyi, 2005, p. 90).

Today, the concept of flow is one of the most widely acknowledged constructs in positive psychology and is now fully embraced by the status quo. P. Alex Linley and Stephen Joseph (2004b) have been very matter-of-fact in their acknowledgement that, although the humanistic and positive psychology movements have their differences and have had their share of debates, the “differences are far outweighed by their similarities” (p. xvi).

Indeed, humanistic psychologists have been credited by positive psychologists for their pioneering work in a wide variety of areas of interest to positive psychology, including positive prevention and therapy (Bretherton & Orner, 2004; Linley & Joseph, 2004a; Ruini & Fava, 2004; Seligman, 2005), the identification and classification of positive human qualities (Peterson & Seligman, 2003), the critique of the medical model of mental illness (Jorgensen & Nafstad, 2004; Joseph & Linley, 2004, 2006; C. L. M. Keyes & Lopez, 2005; Maddux, 2005; Maddux, Snyder, & Lopez, 2004), happiness and life satisfaction (Diener, Lucas, & Oishi, 2005), joy (Robbins, 2006a), creativity (Averill, 2005; Nakamura & Csikszentmihalyi, 2003; Simonton, 2005), personal control (Thompson, 2005), hope (Snyder, Rand, & Sigmon, 2005), wisdom (Baltes, Gluck, & Kunzmann, 2005), reality negotiation (Higgins, 2005), authenticity (Harter, 2005; Swann & Pelham, 2005), humility (Tangney, 2005), positive relationships (Berscheid, 2003; Harvey, Pauwels, & Zichmund, 2005), forgiveness (McCullough & Witvliet, 2005), gratitude (Emmons & Shelton, 2005), empathy and altruism (Batson, Ahmad, Lishner, & Tsang, 2005), adaptive coping (Niederhoffer & Pennebaker, 2005; Nolen-Hoeksema & Davis, 2005), meaningfulness in life (Baumeister & Vohs, 2005).

Perhaps it is not surprising, then, that it was, in fact, Maslow (1987) who coined the phrase “positive psychology” (p. 354) more than four decades prior to Seligman’s use of the term for his own work and that of others. Not surprisingly, then, Peterson and Seligman (2004) credit Maslow as a pioneer in the study of character strengths and virtues, and they used Maslow’s descriptions of the self-actualized individual as a means to identify and validate their taxonomy of character strengths and virtues. Why should we be surprised then that, 50 years later, contemporary positive psychologists
are writing literature reviews brimming with the names of humanistic psychologists? As a result, contemporary psychology can finally reap the benefits of all those humanistic researchers who suffered the cold shoulder of mainstream psychology for so many years. Apparently, it took a Trojan horse like Seligman to finally sneak humanistic psychology through the front door with a different name and face so that the guardians of the status quo would not take notice that the barbarians were at the gate.

The fully functioning person was described by Rogers (1961) as having qualities such as being nondefensive and open to experience; fully living in the moment; having trust in his or her own bodily responses to the world; recognizing his or her freedom, as well as his or her responsibility for the consequences of that freedom; being creative, reliable and constructive; and living a rich, full life. In other words, he described many of those qualities later identified by Peterson and Seligman (2004) as character strengths and virtues. Moreover, he was able to adopt this theory of optimal human development and apply it to psychotherapeutic practice in the form of client-centered psychotherapy, which long anticipated recent attempts to formulate a positive therapy (Bretherton & Orner, 2004; Joseph & Linley, 2004; C. L. M. Keyes & Lopez, 2005; Linley & Joseph, 2004a; Maddux et al., 2004; Ruini & Fava, 2004; Seligman, 2005).

Relevance of Positive Psychology with S4 (Stress, Self Efficacy, Self Confidence and Self Esteem)

Positive Psychology for Stress Management (S1)

Positive Psychology has so far identified several positive emotional states that can contribute to greater emotional resilience, health and fulfillment. Some are listed below.

- **Gratitude**
  Appreciating what one has in life can lead to more satisfaction and happiness. Both having what you want and wanting what you have can lead to a sense of gratitude, as can specific exercises such as maintaining a gratitude journal.

- **Optimism**
  We tend to have a natural tendency toward optimism or pessimism, but that’s just part of our potential. We can work on developing more of a tendency toward optimism if we choose. And, given that optimists see many benefits in life, this is something to work toward!

In everyday life we usually use the word optimism to mean feeling positive about life. Often we refer to someone who is optimistic as seeing ‘the glass as half-full, rather than half-empty’.

In psychology, there are two main ways to define optimism. Scheier and Carver, the authors of the popular optimism measure – the Life Orientation Test - for example, define optimism as ‘the global generalized tendency to believe that one
will generally experience good versus bad outcomes in life.' In everyday language this means 'looking on the bright side of life.' In such a definition, pessimism is the tendency to believe 'if something will go wrong for me, it will'. The other main way to define optimism is to use the concept of 'explanatory style'. This is the approach taken by Professor Martin Seligman author of Learned Optimism and co-author of The Optimistic Child. He argues that each of us has our own ‘explanatory style’, a way of thinking about the causes of things that happen in our lives. Optimists are those who see adversities as temporary and restricted to one domain of life while pessimists often see problems as permanent and pervasive.

- **Flow**
  Losing track of time when you’re absorbed in fulfilling work or another engaging activity, ‘flow’ is a familiar state for most of us. And most of us don’t get enough of it!

- **Mindfulness**
  A state of being characterized by being fully present in the ‘now’, without trying to make anything different, mindfulness actually takes some practice for most people, but brings wonderful benefits as well.

- **Spirituality**
  Whatever the path, a focus on spirituality can lead to a greater sense of meaning in life, as well as greater resilience in the face of stress.

**Positive Psychology and Self Efficacy (S2)**

There is a growing body of evidence that human accomplishments and positive well-being require an optimistic sense of personal efficacy. This is because ordinary social realities are strewn with difficulties. They are full of impediments, adversities, setbacks, frustrations, and inequities. People must have a robust sense of personal efficacy to sustain the perseverant effort needed to succeed. In pursuits strewn with obstacles, realists either foresake them, abort their efforts prematurely when difficulties arise or become cynical about the prospects of effecting significant changes.

It is widely believed that misjudgment breeds personal problems. Certainly, gross miscalculation can get one into trouble. However, the functional value of accurate self-appraisal depends on the nature of the activity. Activities in which mistakes can produce costly or injurious consequences call for accurate self-appraisal of capabilities. It is a different matter where difficult accomplishments can produce substantial personal and social benefits and the costs involve one's time, effort, and expendable resources. People with a high sense of efficacy have the staying power to endure the obstacles and setbacks that characterize difficult undertakings.

When people err in their self-appraisal they tend to overestimate their capabilities. This is a benefit rather than a cognitive failing to be eradicated. If efficacy beliefs always reflected only what people can do routinely they would rarely fail but they would not
set aspirations beyond their immediate reach nor mount the extra effort needed to surpass their ordinary performances.

People who experience much distress have been compared in their skills and beliefs in their capabilities with those who do not suffer from such problems. The findings show that it is often the normal people who are distorts of reality. But they display self-enhancing biases and distort in the positive direction. People who are socially anxious or prone to depression are often just as socially skilled as those who do not suffer from such problems. But the normal ones believe they are much more adept than they really are. The nondepressed people also have a stronger belief that they exercise some control over situations.

Social reformers strongly believe that they can mobilize the collective effort needed to bring social change. Although their beliefs are rarely fully realized they sustain reform efforts that achieve important gains. Were social reformers to be entirely realistic about the prospects of transforming social systems they would either forego the endeavor or fall easy victim to discouragement. Realists may adapt well to existing realities. But those with a tenacious self-efficacy are likely to change those realities.

The musical works of most renowned composers were initially greeted with derision. Stravinsky was run out of town by enraged Parisians and critics when he first served them the Rite of Spring. Entertainers in the contemporary pop culture have not fared any better. Decca records rejected a recording contract with the Beatles with the non-prophetic evaluation, “We don't like their sound. Groups of guitars are on the way out.” Columbia records was next to turn them down.

Theories and technologies that are ahead of their time usually suffer repeated rejections. The rocket pioneer, Robert Goddard, was bitterly rejected by his scientific peers on the grounds that rocket propulsion would not work in the rarefied atmosphere of outer space. Because of the cold reception given to innovations, the time between conception and technical realization is discouragingly long.

Many of the challenges of life are group problems requiring collective effort to produce significant change. The strength of groups, organizations, and even nations lies partly in people's sense of collective efficacy that they can solve the problems they face and improve their lives through unified effort. People's beliefs in their collective efficacy influence what they choose to do as a group, how much effort they put into it, their endurance when collective efforts fail to produce quick results, and their likelihood of success.

Positive Psychology and Self Confidence (S3)

Self Confidence is a word which we frequently use in everyday language yet rarely do we stop and think what it means.

Self Confidence is that feeling by which the mind embarks in great and honourable courses with a sure hope and trust in itself.
The self-help sections of bookshops are packed these days with volumes on confidence and so it is easy to believe that this is a new-fangled idea - the product of our self-obsessed age. However, as the quote from the great Roman politician and philosopher shows, the idea of self confidence, and its importance, has a long pedigree. As self confidence is so central to what we achieve in life, inevitably it has been a key term used by people involved in outward or action-oriented activities such as sport, enterprise, business and public speaking. Indeed mental preparation to enhance an athlete's confidence is at the heart of the growing discipline of sports psychology. If you Google 'confidence and coaching' you will be deluged with almost seven million hits.

Confidence is thus not simply a feeling that things will go well but also a judgment on our own, or others', abilities. When the abilities in question are our own, having confidence suggest a high level of self-assurance. Since confidence involves the belief that things will turn out well, confidence may sometimes be used interchangeably with optimism.

As confidence is a multi-dimensional concept it is not a term much used by psychologists. Indeed the academics who are most likely to use the term are economists. Confidence is a key concept in economics as confidence is needed for investment and the operation of markets.

Instead of confidence, positive psychologists are more likely to use terms which may still be difficult to define but which are more focused and so more amenable to measurement. The most commonly used term by psychologists are self-esteem:

**Positive Psychology and Self-Esteem (S4)**

Millions of words have been written about self-esteem and many critics believe it is a slippery concept. However, there is general agreement that there are two broad ways to define, and measure, self-esteem. One is to see it as the evaluation a person makes of their capabilities. The other is to see self-esteem as the essentially emotional feeling an individual has about their self-worth. The latter is the more common definition and is the one used in the most popular tool to measure self-esteem – the Rosenberg Self-Esteem scale.

It is worth saying here that self-esteem has some importance in life but that the claims made for it have been exaggerated. More importantly, what practitioners have done in the name of self-esteem, particularly in the USA, appear to be undermining young people’s well-being, and we must be careful not to repeat these mistakes.

Psychologists use other, related concepts to describe the emotional judgement a person makes about themselves such as self-acceptance, self-worth or self-respect and have huge and heated debates about the precise meaning of the terms. One vital difference in the underlying ideas, no matter what nomenclature psychologists use, is whether the positive feeling about the self is linked to abilities or simply to a sense that at heart you are a worthwhile person.
Advocates of self-esteem generally argue that genuine self-esteem is such a fantastic quality that you cannot have too much of it. Robert Reasoner, for example, writing on the NASE website asserts that ‘having high self-esteem is equivalent to having good health’. However, if having exceptionally good health is the outcome of a life dedicated to one’s own health (aerobic exercise, diet, meditation etc) you could be overly obsessed with yourself (self-centred) or overly pleased with how good your health is (smug). In other words, working on your self-esteem may backfire, particularly if it intervenes, as it could easily do, with relationships.

A common mistake people make is to think because something is good more of it must be better. This is the argument that Professor Barry Schwartz argues in relation to choice. Having some choice in our life is important for self-actualization and well-being. However, having more choice does not mean more well-being, for example. In fact the opposite can happen. Schwartz argues that having lots of choice often leads to indecision and our attention being taken up with things that are not intrinsically satisfying. He also says it can lead to self-doubt and hence the erosion of confidence.

The Greek philosopher Aristotle talked about ‘the golden mean’. This is the idea that qualities can be overdone or underdone. An excessive pursuit of self-esteem will not only lead to self-centredness and smugness but could weaken relationships, a major source of happiness and well-being, and thus be counterproductive. We believe there is probably an ‘optimal’ level of self-esteem beyond which more does not mean better. As we shall see in later sections, too much emphasis on self-esteem can fuel a culture of narcissism which would be detrimental to individuals and society as a whole.

Finally, Judo-Christian culture is founded on the notion that excessive self-love, and pride, is sinful. Those who were thought highly of in the past were those who wore plain clothes and were humble not full of pride or vanity. Modern democratic societies have also been heavily influenced by notions of egalitarianism. This is probably the reason why everyday vocabulary has dozens of words to describe people who think too highly of themselves; arrogant, conceited, big-headed, smug, know-it-all, vain, proud, smart-alec etc. Scottish culture, in particular, is full of contemptuous phrases to puncture the ego of folk who think too much of themselves. So we should be very cautious about trying to completely overturn the thinking and values on which our societies are based. Thinking well of yourself and feeling worthy of happiness are important, and we think attractive qualities, but like everything else in life they can be taken too far.

**Conclusion**

Positive Psychology is a scientific study of an ordinary human strengths and virtues. It has been found that person with positive emotion and thinking is less prone to depression and stress. As a result optimistic person is less prone to the cardiovascular diseases and person with positive attitude generally have high self esteem, self efficacy and self confidence. In positive psychology self confidence is a key concept needed for...
investigation and operations of market and self esteem is an essential emotional feeling of an individual about their self worth. Many other self are also related with positive psychology such as self worth, self respect, self acceptance and self concept. Positive feeling about the self is linked to abilities or simply to the sense that at heart you are a worthwhile person.

Bibliography


EFFECT OF CONSUMERS’ DEMOGRAPHICS ON THEIR PERCEPTION TOWARDS MARKETING OF RURAL HANDICRAFT PRODUCTS THROUGH ORGANIZED RETAIL FORMAT

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Abstract
Rural economic plays significant contribution towards Indian economy. Handicraft product produce by rural artisans have started catching fancy of consumers. The major problem seems to be their less feasibility, non availability and hence inaccessibility to the consumers. The present research paper takes an analytical look to the consumer perception towards marketing efforts of handicraft products particularly their distribution through retail format.

Key words: Rural, Rural marketing, Handicraft products, Organised retail

Introduction
Indian economy is vast economy and rural sector plays a vital role for the development of the Indian economy. Rural artisans produce lots of artistic products which are in demand not only in India as well as in the global market. Younger generation is more concern about the handicraft products. Handicraft products are in demand but the marketing factors are less supportive to develop good platform for the promotion of handicraft products in the urban area. Rural artisans have no proper distribution channel to increase the demand of their products in the market. Because of unavailability, less supply they are not able to exist in the market. Against this backdrop attempt is made in this paper to-

(i) Trace and review the available literature related to the title theme.
(ii) To study the effect of certain individual characteristics such as
   (a) Age
   (b) Annual Income
(iii) To develop suggested framework for marketing of rural handicraft products through organized retail format.
Review of related literature

Giron et al (2007) concluded that marketing strategies are the key factor for the success of rural artisans in Mexican city. These strategies are important because it is related to the other element of success, for the use of pricing strategies oriented to profits. The second most important strategy is the use of personal recommendation which is used to promote products. Product diversification and the information artisans gave to customers were representatively the third and fourth strategy.

Tran and Cox, (2009) opined on the product branding, significant attention is given to brand equity in the consumer context, but relatively little attention is paid to the application of the concept in business-to-business (B2B) context. Retailers are often seen as irrelevant to the source of brand value, resulting in manufacturers not targeting retailers to help them to build strong brands.

Sridhar and Mishra, (2011) highlights the method of studying product adaptation from the rural markets. The study attempted to contextualise product adaptation construct from international marketing to rural marketing domain. A result indicates that the contingency theory holds true in case of product adaptation in rural markets. With the increases in executives’ representation of rurality, product adaptation degree also increased.

Mann and Byun, (2011) highlights the competitiveness of the Indian apparel retail industry and the changing market conditions since 2006 retail trade liberalization to identify the opportunities and challenges of operating in the Indian market. This study provides a comprehensive view of the rapidly evolving Indian apparel retailing industry by evaluating multi-dimensions of competitive conditions.

Dabas, Sternquist, Mahi, (2012) identified the structural and relational factors influencing the upstream channel management of organized retailers in India. The paper contributes to the literature on the supply chain structure in India. Despite growing interest in the Indian retailing industry, not many studies reflect on the specific B2B exchange structure in India. The paper fills this gap and also provides several marketing implications for multinational retailers planning to enter into the Indian market.

Research Methodology

Research design chosen for this study is an exploratory one. The main objective is to explore the “Effect of Consumers Demographics on their Perception towards Marketing of Rural Handicraft products”. A structured questionnaire prepared for consumers which having 3 parts, 200 questionnaires are filled and only 167 questionnaire is in usable form. It was used to study the effect of consumer demographic about the marketing of rural handicraft product. Non probability
purposive sampling used and various hypotheses were formulated and analysed using appropriate statistical tool.

The data obtained from customers are analyzed, a measuring instrument is developed and suitable statistical tests are applied to test the effect of demographics of customer respondents with regards to their perception towards the marketing of rural handicraft products.

- **Consumers’ profile**

The respondent profile is based on the responses obtained from the questionnaire specially designed to obtained data from customers under study. The information received has been described along the age and annual income parameters.

- **Operational Definition**

1. **Rural** : Rural’ as any habitation with a population density of less than four hundred per Sq. Km., where at least seventy five present male working population is engaged in agriculture and there is no Municipality or Board.

2. **Handicraft products**: Handicraft, also known as craftwork or simply craft, is a type of work where useful and decorative devices are made completely by hand or using only simple tools. Usually the term is applied to traditional means of making goods. Items made by mass production or machines are not handicrafts.

3. **Age**: For the purpose of the study responding group is classified into two categories assuming the cut-off age as 40 years. The Artisans of the age less than 40 years are considered comparatively young and those who are of the age equal to or more than 40 years are considered comparatively old.

4. **Annual Income**: The responding group is classified into two categories assuming the cut-off annual income Rs. 3 lacks. The Customers having annual income less than Rs. 3 lacks are considered comparatively having less annual income and those who are having annual income more than Rs. 3 lacks considered comparatively having more annual income.

**Analysis and Research**

- **Age of the Respondents**

Age of the respondents is decided as an important demographic parameter to test statistically the effect of respondents on their perception towards the marketing mix of rural handicraft. The distribution of respondents in these two groups accordingly as under-
Effect of Consumers’ Demographics on their Perception Towards Marketing of Rural Handicraft Products through Organized Retail Format

Classification of the Respondents (Age wise)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Age wise Category</th>
<th>No. of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Comparatively Young (Age &lt; 30 Years)</td>
<td>130</td>
<td>77.84</td>
</tr>
<tr>
<td>2</td>
<td>Comparatively Old (Age ≥ 30 Years)</td>
<td>37</td>
<td>22.16</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>167</td>
<td>100%</td>
</tr>
</tbody>
</table>

- **Annual income of the Respondents**
  Annual income of the respondents is decided as an important demographic parameter to test statistically the effect of respondents on their perception towards the marketing mix of rural handicraft. The distribution of respondents in these two groups accordingly as under-

Classification of the Respondents (Annual Income wise)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Annual Income Category</th>
<th>No. of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Comparatively Less (&lt; 3 Lacks)</td>
<td>111</td>
<td>66.47</td>
</tr>
<tr>
<td>2</td>
<td>Comparatively More (≥ 3 Lacks)</td>
<td>56</td>
<td>33.53</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>167</td>
<td>100%</td>
</tr>
</tbody>
</table>

- **Effect of Customers demographics on their perception**
  In this section, the effect & influence of various demographic factors such as age (i.e. comparatively young and comparatively old) and annual income (i.e. comparatively less and comparatively more) on their perception about 7 Ps’ which are product, price, place, promotion, people, process and physical environment were studied-

- **Effect of Respondent’s Age on their perception towards the marketing mix of rural handicraft products through organized retail format**
  The data obtained from the respondents were categorized in two groups i.e. comparatively young & comparatively old respondents as described before. In order to analyse the effect of age on their perception towards the marketing of rural handicraft products, following 7 null hypotheses were formulated.
H₀₁: There is no significant difference between the comparatively young & comparatively old respondents with respect to their perception about Product.

H₀₂: There is no significant difference between the comparatively young & comparatively old respondents with respect to their perception about Price.

Other 7 hypothesis are framed as framed above for remaining critical factors

The above hypotheses have been established to find out whether the comparatively young & comparatively old respondents differ with respect to their perception towards the marketing mix of rural handicraft products through organized retail format in seven critical factors. As the hypotheses are large, these hypotheses have been tested using ‘Z’ test for difference of mean at 5% as well as 1% level of significance. The tabulated value for two tailed test at 5% level of significance is 1.96 and at 1% level of significance is 2.58. The result obtained are presented in table.

Tests for difference of means between comparatively young & comparatively old respondents.

<table>
<thead>
<tr>
<th>Null Hypothesis</th>
<th>Test</th>
<th>Value</th>
<th>Results Level of Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₀₁</td>
<td>Z</td>
<td>2.605</td>
<td>Significant</td>
</tr>
<tr>
<td>H₀₂</td>
<td>Z</td>
<td>1.608</td>
<td>Not Significant</td>
</tr>
<tr>
<td>H₀₃</td>
<td>Z</td>
<td>2.681</td>
<td>Significant</td>
</tr>
<tr>
<td>H₀₄</td>
<td>Z</td>
<td>2.293</td>
<td>Significant</td>
</tr>
<tr>
<td>H₀₅</td>
<td>Z</td>
<td>2.603</td>
<td>Significant</td>
</tr>
<tr>
<td>H₀₆</td>
<td>Z</td>
<td>0.652</td>
<td>Not Significant</td>
</tr>
<tr>
<td>H₀₇</td>
<td>Z</td>
<td>0.378</td>
<td>Not Significant</td>
</tr>
</tbody>
</table>

It is clear from the analyzed results illustrated in table 1 that 2nd, 6th & 7th null hypotheses are not significant at both level of significance, as such all these hypotheses can be accepted. However 1st, 3rd, 4th, & 5th hypotheses are observed significant at both levels of significance. It shows that the comparatively young & comparatively old respondents do not differ significantly with respect to their perception about price, process & physical environment but they differ significantly with respect to their perception about Product, place, promotion & people.
Effect of Respondent’s Annual income on their perception towards the marketing of rural handicraft products

The data obtained from the respondents were categorized in two groups i.e. respondents have comparatively less annual income & comparatively more annual income as discussed before. In order to analyze the effect of annual income on their perception towards the marketing mix of rural handicraft products, following 7 null hypotheses were formulated.

H\(_{08}\): There is no significant difference between the respondents have comparatively less annual income & comparatively more annual income with respect to their perception about Product.

H\(_{09}\): There is no significant difference between the respondents of comparatively less annual income & comparatively more annual income with respect to their perception about Price.

Other 7 hypothesis are framed as framed above for remaining critical factors

The above hypotheses have been established to find out whether the respondents have comparatively less annual income & comparatively more annual income differ with respect to their perception towards the marketing mix of rural handicraft products through organized retail format in seven critical factors. As the hypotheses are large, these hypotheses have been tested using ‘z’ test for difference of mean at 5% as well as 1% level of significance. The tabulated value for two tailed test at 5% level of significance is 1.96 and at 1% level of significance is 2.58. The results obtained are presented in table.

Tests for difference of means between respondents have comparatively less annual income & comparatively more annual income.

<table>
<thead>
<tr>
<th>Null Hypothesis</th>
<th>Test</th>
<th>Value</th>
<th>Results Level of Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>5%</td>
</tr>
<tr>
<td>H(_{08})</td>
<td>Z</td>
<td>2.162</td>
<td>Significant</td>
</tr>
<tr>
<td>H(_{09})</td>
<td>Z</td>
<td>0.886</td>
<td>Not Significant</td>
</tr>
<tr>
<td>H(_{010})</td>
<td>Z</td>
<td>3.019</td>
<td>Significant</td>
</tr>
<tr>
<td>H(_{011})</td>
<td>Z</td>
<td>3.664</td>
<td>Significant</td>
</tr>
<tr>
<td>H(_{012})</td>
<td>Z</td>
<td>2.652</td>
<td>Significant</td>
</tr>
</tbody>
</table>
The analyzed result illustrated in table establish the facts that some of null hypotheses are not significant at both level of significance hence cannot be rejected. 9th, 13th, & 14th hypotheses are of this category as such all the three hypotheses are not rejected. 10th & 11th hypotheses are found significant at both levels of significance so they are rejected. However 8th & 12th hypothesis are significant at 5% level of significance only. It shows that there is no significant differences between the respondents have comparatively less annual income & comparatively more annual income with respect to their perception about Product, Price, People, Process & Physical environment but significant difference found between the perceptions of two income category respondents with respect to Place & Promotion.

**Conclusion**

In competitive market retail format is significantly important segment for the development of rural handicraft products. In globalized world retail mart is the best place to promote handicraft product and able to connect with the urban consumers. The age and annual income of the consumer is directly impact on the perception to purchase of handicraft products and play considerable role for promoting the product and develop rural artisans.

**References**

CALL FOR RESTRUCTURING INDUSTRIAL RELATIONS IN CHANGING BUSINESS ENVIRONMENT

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Abstract

With the emergence of globalization and after the new economic policy economies of countries face an environment of high industrial growth. IT& ITES companies and their policies played significant role in that transit era in making such environment. Due to this change in economic scenario the one of the main areas of industries, the industrial relations were less focused as compare to pre-globalize era. The globalization has shifted the concentration of the business strategists to new business opportunities and the basic area of business like nature of industries and their policies are playing major role in making healthy relations in the industries is overlooked. But recent events, especially post-2000, appear to indicate otherwise and industrial conflict seems to be re-emerging in India. The recent agitations and conflicts in well-known business organizations, especially in the fast growing industries like automobiles, mobile phones etc. evidenced this. In this paper an attempt has been made to study recent environment and incidents in industrial world and identify their causes and necessary changes required for good industrial relations.

1. Introduction

Awnish kumar dev, General Manager-HR of Maruti Manesar plant was burnt to death by mindless criminal workers while setting ablaze the Adm. Building of the plant on 18th July. Along with him around 100 officers also got injured including two Japanese officials. Issue was neither of any wage demands nor of any "exploitation or arbitrariness".

The last few years have seen a sharp surge in worker protests in multinational companies across India like in Tamil Nadu, workers at Hyundai, MRF, and Nokia went on protest strikes. It is not just the blue collar employees who have been aggressively asserting their rights or protesting and striking. In Indian private sector, the pilots of India's biggest airlines like Jet Airways (some foreign shareholding) went on strike on separate occasions during 2009. Engineers and other employees of Air India (government owned) went on strike for 3 days in May 2010. In Pune, multinational companies such as Cummins Generator Technologies, Cummins India, Bosch Chassis Systems, Brembo India, lost periods of work ranging from 20 to 85 days. Other companies affected included Pricol in Coimbatore. Gurgaon and Manesar near Delhi, the home of the automobile industry, have seen large scale unrest not only in the large
multinationals but in many of the subsidiaries. The death of a worker on 19th October 2009 at Rico Auto and injuries to 30 others, led to a major backlash from the firm's striking workers and the All India Trade Union Congress (AITUC) (The Economic Times 21/10/09).

Industrial conflicts declined in India after globalization steadily although the trade unions protested vociferously for the first two or three years. But a general redefining of industrial relations also took place. In these days this was assume that the old 'industrial trench warfare' in India appeared to have given way to cooperation and peace and employer-employee conflicts were apparently replaced by human resource management practices.

The economic success of some countries largely depends upon the way they have managed to surpass other nations through better union management. It is difficult to visualize of any industrial society devoid of social and group phenomena or such institutional relationships intertwined with a variety of attitudes and expectations, from both management and employees. Consequently, industrial relations (IR) cannot be viewed in isolation from its wider context.

What is the meaning of Industrial Relations (IR)?

The term IR can be defined as a specialist area of organization management dealing with the human relations and human activities on a work place. The term however is used in a restrictive sense to include only the formal and collective relationship between management and employees through the medium of trade unions. The relationship between employer and employee or trade unions is called Industrial Relation. Harmonious relationship is necessary for both employers and employees to safeguard the interests of the both the parties of the production. In order to maintain good relationship with the employees, the main functions of every organization should be to avoid any dispute with them or settle it as early as possible so as to ensure industrial peace and higher productivity.

Traditionally, the term was used to cover industrial aspects like trade unionism, collective bargaining, workers’ participation in management, discipline and grievance handling, industrial disputes and interpretation of labor laws and rules and code of conduct.

In the words of Lester, "Industrial relations involve attempts at arriving at solutions between the conflicting objectives and values; between the profit motive and social gain; between discipline and freedom, between authority and industrial democracy; between bargaining and co-operation; and between conflicting interests of the individual, the group and the community".

According to Sarkar, nowadays, after liberalized economy IR has now become all about having tea with the union leader, managing the plant canteen, seeing to the outsourced work in the factory and such,". The recent incidents of violence, however, may shift the focus back on IR. HR managers, especially those starting out, will now have to realize
that managing IR is not simple. He further adds, it's not just mugging up laws and motivation theories and applying it to the workplace but one has to be more alert and flexible.

**Important development of IR in recent era-**

1.1 Shift from IR to HR

Paralleling this shift towards services, has also been a gradual shift in thrust from grooming personnel managers (geared for the manufacturing sector) to churning out HR managers (groomed for handling the needs of knowledge workers). Of all business school graduates who specialize in HR today, HR experts estimate that just under 5% would specialize in industrial relations or even personnel management. Indeed the very title of the job has changed — yesterday's "personnel manager" or "head of industrial relations" has morphed into today's "chief people officer". It is supported by Ranabesh Ray, dean of XLRI School of Business and Human Resources, who says that over the past decade IR have been totally ignored and besides XLRI and TISS [Tata Institute of Social Sciences] very few new business schools offer specialization in this area.

A dearth of competent people in IR roles is accepted by the head of HR in a company owned by one of India's largest industrial groups and a person who has spent well over three decades in industrial relations in a range of manufacturing companies.

There has been a relative shift in focus from maintaining IR to more lucrative aspects of HR like compensation, change management and performance management. Due to this shift, the new generation of HR professionals is less experienced in dealing with shop floor labor issues. The people skills are not what HR managers today think they should have. They are required to deal flexibly with employees who are not necessarily from their social group. Thus, it is a challenge for managers with the responsibility of dealing with restive shop floor workers.

According to D L Sachdeva, National Secretary of the All India Trade Union Congress, 'the current generation of HR professionals seem to be more rigid and go by the book when dealing with workers in such situations.'

Similarly Vineet Kaul, Chief People Officer at Hindalco, one of the world's largest aluminium manufacturing companies expressed that "good industrial relations managers must be able to build strong relationships with the workers they deal with."

1.2 Some important trends to be noticed

1.2.1 Location- The location of strikes and unrest have shifted to newer industrial areas like Gurgaon, Manesar, Pune, Jaipur, Chennai, Bangalore, away from the traditional hotbeds of union militancy like Bengal or Ahmedabad, as well as to fast-growing, modern industries like automobiles, auto ancillaries, telecom equipment, etc. away from traditional industries or areas of veteran unionism.
1.2.2 Political Interference - The rise of enterprise unionism in important metros like Madras, Bangalore, Bombay and even Calcutta (Davala 1994; Ramswamy 1988) was mainly due to frustrations with and failure of the "political unionism model". The main defect of it is that political interests often ruled over labor organizational interests and generated splits in the union movement and hence weakened union power. Secondly, conflicts between the ruling political parties and their labor wings have flourished during the reform period e.g. the spat between the BJP and the BMS (Thengadi's scathing comments against Yashwant Sinha's infamous inclusion of labor reform proposals in the Budget in 2001), the growing disconnect between the CPI (M) and the CITU in West Bengal (Bhattacherjee 2001, Shyam Sundar 2009 c), the murmurs of protest from INTUC on some of the reform matters such as provident fund interest rates and reform of employment security laws and so on. Thirdly, the political parties irrespective of their ideological orientation strongly sought to pursue labor reform measures and these angered trade unions including the labor wings of the political parties concerned. It is another matter that the political parties opposed labour reform measures when in opposition, though they sought to implement them when in power either at the centre or state level. Finally, trade union federations have realized the futility of subordinating union organizational politics to party politics (Shyam Sundar 2008 b). These have important implications for trade union actions and strategies in the post-reform period.

1.2.3 Managerial Strategies - As a result of deliberate managerial strategies, the employment of non-regular workers, especially the contract workers, has increased considerably in the last decade or so. Primary surveys of industries in the organized manufactured sector in Maharashtra (Deshpande et al 1998) and in India (Dehspande et al 2004) showed that those employers who increased employment did so by increasing the share of non-regular workers. Shrouti and Nandkumar (1995) have documented a variety of managerial strategies (mentioned above) that employers have adopted to get around the labour institutions (laws or trade unions). Further, the share of contract workers in total workers in the organized manufacturing industry in India has increased from 14.6 per cent in 1995-96 to 26.4 per cent in 2004-05 (Goldar 2009) and its share is high in some states like Andhra Pradesh (62 per cent), Gujarat (32 per cent), Uttar Pradesh (25 per cent). The objectives of these are not only to achieve labour flexibility and reduction in labour cost but also to gain control over production process and weaken collective labor institutions. These strategies have provoked not only controversies but also bloody industrial conflicts.

The economic reforms were expected to tone down industrial conflicts owing to the shift in relative bargaining power in favor of capital which has many weapons to employ and thus may use industrial conflicts as a last resort (Shyam Sundar 2009c). However, the tension due to the measures, policies and strategies of the employers and the government have resulted in increase in the incidence of labor management conflicts. While the number of work stoppages have decreased, workers' participation in and volume lost due to work stoppages have risen since the late 1990s.
1.2.4 Globalization and Role of State in maintaining IR- The globalization and the new economic forces have wrought in significant changes in the labor market and IRS. The 'actors' of the IRS have responded to them in varying ways. The agencies of labor and capital looked to the state for concrete action favoring their respective interests and have exerted pressure on it to introduce wide ranging labor reforms. The state responded in ways that would protect its dominant political interests and adopted strategies that sought to placate capital without hurting the fundamental interests of labor like employment security.

However, the government did not lose sight of its economic goal of attracting investments and intervened or refused to intervene in labor relations suiting the interests of capital. It also redirected its attention to the hitherto neglected masses of unorganized sector workers. Thus, the state's role is 'complex' and cannot be fitted neatly as favoring either capital or labor. However, the conducive environment encouraged the employers to devise both 'hard' (lockouts, closures, anti-union measures, etc.) and 'soft' (idleness pay, VRS) ways to achieve flexibility and weaken union power.

Most trade unions on some occasions come together and fought united battles in the policy arena and resisted changes at the national level. At the micro level, they responded to the market logic and extended cooperation to employers when consulted on issues of labour flexibility, wage restructuring, work load and so on and fought tenacious battles when not consulted and sought to be sidelined. They started paying more attention to the hitherto neglected workers in the informal sector and to create a "more inclusive" union movement.

The conflicts between divergent interests of the 'actors' seem to have resulted in a peculiar constellation of dynamic forces in India and thus we have a mosaic of varieties of responses soft labour reforms, passive state in one context and active in another, new managerial strategies, new forms of labour organizations, empowerment of non-regular workers and so on. While the formal or legal framework of the IRS and the labour market has remained virtually the same, some significant changes have taken place, which seek to redefine the parameters of the framework.

2. Review of literature

The dynamic new environment stems from significant changes in external and internal forces affecting the nation’s business enterprises. Global competition, rapid technological advances, shortages of highly skilled employees, growing diversity in the work force, customer demands for quality, increased employee demands, and heightened expectations among the general population are some major challenges that companies faced (Carnevale, 1991). The implications of these changes are captured in several recent studies, by various researchers of this area and include researches by Kaufman (1994 & 1996), Connolly and Mastranunzio (1996), and the Conference Board (1994a, 1994b, 1994c, 1995a, & 1995b). These studies not only delineate the changing
dimensions of the human resource field, but they also outline new roles and responsibilities expected of human resource professionals. They specified the capabilities organizations need to meet these new challenges and outline the core competencies required of human resource professionals (Schoonover, 1997; Ulrich, 1998).

The fact that the business community is redefining the role of HR/IR professionals and the core competencies, or the knowledge, skill, and ability they must bring to their jobs, does not mean that academic programs should be redesigned explicitly to meet these demands. On the other hand, at least some faculty believe that academic HR/IR programs did not provide their graduates with the right amounts and mixture of knowledge, skills, and abilities needed for them to fulfill their new roles (e.g., Grossman, 1998; Johnson & King, 1999; Kaufman, 1994, 1996; Way, 1996, 1999).

Shyam Sunder in his study explained that collective bargaining model was shelved for the future. However, state intervention did not mean suppression of workers' rights. The federal-democratic-pluralistic model of polity adopted in India assured fundamental right to form unions and freedom of industrial actions subject to legal regulation. The dominant objective of the government during the regulation era was to maintain industrial peace. There existed an implicit 'social pact' between unions, employers and the state whereby unions promised industrial peace for organizational and job securities in return and both employers and unions accepted state regulation (Shyam Sundar 2009c).

The failure of state regulation in the product market and IRS became evident by then and the demands for deregulation of both became louder (Ramaswamy 1988, Shyam Sundar 2009c).

The new economic policy announced in 1991 signaled a decisive shift in economic policies of the government from regulation to liberalization. The product market reform measures have increased the bargaining power of capital vis-à-vis labor. Capital has become more mobile and least regulated, while labor is less mobile. Greater ease of mobility gives greater bargaining power to capital (Bardhan, 2001).

In an another study by Shyam Suder and Venkata Ratnam (2007) it was found that the government has shied away from introducing "hard" labour reforms, i.e. making any change in the formal framework concerning employment security or full scale privatization save a few. However, the central government resorted to 'soft' reforms such as amending trade union law, disinvesting instead of privatizing, reducing provident fund interest rates, liberalizing labour inspection system, special concessions to units in special economic zones (SEZs) and so on (Shyam Sundar & Venkata Ratnam 2007).

3. Problem of IR and their causes

The dominant objective of the government shifted from 'the logic of industrial peace' to 'the logic of competitiveness of firm and the economy'. Given the interface between
product market and labor market, pro-reformers demanded liberalization of IRS and labor market. The employers’ demands for labor reforms included weaken union power, outlaw strikes, individualize labor relations, privatize public enterprises, rationalize and simplify labor laws, freedom to hire and fire and close undertakings, freedom to hire contract labor, liberalize labor inspection system, freedom to introduce technological changes, repeal of legal provisions relating to bonus and so on. These demands necessitate a radical shift from the state intervention model in IRS followed in the regulation era. The interplay of economic, political and institutional forces in the new economic environment, new issues, dilemmas, concerns and strategies were thrown up and the employment relations have become complex.

The general and acceptable perception was that during the regulation era the working class could count on the judiciary as one of their allies, though there have also been judgments that sought to curb labor indiscipline and establish order in the shop floor. But some significant judgments delivered during the 1990s and later relating to contract labor, privatization, right to strike, bandhs and so on did not support the contentions and interests of workers and trade unions. The Supreme Court has (a) affirmed the policy independence of the executive (i.e. the government) in the case of privatization, (b) made critical remarks in general against the right to strike and prohibited the right to strike of public employees, (c) imposed restraints on public protests like bandhs and so on, (d) endorsed or asked the government to impose the Essential Service Maintenance Act (ESMA), (e) reversed its own order providing for automatic absorption of contract labour upon abolition and argued that automatic absorption was not provided for in the relevant law thus, it rewrote the positions held by the apex Court on issues like contract labour and the right to strike (Venkata Ratnam 2006).

The position and action of the judiciary relating to workers’ actions such as strikes is an interesting instance of change in its stance. It admitted public interest litigations questioning the acts and deeds of the trade unions, the strikes by public employees, the bonus payment to municipal employees in Mumbai, and so on and passed restraining orders on unions’ actions. The central and the state governments have been to willing to invoke ESMA on strikes and the judiciary often endorses, even encourages it (Shyam Sundar, 2009c).

**Main causes of increasing IR issues in recent years**

3.1. Some of the unrest is related to the recession of 2007-08, but several started much earlier and have continued even after the recession has eased significantly. Many of them are in fact related to the issue of union recognition or managerial aversion towards unions. The overall policy of the companies seems to be the strategy of creating a ‘reserve army of cheap labor’ in the area, available whenever required and vulnerable to retrenchment at will.
3.2. Many are related to global competition, and manpower utilization techniques consistent with high tech productivity and production. Labor flexibility is a dominant concern for management in all the cases, and has led to increasing use of non-regular workers. Das (2006) reminds that 'different types of employment contracts exist even in Japan including non-regular employees, part-time and temporary workers engaged directly by the company and contract workers who are registered with a third party'. The non-regulars are 'growing in proportion crossing one half of total employment in 2010'.

3.3. A lot of the problems relate to managerial styles, summary suspensions and dismissals, pay cuts, intolerance for any interference in their own production plans, insistence on written undertakings of good conduct--and a poor understanding of industrial relations in South Asia and their political linkages. There are several examples of pseudo-participative systems where committees are formed but workers have little or no influence on decision-making.

3.4. Workers are resorting to violence and are hitting back at management over perceived injustices. Management also has amply demonstrated insensitivity to workers' sentiments and perceptions. This is particularly true with the cases in Haryana, but also indicated in other areas. About the unions involved it can be concluded that, although the left unions (AITUC, CITU) are active in several cases, regional unions affiliated to ruling groups are equally active. While some degree of political adventurism has contributed to union muscle-flexing, the MNCs do not appear to have learnt that this is part of the Indian IR scenario.

3.5. Although Collective Bargaining is being used, it is often failing to resolve prickly issues and workers are demanding reopening of negotiations within 6 months to one year.

3.6. There is also a demonstrated inability on the part of the multinationals to handle conflicts bilaterally and they are taking recourse to the state Industrial Relations machinery or government ministers. The MNCs are taking advantage of states' support for industrialization and suppression of unions, as in Haryana. But such recourse is also inviting politicization. Interestingly, while the multinationals have not always exhibited sensitivity to Indian labour concerns they have not been backward in taking advantage of the adversities in the Indian labour market. For instance, the use of contract and casual labour, the payment of significantly lower wages for some sections of labour, the proneness of state governments to overlook many aspects of labour rights in the interests of investment, are areas where multinationals have shown considerable alacrity.

4. Major change required for creating and maintaining good IR.

The peace of the last twenty years in Industrial Relations (IR) has been ruffled by the current, bitterly fought some recent strikes. It stands out as one of four strikes that caught the attention of the nation in the past three decades - the textile strike, the 1989 strike at Telco, now called Tata Motors, and the more recent strike at Jet Airways.
These strikes and incidents have brought to the several issues that have been silently plaguing IR over the years, among them some major are:-

4.1 Contract Labor is just indicative of larger issues

Now a days many companies, engages over 50 per cent of its workforce as contract labor and temporary workers. This is a common practice used by employers to save on costs. The problem is that in a country with great unemployment, the desire for permanent employment, particularly in a blue chip companies are understandably high. Post 1990, the vicissitudes of the economy forced some industrial organizations to reduce their permanent workforce, which they found extremely difficult given the legal implications and business obligations. Consequently, employers have realized that the archaic labor laws of the country are out of sync with the times and changing business environment. Another factor that predisposes organizations to use contract labor is that although the reduction of workforce or closure is allowed by law, it is only after permission is granted by the Government which often is based on political considerations not germane to the issue.

Discouraging use of contract labor indiscreetly and preventing their exploitation is necessary. It is also essential to allow employers to resize their organizations. It is becoming obvious that there is an urgent need to find out why undesirable practices are being adopted and make corrections accordingly.

4.2. Mature approach to Industrial Relations is required

As per reports, Maruti Suzuki did not recognize the union at its Manesar plant and the authorities did not register it. While the right of association is guaranteed by the Constitution of India, there is no concomitant right to represent at the bargaining table. In other words, it is not mandatory for the employers to bargain with a union, except in the state of Maharashtra, where the Court decides the representative status.

The Maruti Suzuki episode should force organizations to introspect on their stance on unions. The real question is not whether to deal with a union or not, it is to deal with which union as exemplified by OP Bhatt, Chairman of the State Bank of India, who successfully carried out several changes in the largest public sector bank in the country. In his interview by McKinsey’s Quarterly he was asked, ‘You also had to bring the message to the trade unions?’ To which he responded, “These are important stakeholders, and I brought senior representatives from the unions and officers’ associations together in a meeting similar to the management conclaves. I spent four days with 30 leaders from across the country. Some of my best advisers at the bank warned that the leaders weren’t trustworthy and could be disruptive, but by being different and asking them to a conclave like monks in a cave I built up huge curiosity. They wanted to know what I was doing. I told them I’d sit with them, but only if they came as friends of the bank. The results were fantastic. They had the good of the bank as much at heart as anybody else.”
There are many reasons why an employer would not like to bargain collectively with a union. Sometimes it has more to do with a personality than principle. At Tata Motors, the members of management, who dealt with an ‘external’ leader at Jamshedpur, were averse to dealing with a dismissed worker whose obstinate attitude and resorting to mindless violence subsequently justified the stance taken by the company. In another instance, the Managing Director of a foundry resigned and became President of the union when the organization refused to deal with him. Another reason collective bargaining is not welcome in the Indian context is that unions often have political connections. Multinational organizations operating in the country need to be sensitive to these cultural nuances.

4.3. Industrial Relations require proactive management

The young workforce in India is marked by high aspirations and flexibility. This gives rise to an opportunity to practice and shape industrial relations proactively. Gone are the days when increasing productivity was resisted tooth and nail. There is, on the contrary, a greater appreciation of the need to increase productivity. That several organizations have productivity linked incentives for workmen in new industries around Pune, is a testimony to the fact that a new era in industrial relations has arrived.

Organizations are increasingly appreciating that not just communication but a dialogue with employees is essential. It calls for willingness to empathetically understand the other point of view and act on it. This is the enlightened practice of industrial democracy.

Many industrial organizations have experimented with redesigning jobs of employees to make them meaningful, and allowing greater discretion in their hands. Unfortunately, the press covers many stories of industrial strife and rarely any of shaping good industrial relations. Otherwise the stories of organizations like State Bank, Thermax, Asian Paints and Marico would have received greater publicity and brought forth the awareness of best practices.

In essence, controlling attitude, ‘Do this if you want to get that’ is out; and discretion, openness and alignment are in. The soul of proactively managing industrial relations is promoting trust. Research shows that increasing trust between the managers and workforce will lead to strengthening corporate governance.

4.4. The ability to handle and resolve a conflict is a business requirement

The golden rule in resolving conflicts is that even disagreement must be arrived at after an effort is made to understand the position of the other party. Sometimes there are irreconcilable differences. Patience must be shown to talk, negotiate and resolve the dispute.

Any party’s conduct during the strife is indicative of its corporate persona, and a certain brand is created in the minds of people at large. Moreover, it also creates a
mindset which employees at various levels tend to follow. It is imperative, therefore, that the leadership knowingly takes steps to resolve the dispute.

Handling conflict does not end when people return to work. It is important to make the employees feel included; if the divide between management and workforce is allowed to continue or grow it is only an invitation to another discord. Fostering an inclusive culture after a major breakdown of industrial relations is one of the toughest jobs. It takes years to build. It takes magnanimity of the parties involved to accept that in a long drawn dispute both sides need to share the blame.

Other then above mention important changes some other important considerations are required to maintain Good industrial relations. Out of them more obvious ones are listed below:

1. **Monetary satisfaction of workers** – Psychologists recognize that human needs have a certain priority. Need number one is the basic survival need. Much of men conducted are dominated by this need. Man works because he wants to survive. This is all the more for underdeveloped countries where workers are still living under subsistence conditions. Hence economic satisfaction of workers is another important prerequisite for good industrial relations.

2. **Socio- Psycho satisfaction** – Identifying the social and psychological urges of workers is a very important step in the direction of building good industrial relations. A man does not live by bread alone. He has several other needs besides his physical needs which should also be given due attention by the employer. An organization is a joint venture involving a climate of human and social relationships wherein each participant feels that he is fulfilling his needs and contributing to the needs of others. This supportive climate requires economic rewards as well as social and psychological rewards such as workers’ participation in management, job enrichment, suggestion schemes, redressal of grievances etc.

3. **Off-the-Job Conditions** – An employer employs a whole person rather than certain separate characteristics. A person’s traits are all part of one system making up a whole man. His personal life is not separable from his work life and thus his emotional condition cannot be separated from his physical condition. Hence for good industrial relations it is not enough that the worker’s working life alone should be taken care of but also emphasis must be given to his after working conditions or off-the-job conditions should also be improved to make the industrial relations better.

4. **Enlightened Trade Unions** – The most important condition necessary for good industrial relations is a strong and enlightened labor movement which may help to promote the status of labor without harming the interests of management. Unions should talk of employee contribution and responsibility and should encourage workers to produce more, persuade management to pay more, mobilize public opinion on vital labor issues and help Government to enact progressive labor laws.
5. Negotiating skills and attitudes of management and workers - Both management and workers’ representation in the area of industrial relations have a great variety of backgrounds in terms of training, education, experience and attitudes. These varying backgrounds play a major role in shaping the character of industrial relations. Thus, well-trained and experienced negotiators must be in representation team of workers who are motivated by a desire for industrial peace and create bargaining atmosphere conducive to the writing of a just and equitable collective agreement.

6. Rules and legislation - When Government regulates employee relations, it becomes a third major force determining industrial relations the first two being the employer and the union. Human behavior is then further complicated as all three forces interact in a single employee relation situation. Nonetheless, government in all countries intervenes in management – union relationship by enforcing labor laws and by insisting that the goals of whole society shall take precedence over those of either of the parties. Government intervention helps in three different ways

   1) it helps in catching and solving problems before they become serious. Almost every one agrees that it is better to prevent fires them to try stopping them after they start;

   2) It provides a formalized means to the workers and employers to give emotional release to their dissatisfaction;

   3) It acts as a check and balance upon arbitrary and capricious management action.

7. Better education - With rising skills and education, expectations of workers for fair rewards increase nowadays. As it is a general perception that the industrial worker in India is not properly educated and thus can be misled by leaders of trade unions other then their own. The solution to this problem can be providing better education to the workers as this can provide worker with a proper sense of responsibility, which they owe to the organization in particular, and to the community in general.

Coincidence of interests between stakeholders can be developed:

Joint union-management efforts based on improving quality of work life and organizational effectiveness, emphasis on employees self-esteem with positive human and business outcomes. Open channels of communications to build trust, commitment of greater sharing of information of business with unions, work groups, organizational units greater communication about design and administration of pay systems. To meet these strategic role expectations, the human resources manager in the organization will need specific knowledge, skills and behavior.

5. Conclusion

People are key to success of any organization. This is more relevant in today’s ever changing environment and market economy in which industry functions. Leadership is a relationship with employees. HR Managers have to influence the behavior of
employees and develop skill, knowledge, capability to cope with the changing needs through leadership. They have to lead the people as individuals and members of teams and must be flexible and “look outside the box” to innovate, create, interpret and motivate people to work for mutual benefit. They must be able to think and make people think and change to work in competitive environment and if necessary they have to take initiative actions and lead to change law relating to company, labor, money market etc., necessary for industrial growth in the country.

It goes without saying that the effective management of Industrial Relations will continue to demand a very high priority in the coming era, not just to ‘do well’, but also for the survival of both, the organization, as well as the employees, jobs. The HR Managers will have to develop more effective strategies to build understanding and cooperation for this common objective, before being too late. Instead of confronting, partnership attitudes between unions, employees and management will have to be created. Maturity from all will need considerable changes in management styles, impartial attitude building exercises and development work spearheaded by the HR managers. A good industrial relations system must encompass effective labor dispute resolution. Employers and employees must be allowed the right to participate in good faith in dispute resolution processes to resolve grievances.

For maintaining, good IR, in future, responsibility should be shifted from HR Manager to line manager. It has to start from selection. People should be raw talent, Expectations must be set, organization has from these people, not by setting out the steps they must take, but by communicating the end result that they must ensure. Individuals have to be strengthened and putting them at right fit for their talent. HR Manager should train line manager for this new role and arm them with HR tools so they could contribute effectively in keeping good IR and develop HR. And above all, you need to create a better workplace, so that employees are highly engaged in their work. Engaged employees treat organization’s concerns as their own, because they identify them closely with the company. The result is higher productivity; better reward for people and of course good IR and HRD.

References:

Call for Restructuring Industrial Relations in Changing Business Environment

CORPORATE GOVERNANCE & ETHICS: THE VEHICLE FOR CONVERTING VALUES INTO ACTION

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Introduction

Understanding and practicing good business ethics is an important part of a manager’s job in any workplace. Ethics is the study of moral obligation, or code of values and principles that enable a person to choose between right and wrong, and therefore, select from alternative core of action. In recent years none of the business area has changed so rapidly as the field of business ethics. Business ethics issues that have become extremely relevant include concern for stakeholders, corporate governance, and the institutionalization of business ethics by government and society. More corporations are developing ethics programs and making ethics at a higher priority than earlier.

Corporate governance is about ethical conduct in business. Corporate governance encompasses commitment to values and to ethical business conduct to maximize shareholder values on a sustainable basis, while ensuring fairness to all stakeholders including customers, employees, investors, vendors, government, and society at large.

Every individual has unique personal values, and every organization has its own set of values and ethical policies. Business ethics must consider the organizational culture and interdependent relationship between the individual and other significant person involved in organizational decisions making. Without effective guidance, a businessperson cannot make ethical decisions while facing organizational pressures and day to day challenges in the competitive environment.

One of the many reasons ethics is important is that customers and suppliers prefers to deal with ethical corporate. Another reason for practicing good ethics is that the many business scandals in the early 2000s led to a sharp decline in the trust of managers.

Business ethics can be approached from several perspectives; philosophical principles, values, contributing factors to ethical problems, ethical temptations and violation, and a guide to ethical decision making. A slandered way of understanding ethical decision making is to know the philosophical basis for making these decisions. When attempting to decide what is right and wrong, managerial workers can focus on consequences, duties, obligations, principles and integrity.
Values and ethics

Values are closely related to ethics and are central to any organization. Values can be defined as those things that are important to or valued by an individual or organization. One of the imperatives for organizational vision is that it must be based on and consistent with the organization's core values. In one example of a vision statement the organization's core values - in this case, integrity, professionalism, caring, teamwork, and stewardship - were deemed important enough to be included with the statement of the organization's vision. When values are shared by all members of an organization, they are extraordinarily important tools for making judgments, assessing probable outcomes of contemplated actions, and choosing among alternatives. Values can be considered clear statement of what is critically important and ethics becomes the vehicle for converting values into action. Business ethics in organization requires value-based leadership from top management and purposeful action that include planning and implementation of standards of appropriate conduct, as well as openness and continuous effort to improve the organization's ethical performance. Individual values improve ability of managers to make ethical decisions in business by providing them a framework that they can use to identify, analyze, and resolve ethical issues in business decision making. With the help of business ethics, people begin to understand how to cope with conflicts between their personal values and those of the organization.

Values are the embodiment of what an organization stands for, and should be the basis for the behavior of its members. However, what if members of the organization do not share and have not internalized the organization's values? Obviously, disentanglement between individual and organizational values will be dysfunctional. Additionally, an organization may publish one set of values, perhaps in an effort to push forward a positive image, while the values that really guide organizational behavior are very different. When there is disentanglement between stated and operating values, it may be difficult to determine what is "acceptable." Group members quickly learn the operating values, or they don't survive for long. To the extent they differ from stated values, the organization will not only suffer from doing things less effectively, but also from the cynicism of its members, who have yet another reason for mistrusting the leadership, or doubting its wisdom. Values provide the basis for judgments about what is important for the organization to succeed in its core business.

Many firms contend that 'they put people before profit'. If this assertion was true, a manager would avoid action such as delaying payments to a vendor just to hold on to money longer, or firing a group member for having negotiated a deal that lost money. A person’s values also influence which kind of behavior he/she believes are ethical. An executive who strongly values profit might not find it unethical to raise prices more than are needed to cover additional cost, on other hand another executive who strongly values family life might suggest that the company invest money in an on-premises child-care center.
So, 'how do values relate to ethics', and what do we mean by ethics?. One of the keys is in the phrase we quoted above from the DA pamphlet: "Values are what we, as a profession, judge to be right."

Individually or organizationally, values determine 'what is right and what is wrong', and doing what is right or wrong is what we mean by ethics.

**Ethical temptations & violations**

Certain ethical mistakes, including illegal action, recur in the workplace. Familiarizing oneself with these behaviors can be helpful in managing the ethical behavior of others as well as monitoring one’s own behavior. A list of commonly found ethical temptations and violations, including criminal acts are as follows:

1. Pilfering from employers and customers,
2. Illegally copying software,
3. Treating people unfairly,
4. Sexual harassment,
5. Conflicts of interest,
6. Accepting kickbacks and bribes for doing business with another company,
7. Divulging confidential information,
8. Misuse of corporate resources,
9. Greed, gluttony, and avarice,
10. Corporate espionage,
11. Poor cyber-ethics.

**Effective corporate governance- implication to business ethics:**

In recent years, many changes in the corporation law, either enacted or envisaged, have been carried out to ensure that directors take greater responsibility for the action of the companies on whose boards they sit. In 1919, the Michigan Supreme Court in the case of *Dodge v/s Ford Motor Company* ruled that a business exists for the sake of profit of shareholders; and the board of directors should focus on that objective. On the other hand, the stakeholder model places the board of directors in the central position to balance the interests and conflicts of the various constituencies. The 'Federal Sentencing Guidelines for Organizations', for instance, provides incentives for developing an ethical culture and efforts are needed to prevent misconduct.

Today, the failure to balance stakeholder interests can result in a failure to maximize shareholders' wealth. Wal-Mart may be failing to maximize the growth of its market value because investors are concerned about its ability to manage stakeholder interest. Wal-Mart's shareholders have seen almost 'no growth' over the past few years as it battles employees, communities, and special interest groups on few ethical issues. Most
firms are moving more towards a balanced stakeholder model, as they feel that this approach will sustain the relationship required for long-run success.

In India, for example, 'Security and Exchange Board of India' (SEBI) constituted a committee on corporate governance under the chairmanship of Mr. Kumar Mangalam Birla. The committee made mandatory and non-mandatory recommendations; and on the basis of recommendations, a new clause-49 was incorporated in the 'Stock Exchange Agreement'.

**Some of the prime aspects, in brief, are as follows:**

- Board of Directors is accountable to shareholders.
- Board controls and specifies code of conduct and is also accountable to shareholders for creating, protecting and enhancing wealth and resources of the company.
- Classification of non-executive directors into those who are independent and those who are not.
- Independent directors are not expected to have material or pecuniary relations with other companies or subsidiaries.
- Laying emphasis on caliber of non-executive directors, especially independent directors.
- Sufficient compensation package to attract talented non-executive directors.
- Nominee directors to be treated at par with any other director.
- Qualified independent audit committee to be set up with minimum of three, all being non-executive directors with one having financial and accounting knowledge.
- Report on efficacy of corporate governance needs to be part of annual report.
- Disclosure on directors’ remuneration to be included in the annual report.

For public corporations, boards of directors hold the ultimate responsibility for their firm’s success or failure, as well as for the ethics of their action. The member of a company’s board of director assumes legal responsibility for the firm’s resources and decisions. Board members have a fiduciary duty, meaning they have assumed a position of trust and confidence that entails certain responsibilities, including acting in the best interest of those they serve. Thus, board membership is not intended as a vehicle for personal financial gain; rather, it provides intangible benefit of ensuring the success of both the organization and people involved in the fiduciary arrangements.

**Guidelines for directors**

In an organization, which makes efforts to prosper, especially in a changing environment, must administer its values and principles in such a way that it endows with an unwavering underpinning for overall growth and development. Directors have
an imperative role to play in this process. In the formulation of such policies and in the performance of their duties, directors should:

- Be acquainted with their responsibilities to shareholders.
- Ensure that they set a positive example of ethical behavior.
- Make sure that they possess the skills and experience necessary to make a positive contribution to the affairs of the company.
- Ensure that the companies under their direction are operated according to best practice, especially in the application of principles of corporate governance.
- Make sure that stakeholders are sent an unambiguous signal indicating the board's support for principled and ethical business practices.
- Ensure that management is encouraged to foster an ethical climate that is 'owned' by the organization as a whole.
- Ensure that companies under their direction do not merely profess ethical standards as a form of 'window dressing'.
- Insist that professional advisers be selected on the basis of their high ethical standards as well as their competence.
- Insist that companies under their direction observe the spirit as well as the letter of the law.
- Ensure that the policies and practices of the company are such that ethical behavior is recognized as being intrinsically desirable and that no officer or employee of the company is rewarded for achievements based on unethical activities - irrespective of their contribution to profits.
- Recognize that there may be occasions when ethical principles come into conflict and that there will be times when one principle will be sacrificed in the service of another.
- Develop their own ability to assist management in the resolution of ethical issues and dilemmas.

**Conclusion:**

To conclude, I would like to draw the attention of the audience to some specific aspects of the corporate governance. First of all, it is essential that Boards set a sound example and establish institutional structures that support the desired outcomes. There are also ethical reasons which bring us back to the central theme of this paper. An organization that deals with the ethical dimension of all its activities will be, at the same time, expected to build a high-trust environment. This is especially so, when ethical commitments are reinforced so that they become integral part of the deep structure of organizations. Secondly and finally, Directors are required to provide dynamic leadership to the corporation for
concrete results. As such, they need to model the very values and principles that they rely upon for the overall success of the company.

But beyond this, there is a further requirement that was touched upon above. Directors have a capacity to engage in the wider range of issues that current and future companies will have to address. This ability is not a skill that can be picked up overnight. Rather, it needs to be fostered under the careful guidance of a Chairman. Yet, not all Chairmen are equipped for this task.

Reference:

AN EXPLORATORY STUDY ON THE POTENTIALITY OF E-RECRUITMENT AS AN EMERGING INTERNET TOOL

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Director  
Institute of Foreign Trade and Management

Abstract:  
Developing and implementing an electronic recruitment, or e-Recruitment, strategy is a key to meeting the challenge of providing all with equal access to federal job opportunities. Many different organisations use e-recruitment as a cost-effective method of recruiting new staff. E-recruitment is becoming a more powerful and important tool in the current ‘war for talent’ environment. Creating relationships with potential employees is important, the key way being through employer brand. In order to maximise a brand’s potential to attract the right people, it must express core organisational values and messages and be found in the right places. Companies are extending the electronic recruitment process by conducting assessments, such as psychometric or aptitude tests, online. The process significantly reduces the administrative overhead of distributing and collecting written test papers though care needs to be taken in how feedback is given.

Keywords: Internet, E-Recruitment, System Interface

Introduction
Recruiting today has really morphed into multiple positions: Source, Relationship builder and Maintainer. In the world of business, success is about whom you know. In Recruiting, it’s not whom you know but who knows you (or can find you), in order to build a large pipeline of candidates. That may explain why more than half a dozen networking sites have popped up in recent years. Today the latest trend in recruitment is the “E-Recruitment”. Also known as “Online recruitment”, it is the use of technology or the web based tools to assist the recruitment process. Therefore the objective of the paper is to provide a depth look of how to win the talent war with e-recruitment technology. The paper first focuses on the benefits, types and working of the e-recruitment technology. The second part covers the advantage, disadvantage and process of e-recruitment and also outlines the factors contributing to the successful implementation of e-recruitment strategies and the various HR challenges faced.
Literature Review

A review of current literature indicates that the use of the Internet and thus Internet Technology is changing (Kinder 2000), transforming (Piturro 2000; Searle 2003; Veger 2006) some would say revolutionising (Hansen 1998) the way in which human Resource Departments recruit job candidates. Nevertheless, very limited research has been carried out in this area to date. Young and Weinroth (2003, p.11) refer in this respect to “the currently minimal field of Internet recruitment literature, while Lievens et al. (2002, p.586) describe it as “very scarce”. This paper seeks to identify Advantages and disadvantages of the use of Internet recruitment and selection and, Furthermore, aims to consider those against the views of employers in the Uttar Pradesh region. The results help to describe the phenomenon and thus aid in a process, which is perceived essential for theory building (Christensen and Sundahl 2001). In using the Internet rather than more traditional recruitment channels, employers and applicants will experience certain advantages and disadvantages (Bartram 2006; Tong and Sivanand 2004). Table 1 and table 2, which show the advantages and disadvantages of the general use of Internet recruitment and selection for both employers and employees, are based on a large review of academic and practitioner literature.

Table 1: General advantages and disadvantages of Internet recruitment and Selection for employers

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Geographical spread (CIPD 2005; McDougall 2001; Mohamed et al. 2002)</td>
<td>• Higher expectations regarding Relocation costs (Brooke 1998)</td>
</tr>
<tr>
<td>• Larger audience (Alfus 2001; Bartram 2006; Burke 1998, JWT research 1998; Laabs 1998, Pin et al. 2001; Zusman and Landis 2002)</td>
<td>• Development fees for small Companies</td>
</tr>
<tr>
<td>• Greater chance to find right Candidate quicker/greater Effectiveness (Galanaki 2002)</td>
<td>• Name recognition required (buy Banner space etc.) (Baillie 1996, Galanaki 2002)</td>
</tr>
<tr>
<td></td>
<td>• Overwhelming number of Candidates (Brooke 1998; Galanaki 2002, Haley</td>
</tr>
</tbody>
</table>
An Exploratory Study on the Potentiality of E-Recruitment as an Emerging Internet Tool

LACHOO MANAGEMENT JOURNAL, Volume 3, Number 1, January - June 2012

As can be seen, the literature presents some contradictory findings and identifies certain issues both as an advantage and a disadvantage at the same time. For example, research by Pin et al. (2001) suggests that the Internet provides smaller companies with a showcase of how larger companies work and suggests that, due to a lack of barriers, small companies can use E-recruitment tools in much the same way as larger firms do. However, this point is contrary to other findings in the literature review, which suggested that smaller companies are disadvantaged as these small companies are relatively unknown amongst jobseekers and thus be visited less automatically as those of well-known companies (Baillie 1996). Lower Company attractiveness and lower search engine ranking imply that, Internet recruitment is more effective for companies already known to jobseekers (Galanaki 2002).

Table 2 provides an overview of the advantages and disadvantages of Internet recruitment and selection for jobseekers. Even though this paper aims to focus on the employers’ side of the process it is important to reflect on jobseekers’ perceived
advantages and disadvantages of the tool as these are interlinked with those of the Employers’. Issues presented as advantages for one group, might be disadvantageous to the other group, and vice versa. Furthermore, identified disadvantages of Internet recruitment and selections for jobseekers might negatively impact on the user rate of the tool by jobseekers, which then might become another disadvantage for use of the tool by the employer.

Table 2: General advantages and disadvantages of Internet recruitment and Selection for jobseekers

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Easier to apply (Kaydo and Cohen 1999)</td>
<td>• Privacy problems</td>
</tr>
<tr>
<td>• Larger geographic area within Easy reach.</td>
<td>• Lack of personal touch (CIPD 2005, IRS Employment review 2005; Feldman and Klaas 2002; Milman 1998, Pin et al. 2001)</td>
</tr>
<tr>
<td>• More passive process (Kuczynski 1999)</td>
<td>• Level and type of job available online (Galanaki 2002; Richards 1999)</td>
</tr>
<tr>
<td>• Less intrusive (Kuczynski 1999)</td>
<td>• User-unfriendly tools (Feldman and Klaas 2002)</td>
</tr>
<tr>
<td>• More specific searches</td>
<td>• Discrimination of those who do not have access (Pin et al. 2001)</td>
</tr>
<tr>
<td>• 24/7, time saving and relatively Cheap (Alfus 2001)</td>
<td></td>
</tr>
<tr>
<td>• Quick turn-around time</td>
<td></td>
</tr>
<tr>
<td>• One-stop-shopping place</td>
<td></td>
</tr>
<tr>
<td>• Feel for labour market (Feldman and Klaas 2002)</td>
<td></td>
</tr>
</tbody>
</table>

Thus, current literature identifies a large number of possible advantages and disadvantages of the use of the Internet in the Internet recruitment and selection process for both employers and jobseekers.

E-Recruitment: A conceptual background

(i) Meaning

The term e-recruitment means using information technology (IT) to speed up or enhance parts of the recruitment process. It ranges from the applicant interface for advertising vacancies and making job applications, to the back office processes, which allow a liaison between human resources (HR) and line managers to set up a talent pool or database of potential recruits. The tool can be either a job website like naukri.com, the organization’s corporate website or its own intranet. Many big and small organizations are using Internet as a source of recruitment. They advertise job vacancies through worldwide web. The job seekers send their applications or
curriculum vitae (CV) through an e-mail using the Internet. Alternatively job seekers place their CV’s in worldwide web, which can be drawn by prospective employees depending upon their requirements. The Internet penetration in India is increasing and has tremendous potential. According to a study by NASSCOM – “Jobs is among the top reasons why new users will come on to the Internet, besides e-mail.” There are more than 18 million resume’s floating online across the world.

The trends in e-recruitment use suggest a changing landscape whereby in future the candidate is connected to the central system and there is involvement of the line manager in the process (see figure). In addition to the reported benefits such as cost efficiencies, the role of HR in this model is viewed as more of a facilitative role, in theory allowing time for recruiters to become involved in the strategic issues within resourcing.

Fig. 1: The e-recruitment landscape
(ii) Kinds Of E-Recruitment:

The two kinds of e-recruitment that an organization can use are –

(a) *Job portals* – i.e. posting the position with the job description and the job specification on the job portal and also searching for the suitable resumes posted on the site corresponding to the opening in the organization.

Creating a complete online recruitment/application section in the company’s own website. Companies have added an application system to its website, where the ‘passive’ job seekers can submit their resumes into the database of the organization for consideration in future, as and when the roles become available.

(b) *Resume Scanners* – Resume scanner is one major benefit provided by the job portals to the organizations. It enables the employees to screen and filter the resumes through pre-defined criteria’s and requirements (skills, qualifications, experience, payroll etc.) of the job.

Job sites provide a 24*7 access to the database of the resumes to the employees facilitating the just in time hiring by the organizations. Also, the jobs can be posted on the site almost immediately and is also cheaper than advertising in the employment newspapers. Sometimes companies can get valuable references through the “passers-by” applicants. Online recruitment helps the organizations to automate the recruitment process, save their time and costs on recruitments.

(iii) Expected benefits of E-Recruitment: The following may be enumerated as the probable benefits of e-recruitment:

- Cost-saving of newspaper based advertisements
- Creates a central ‘hub’ for all recruitment with one easy access portal where the job seeker and recruiter can be connected and communicate with each other with the benefit of automation
- Increased reach of the internet, yielding far greater number of applications for every job vacancy, simply due to the decreased cost, increased reach and ease of application created by the internet job boards and online forms.
- Improved candidate care - not only more effective sourcing of applicants, but also through managing applications and responding to applicants through the internet.
- Streamlined recruitment processes and assistance to selection panels.

(iv) Head Hunting Process in E-Recruitment:

Headhunting refers to the approach of finding and attracting the best experienced person with the required skill set. Headhunting involves convincing the person to join your organization. The following diagram presents the head hunting process in e-recruitment:
Research Methodology

1. The research used a convenience sample, which made it easier to obtain but at the same time also made the research more prone to bias.

2. Sample size is 50

3. Sample: Players from different sectors e.g. Education, Industry, Banking, Hospitality etc.

4. Tool for data collection: A structured questionnaire consisting of a set of variables was formed on a 5 point Likert scale in order to know the level of agreement of the prospective employees regarding the advantages and disadvantages of E-Recruitment. On the basis of the survey the relative importance of each variable and the success of E-Recruitment were analyzed.

Discussion and Findings

On the basis of responses obtained through the structured questionnaire where the employers were asked to indicate their level of agreement on a 5- point Likert scale with a number of statements regarding the advantages and disadvantages of Internet recruitment, the following are the findings in the summarized form:
Advantages

<table>
<thead>
<tr>
<th>Points to be considered</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Internet has led to a quicker turn-around time of the recruitment process.</td>
<td>26</td>
<td>24</td>
</tr>
<tr>
<td>Use of the Internet has led to an increase in the number of applicants.</td>
<td>46</td>
<td>04</td>
</tr>
<tr>
<td>With the introduction of the Internet, the recruitment process has become easier.</td>
<td>28</td>
<td>22</td>
</tr>
<tr>
<td>Internet recruitment has proven to provide my organisation with suitable employees.</td>
<td>27</td>
<td>23</td>
</tr>
<tr>
<td>The Internet has proven to be a relatively cheap recruitment tool.</td>
<td>36</td>
<td>14</td>
</tr>
</tbody>
</table>

The first statement was formulated as “The Internet has led to a quicker turn-around time of the recruitment process”, which reflects on one of the most widely perceived advantages. Twenty six percent of employers either strongly or mildly agreed with the statement. However, exactly the same percentage of employers (24 percent) disagreed with the statement.

The second statement reflected on the number of applications employers received. This number is important for calculating recruitment and selection ratios in the evaluation of recruitment effectiveness. A high number of applicants not only provide a higher chance to find suitable candidates, it also means that employers have a larger task in pre-selecting and selecting candidates. Forty six percent of employers agrees that the “Use of the Internet has led to an increase in the number of applicants”. The relatively small level of disagreement with the statement (4 percent) implies neither agreed nor disagreed.

The next statement relating to possible advantages for employers was formulated as:

“With the introduction of the Internet, the recruitment process has become easier”.

The figures suggest that 28 percent of employers find that the recruitment process has become easier while 22 percent of employers disagreed with this.

Another issue directly related to Internet recruitment is its effectiveness and efficiency. Effectiveness and efficiency have to do with finding suitable applicants/positions and the use of resources in doing so. Twenty seven percent of employers agree with the statement that “Internet recruitment has proven to provide my organization with suitable employees”, while respectively 23 percent of employers disagree.

The relative costs of Internet recruitment are perceived to be lower in comparison with non-electronic recruitment sources by a 36 percent of employers.
Respectively 14 percent of employers did not agree with the statement that “The Internet has proven to be a relatively cheap recruitment tool in comparison with non electronic recruitment sources”.

Given these findings, one might wonder why so many organisations have adopted the Internet as a recruitment and selection method and what needs to change to make the tool more effective and efficient.

Disadvantages

<table>
<thead>
<tr>
<th>Points to be considered</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Internet generates a higher level of unqualified applicants in comparison</td>
<td>30</td>
<td>10</td>
</tr>
<tr>
<td>Jobseekers’ expectations of receiving relocation expenses have increased due to the Internet</td>
<td>22</td>
<td>28</td>
</tr>
<tr>
<td>Internet recruitment has proven to be suitable for all types of jobs</td>
<td>47</td>
<td>13</td>
</tr>
<tr>
<td>Overwhelming number of Candidates while conducting E-Recruitment.</td>
<td>48</td>
<td>02</td>
</tr>
<tr>
<td>Internet recruitment discriminates against those who do not have Internet access</td>
<td>45</td>
<td>05</td>
</tr>
</tbody>
</table>

The literature review also identified a number of potential disadvantages of the use of Internet recruitment and selection for both employers and jobseekers. One of these disadvantages concerns the qualification of applicants. Respectively 30 percent of employers believe that “The Internet generates a higher level of unqualified applicants in comparison to non-electronic sources”. Only 10 percent of employers disagreed with the statement.

A higher level of unqualified candidates has cost implications for the organisations as these applications still need to be dealt with in a proper manner. Unqualified applicants also influence the different ratios used for evaluation purposes.

The larger geographical reach of the tool, which might lead to an increase of suitable candidates, has as a potential drawback that, if suitable candidates need to relocate, they will have expectations regarding relocation expenses hence resulting in higher jobseekers’ expectations. However, the findings suggest that only 22 percent of employers agreed with the statement that “Jobseekers’ expectations of receiving relocation expenses have increased due to the Internet”. Twenty eight of employers disagree with the same statement and therefore this potential disadvantage might not be experienced in practice. Thus, it seems that Internet recruitment has the ability to draw applicants from a greater geographic area but that this results in a pool of applicants which has a higher level of unqualified applicants in comparison with non-electronic sources.
The Internet’s original image of being a tool to recruit IT people does not seem to reflect the common use of the tool by employers. The suitability of the use of the Internet for recruiting for all levels of jobs is also questionable as the figures suggest Forty seven percent of employers do not agree with the statement that “Internet recruitment has proven to be suitable for all types of jobs”, while 13 percent of employers testify that has proven to be suitable for all types of jobs. This low level of agreement might lead to a reluctance on the employers’ part to adopt the Internet as a recruitment tool.

The “Overwhelming number of Candidates while conducting E-Recruitment” is the major disadvantage faced by the employers. In which 48 percent of employers says that electronic recruitment leads to increase in the number of non-eligible candidates and only 2 percent of employers disagreed with the statement.

One of the disadvantages of Internet recruitment and selection is the opportunity for discrimination. The findings show that 45 percent of employers, agree with the statement that “Internet recruitment discriminates against those who do not have Internet access”. However, only 5 percent of employers disagree.

Conclusion

The results provide clear evidence that the majority of the advantages and disadvantages identified in the literature are also experienced by employers surveyed. An effective recruitment strategy is essential to all organisations. There are no fundamental philosophical differences between recruiting using ‘old media’, such as advertising in newspapers, and the ‘new media’ such as e-recruitment. Organisations may use a mix of traditional and online methods depending on what meets their strategic recruitment needs and as which reaches their talent market in the most appropriately way. Making use of technology has great potential to speed up the recruitment process and provide cost savings giving recruiters more choice and flexibility in how they wish to fill their vacancies and attract talent. It also provides an opportunity to achieve a more personalised approach to recruitment.

The purpose of both is to fill a vacant position with the best fit candidate, cost-effectively and on time. Using e-recruitment involves expertise in both the technology and the recruitment cycle, so it is important to have the resources and expertise to achieve this. Ensuring that the technology is used effectively and is fully integrated into the recruitment strategy is also key. The method chosen should be appropriate to the vacancy to be filled. As technological change moves so quickly, organisations need to keep abreast of new developments and opportunities for e-recruitment as they emerge.

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AN EVALUATIVE STUDY OF ONLINE TRAVEL MARKET IN INDIA

Dr. Mayank Agarwal
Associate Professor
Jagan Institute of Management Studies (JIMS), Jaipur

ABSTRACT

“That the tourism industry is notoriously interdependent and dynamic, and tourism products are widely acknowledged to be inherently complex to coordinate and difficult to manage.”

Alan Fyall, Brian Garrod (Tourism Marketing: A Collaborative Approach)

With such a great emphasis on complexity and inter-dependence, it is critical for every travel intermediary to resort to means that offer quality solutions at competitive costs. This is where the realm of on-line Travel Agency starts. The Internet is no longer just a rage; it has now become a very powerful and effective tool at everybody's disposal.

Travel and tourism is set to become the world's largest industry. The Indian travel and tourism industry is large and growing rapidly, it is expected to grow at an annual rate of 10.2% over the next 10 years. With improved marketing, most tourism businesses could claim a bigger share of this lucrative but fragmented industry.

Indian online travel market grew tremendously thanks to essential factors like Increasing Internet Penetration, Growth in Low-Cost Airlines, Increasing Credit Card Penetration and Secure Payment Mechanism. However, the future brings new challenges in their quest for growth. Should they continue to be a niche player and develop new value-added services, or should they look to serve new market segments? Should they change the business model and look for new sources of revenue? It is obvious that they cannot grow by doing more of what they've been doing, the question is—what do they need to do next?

MakeMyTrip.com is though the largest online travel company in India, but stiff competition prevails in the market with three other major players (Yatra, Cleartrip and Travelguru) as well as meta search engines, such as Ixigo and Zoomтра. However, with increasing competition and intense rivalry, what is the best way to differentiate itself from the rivals?

Keywords: Online Travel Market in India, Indian Tourism Industry, Business and Leisure Travelers, makemytrip.com
INTRODUCTION

The Indian travel and tourism industry is large and growing rapidly. According to the WTTC, India’s travel and tourism industry contributed Rs. 1,741.2 billion to India’s GDP in 2009 and is expected to contribute Rs. 1,970.1 billion to India’s GDP in 2010. India is one of the fastest growing countries in the world in terms of its travel and tourism industry. The Indian travel and tourism industry is expected to grow at an annual rate of 10.2% over the next 10 years. Further, the WTTC expects that, as a result of the strong growth rate in the Indian travel and tourism industry, over the next 10 years, India will become one of the top 10 travel and tourism markets in the world in terms of the absolute size of its market.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>($in Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United States</td>
<td>916.5</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>500.7</td>
</tr>
<tr>
<td>3</td>
<td>Japan</td>
<td>215.8</td>
</tr>
<tr>
<td>4</td>
<td>United Kingdom</td>
<td>148.2</td>
</tr>
<tr>
<td>5</td>
<td>France</td>
<td>143.0</td>
</tr>
<tr>
<td>6</td>
<td>Spain</td>
<td>123.7</td>
</tr>
<tr>
<td>7</td>
<td>Italy</td>
<td>121.8</td>
</tr>
<tr>
<td>8</td>
<td>India</td>
<td>110.6</td>
</tr>
<tr>
<td>9</td>
<td>Germany</td>
<td>103.7</td>
</tr>
<tr>
<td>10</td>
<td>Australia</td>
<td>79.7</td>
</tr>
</tbody>
</table>

Source: WTTC

According to PhoCusWright, the Indian online travel market grew 31% to reach $4.4 billion in 2010 as compared to $3.4 billion in 2009. PhoCusWright further estimates the market to record a compound annual growth rate of 27% over 2011 and 2012 to reach a total size of $7.0 billion by 2012. Though, India’s online leisure and unmanaged business is just five years old and still nascent, in 2009, it accounted for 21% of all travel industry bookings.

Robust growth is expected in both online air and online hotel bookings. Low-cost airlines will continue to rely heavily on online travel agencies for distribution, with online travel agencies accounting for nearly half of their gross bookings. Online hotel bookings are estimated to grow at 54% in 2012.
According to PhoCusWright, more than one third of India’s total online population uses Internet to search, shop and buy their travel, and online travel continues to drive the country’s e-commerce growth to a large extent. PhoCusWright estimates that by 2012, 31% of the industry’s total gross bookings will be transacted online.

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Indian Travel Market</strong></td>
<td>16223</td>
<td>15808</td>
<td>17652</td>
<td>19922</td>
<td>22813</td>
</tr>
<tr>
<td><strong>% Change</strong></td>
<td>4%</td>
<td>(3%)</td>
<td>12%</td>
<td>13%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Total Indian Online Travel Market</strong></td>
<td>2907</td>
<td>3342</td>
<td>4362</td>
<td>5524</td>
<td>7027</td>
</tr>
<tr>
<td><strong>% Change</strong></td>
<td>72%</td>
<td>15%</td>
<td>31%</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td><strong>Online as % Total Indian Travel Revenue</strong></td>
<td>18%</td>
<td>21%</td>
<td>25%</td>
<td>28%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Source: PhoCusWright

**Government Initiatives**

The Government of India has also recognized the importance of the travel and tourism industry and has over the past several years enacted or announced several initiatives to give further impetus to the industry:

- the “Incredible India” campaign helps showcase India as a leading tourist destination globally;
- the provision of one-month tourist visas on arrival for citizens of 11 countries (i.e., Japan, Finland, New Zealand, Singapore, Luxembourg, Laos, Vietnam, Philippines, Cambodia, Myanmar and Indonesia);
- a greater portion of expenditure budget allocated to the Ministry of Tourism earmarked for building new infrastructure facilities such as tourist reception centers and refurbishing monuments;
- support of an “open-skies” policy in India;
- the modernization or expansion of major metro airports in Mumbai, Bengaluru, Kolkata, Delhi, Chennai, and Hyderabad;
- the modernization or development of 35 existing non metro-airports;
- the construction of international convention centers in cities including Delhi, Mumbai, Goa, Jodhpur, Udaipur, Cochi, Agra and Jaipur to attract more business travelers to India; and
- air transportation policies permitting airlines in India which have been in operation on domestic routes for over five years to fly on international routes.
Objectives:

1. To assess the potential of the Indian tourism and online travel industry and the business of online travel agents
2. To analyse the business of makemytrip.com and the ways in which it can differentiate itself in the long run.

Value chain in Travel & Tourism

Tourism as a service industry consists of several allied activities, which taken together form the tourism product. There are three major sub-industries in tourism product development (1) tour operators and travel agents, (2) hotels and caterers and (3) transportation and also includes large array of services from insurance to entertainment to shopping. Demand generation is dependent on the persuasive communication skills at country as well as enterprise level.

Informational asymmetry and fragmentation of capacity suppliers in the tourist industry provide travel intermediaries with market power. Market structure is characterized by over-capacity in off-peak seasons, high fixed costs and low variable costs, leading to product under-pricing. Forward sales of capacity at low contract prices surrender profits from consumer surplus to intermediaries enjoying oligopsony benefits. The creation of formal futures contracts in rooms and seats would permit operators to hedge demand uncertainty and retain more of the profits. Online intermediaries can serve the interests of domestic operators through exploitation of databases to provide analytical solutions to capacity utilization and to develop demand balancing. This demonstrates the importance that a large, publicly recognized online travel intermediary can have for further development and increased domestic profitability of the tourism industry.

Travel demand influenced by
- Rising income
- Increased mobility
- Improved transport
- Escapism
- Education
- New marketing

Travel Industry Intermediaries
- Travel agents
- Tour companies
- Hotel companies
- Transport companies

Travel Destination Influenced by
- Historical connection
- Accessibility
- Nature of Tourist product
- Search for foreign exchange

(Source: Johan Lea, Tourism and Development in the Third World, Routledge, Chapman and Hall, 1991)

The value chain and value retention in tourism can be summarized as formed by the end user or consumer, paying the total sales (above), linked by the carriers (largely airlines) to the hotels, resorts, restaurants, physical attractions and other members of the hospitality sector, with the linkage provided by the travel intermediaries,
themselves either domestic or international. The transfer of payments from consumers to the providers of goods and services in the tourism industry is filtered, at a cost, by the travel intermediaries. The justification for the intermediary services comes from the existence of informational barriers between users and providers, plus the possibility that experienced travel consultants have built up capital, to be rewarded by charges for enhancing the tourism experience of average consumers. The technology of online services offers the benefits of lower overhead and identification of opportunities for enhancement of tourist satisfaction through matching of needs and solutions. A further benefit is the opportunity for the intermediary to provide database analysis of travel patterns allowing service providers to refine their offerings and pricing strategies.

**Distribution of Travel Services in India**

The distribution of travel services in India is fragmented and predominantly retailer based. Though there are a few national companies, most are small, independent businesses. While airlines, railways, hotels, and car rentals ripply their travel services to the industry, the consolidators, travel agents, and online travel portals distribute these services to the customers. The travel industry has experienced drastic alterations in the manner in which airlines sell their tickets. In the 1990s, airlines depended on consolidators (who sold to agents/dealers for retail sales) for most of their ticket sales. With all major international airlines reducing commissions, consolidators and travel agents across the country have tightened their belts. The fact that airlines have started undercutting fares on the Internet suggests that agents may soon become redundant. Currently, margins are being squeezed and airlines are using the Internet to reach travelers directly, thus eliminating the role of a consolidator. Airlines when receive their business through Internet sales, retail margins are reduced to 2 percent for individual travelers. Travel agents sell airline tickets at cost to corporate travelers, charging a 1 to 2 percent service fee and have expanded their travel service offerings to hotel bookings, car rentals, and tour packages in order to earn profits from this segment. A study suggests that India's Internet population is around 8.5% users. However, these users predominantly use email applications, but don't conduct online transactions. Even then, Total Ticket Sold by all OTAs per day is 51690 out of total tickets available for sale (Only Domestic) per day 275,680, market size being for Indian OTA Industry in Domestic Flights is 9000 crores approximately. High cost of e-commerce, lack of proper systems, and low awareness are the main obstacles to growth of online bookings. Equally so, the disintermediation of the travel industry is a double-edged sword for travel portals. While it leads to better deals on the Internet, something realized by most customers today, travel portals face stiff competition from travel service.
Growth of the Indian Online Travel Industry

Key Drivers of Growth

Online travel industry in India is under-penetrated and it may continue to grow faster than the overall Indian travel industry, primarily because of the following drivers of growth:

Increasing Internet Penetration: According to Internet World Stats, in 2010, Internet penetration was at only 6.9% in India, as compared to over 77.3% in the United States. We therefore believe that the Indian online travel industry is well-positioned for long-term growth. Increased Internet usage as well as the growing breadth of travel products offered online is expected to drive this growth. There is significant potential to serve small and medium businesses through websites rather than traditional corporate travel agencies. In addition, Forrester estimates that India will have the third largest number of Internet users in the world by 2013, after China and the United States. Forrester expects the Internet penetration in India and other emerging markets such as China and Indonesia to grow annually at an average rate of 10% to 20% over the next five years. PhoCusWright estimates that by 2012, 31% of travel industry gross bookings will be completed online and that availability of Third Generation, or 3G, services will enable mobile travel planning tools to gain popularity and mobile bookings are expected to gain traction after 2012.
Growth in Low-Cost Airlines: We believe that increasing competition in the Indian airline industry and the emergence of more airlines, particularly low-cost airlines, has spurred more and more travelers to choose air travel over the traditional rail travel due to affordability and convenience. With the increase in low-cost airlines, online air travel bookings have also increased. We believe this is in part due to the fact that low-cost airlines typically prefer to use cost-effective distribution channels such as the Internet, using it as their primary distribution channel, either directly or through online travel agents.

Growing Number of Low-Cost Airlines

Source: Netscribes, “Competitive Intelligence on leading OTA players in India”

Increasing Credit Card Penetration and Secure Payment Mechanism: Indian travelers are able to pay online for travel services and products using a variety of payment methods, including credit cards, debit cards, cash cards and Internet banking. According to Euromonitor, the number of credit cards in India was over 24.3 million in 2009, having grown at an annualized growth rate of 19% since 2000, while the number of debit cards in India was over 130 million, having grown at an annualized growth rate of 84% since 2000. Euromonitor expects the number of credit cards in India to reach 73.7 million by 2014 (i.e., an annual growth rate of over 25%) and the number of debit cards in India to reach 350 million by 2014 (i.e., an annual growth rate of over 22%). It is believed that with increasing sophistication of the banking infrastructure in India and the provision of more secure online payment interfaces, Internet users in India are overcoming their apprehensions about security in online transactions and thereby adding to the online consumer base.

Competition in the Indian Online Travel Agency Industry

PhoCusWright estimates that the total “business-to-customer” online travel agency market (i.e. businesses serving end consumers with travel products and/or services through an online channel) in India is valued at $1 billion and is dominated by four
players — MakeMyTrip, Yatra, Cleartrip and Travelguru (which was acquired by Travelocity in August 2009). Of these, MakeMyTrip commands a market share of 48%, followed by Yatra at 24% and Cleartrip at 18%, based on gross bookings for 2009. These online travel agencies face competition from traditional travel agents as well as meta search engines, such as Ixigo and Zoomtra.

Source: The PhoCusWright “Indian Online” Report

**Travel Products Sold by Online Travel Agents**

Online travel agencies in India primarily facilitate travel arrangements by selling or arranging for air tickets, hotel and package reservations, rail tickets, bus tickets and car hire. According to Netscribes, online travel agencies are the most used online method for the booking of air tickets, hotels and packages and train tickets. The following chart shows the services and products offered by the top four online travel agents in India:

<table>
<thead>
<tr>
<th>OTA</th>
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<th>Hotels</th>
<th>Trains</th>
<th>Holidays</th>
<th>Buses</th>
<th>Cars</th>
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</thead>
<tbody>
<tr>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Yatra</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Cleartrip</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Travelguru</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Source: Netscribes, “Competitive Intelligence on leading OTA players in India”

According to PhoCusWright, air ticket bookings contributed to approximately 61% of the online travel market in India in 2010. However, the non-air ticket segments are also growing in the Indian online travel market. Online rail revenues grew in excess of 21% in 2009-2010 according to PhoCusWright. Rail and bus tickets are increasingly popular new offerings by online travel agencies.

**Makemytrip.com (MMYT)**

“Our biggest advantage in India was the fact that our brand awareness was amazing; when people thought of an online option, it invariably was Makemytrip.com”
Deep Kalra, Founder & CEO, Makemytrip.com,

**Business**

MMYT is the largest online travel company in India, based on gross bookings for 2009, according to PhoCusWright. MMYT is an online travel company focused on the leisure and small-business traveler coming to India. Through its primary website, www.makemytrip.com, and other technology-enhanced platforms, travelers can research, plan and book a wide range of travel services and products in India as well as overseas. Services and products include air tickets, hotels, packages, rail tickets, bus tickets, car hire and ancillary travel requirements such as facilitating access to travel insurance.

The dotcom burst may have dissuaded a lot of players from venturing into India, but it certainly did not deter Deep Kalra. Makemytrip.com started in 2000, with an objective to conquer the Indian market. Unable to sell holidays for several reasons, in the initial years of operations, and recorded net losses they changed their strategy to focus on NRI (in the United States) travelers to India. This was considered a very tactical move, as NRIs were net savvy with a lot of disposable income. It was launched in India in September 2005 because of there now was a need and market for online players. The time was ripe, as the market had seen an advent of Low Cost Carriers; differential pricing and the travel trade needed a tool like an Online Travel Agent (OTA) to cater to this growing void. When Makemytrip.com was launched, there was no single service provider that could claim with any authority that they were providing the best deal. MMYT launched the portal in India with a 'low fare guarantee' invested significant capital in infrastructure as well as in sales and marketing efforts to build the brand and gain recognition and created a niche in the online space by establishing market leadership.

They believe the strength of the brand, quality of services, user-friendliness of website experience, focus on customers and efficacy of marketing programs has enabled them to capture a significant share of the domestic air tickets market in India, while driving increased bookings of the international outbound air tickets market. In fiscal year 2010, 1.6 million transactions for domestic air tickets in India were booked through MMYT, generating $31.1 million in revenue less service cost from air ticketing business.

**What Next?**

Should MMYT continue to target NRIs? Or, should they expand horizons and serve the foreign tourist market from the United States, the United Kingdom, and Australia? Should the company continue to be an India-focused company, or was it time to start thinking about competing with global giants like Expedia and Travelocity?

The technology is smart - it enables the website to work well with inventory suppliers and provides a simple interface for users. Venturing beyond online ticketing, Makemytrip.com now plans to enter the offline arena. The new advertising campaigns
are aggressively targeting the holiday market offering packages to cater to all segments of tourists. The portal is looking at the hotel segment in a big way. Revenue less service cost from hotels and packages business totaled $8.4 million in the first nine months of fiscal year 2011, accounting for 19.0% of our total revenue less service cost. The company also has plans to experiment with the retail mode, which would be going the offline way. This is expected to further strengthen its offerings in India and make it more accessible for customers, both online and offline. Targeting huge malls and making travel more reachable is the next step. However, the company is not keen on taking the franchise route to garner more market share as it may dilute the brand. MMYT is planning to create a new website which, will not merely be a cosmetic one, but will offer an enhanced user interface. New elements will include dynamic packaging, wherein clients booking flights to destinations are also prompted with hotel, car rental and holiday package options, allowing them to plan their travel and manage costs. The website will also bring several thousand standalone hotels across various segments online with an extranet solution that allows them to control their inventory and pricing to be able to enhance their yields. Makemytrip.com is doing all that it can and more to maintain its first mover advantage in the OTA space.

MMYT launched a booking engine on website that allows customers to search and book some of domestic holiday packages online and also a new “Flight plus Hotel” tab to describe the potential cost savings from booking bundled packages compared to booking flights and hotels separately. Furthermore, it recently launched Blackberry application, which allows customers to book domestic flights in India and automatically synchronizes the flight details with the calendar on their Blackberry.

As reported by The Economic Times on February 6, 2011, the Indian middle class is expected to grow over three times from 160 million people currently to 547 million people by 2026. In order to meet the requirements of this growing Indian middle class travel market where Internet penetration is relatively low, other technology-enhanced distribution channels are utilized such as call centers, travel stores, as well as travel agents’ network in India.

In February 2011, MMYT entered into a share purchase agreement to acquire, in trenches, all the fully-diluted share capital of Luxury Tours & Travel Pte Ltd, a Singapore-based travel agency, engaged in the business of providing hotel reservations, excursion tours and other related services to inbound and outbound travelers in Singapore and the rest of Southeast Asia.

**Products and Services offered**

Customers have access to all major domestic full-service and low-cost airlines operating in India and all major airlines operating to and from India, over 4,000 hotels in India and a wide selection of hotels outside India, Indian Railways and several major Indian bus operators. On the other hand, provides a cost-effective distribution channel for suppliers, providing reach to a large and expanding customer base in India as well as non-resident Indians.
Travelers are provided with tools and information they need to efficiently research, plan, book and purchase travel services and products in India and overseas including air tickets, hotels, packages, rail tickets, bus tickets, car hire and ancillary travel requirements such as visa processing and facilitating access to travel insurance. Key customers include leisure travelers and small businesses.

Air Tickets: Air tickets business is primarily targeted at domestic travel within India and international travel originating in India; and inbound travel to India from the United States and other countries. Inventory is obtained from domestic and national airlines through a GDS (global distribution system). Customers may search and book their flights on US sub-domain website, us.makemytrip.com, which is linked to primary website, www.makemytrip.com, and may also call toll-free US hotline. In December 2009, a website in the United Arab Emirates was launched, www.makemytrip.ae. In July 2010 Canadian website, www.makemytrip.ca was launched.

Hotels and Packages: Through MMYT websites, customers can search, compare and make reservations at more than 4,000 hotels in India and a wide selection of hotels outside India. Room inventory is procured from hotel suppliers through three methods: “direct connects,” “direct allocation” and “on request.” “City Map View” tab also offer customers the ability to compare hotel locations on an interactive neighborhood map. Customers can also preview the property by viewing hotel pictures and read hotel reviews from other MMYT customers on website and on travel community website, www.oktatabyebye.com. MMYT recently launched a booking engine on that allows customers to search and book some of the domestic holiday packages online. “Flight plus Hotel” tab describe the potential cost savings from booking bundled packages compared to booking flights and hotels separately.

Meetings, Incentives, Conferences, Exhibitions and Events: MMYT’s MICE group offers services to organizations as well as other groups, including students or families who wish to plan meetings, conferences or other events or organize group trips, including planning and booking travel arrangements, documentation, accompanying the group and other personal travel needs.

Rail Tickets: MMYT introduced the sale of railway tickets in India in 2009 after entering into an agreement with IRCTC, which granted “direct-connect” access to Indian Railways’ passenger reservation system online and enabled customers to reserve and purchase Indian Railways tickets on a real time basis.

Bus Tickets: MMYT has agreements with several major Indian bus operators, as well as with aggregators and other intermediaries. With the acquisition of certain assets of Travis Internet Private Limited (which operated www.ticketvala.com) in March 2010, access to a technology platform offering real time bus booking services, quotations and cost comparison, allowing last minute bookings as well, which have integrated with MMYT booking systems.
Car Hire: Introduced car rental services on Indian website in May 2010, customers may rent a chauffeur driven car within India provided by two operators mainly in major metropolitan cities through MMYT call centers and travel stores. Typically, this service is requested in conjunction with a flight and hotel booking or a package booking.

Travel Insurance: Customers have a option to purchase travel insurance from Apollo Munich Health Insurance Company Limited, with whom MMYT has entered into a memorandum of understanding in April 2008, through MMYT Indian website, as well as via call centers and travel stores.

**Operations and Distribution Channels**

**Internet Websites**: Over 95.0% of MMYT sales of air tickets for travel in India and the majority of sales of air tickets for outbound travel from India were made through website.

- www.makemytrip.com: Indian domestic and outbound market
- us.makemytrip.com: United States-India inbound market
- www.makemytrip.ae: United Arab Emirates and neighboring Middle East countries
- www.makemytrip.ca: Canadian region
- www.ticketvala.com: Travis Internet Private Limited (an online bus ticket company in India)

**Call Centers**: Handle sales and post-sales customer service support for our international hotels and packages business as well as domestic Indian packages with more complicated itineraries on 24x7 basis. To achieve cost efficiency and scalability, various third party vendors in India manage call center service as IBM Daksh, iEnergizer IT Services, Intelenet Global Services and Motif India Infotech in India. Call centers are equipped with enterprise resource planning (ERP) application and linked to CRM system, allowing sales representatives and agents to make bookings and create packages, as well as attend to customer requests.

**Travel Stores**: Travel stores in 19 cities including metropolitan areas across India, primarily sell packages, represent a direct interface between our customers and the company. Travel stores are also equipped with ERP application and linked to CRM system.

**Travel Agents’ Network**: Approximately 8,500 travel agents across more than 650 cities and towns in India can access B2B website enabling them to sell full suite of online travel products to their customers. These travel agents earn commissions depending on the volume and type of travel services and products sold. Furthermore, travel agents’
network allows expanding footprint in India and distribution network in a cost-effective manner.

*Mobile*: In 2008 “makemytrip.mobile,” a mobile service platform was launched allowing customers to search, book and pay for Indian domestic air tickets, view their booking details, cancel bookings, request e-tickets and track refund status on their mobile devices at no additional cost.

*Security*: Protecting the security of customers’ information is of utmost importance at MMYT. Information security team is responsible for implementing and maintaining controls to prevent unauthorized users to access the systems. These controls include the implementation of information security policies and procedures, security monitoring software, encryption policies, access policies, password policies, physical access limitations, and detection and monitoring of fraud from internal staff. It is the only travel portal in India which is compliant with the Payment Card Industry Data Security Standard (a set of requirements for enhancing payment account security developed by the Payment Card Industry Security Standards Council, which include key credit card and financial services companies).

**Marketing and Brand Awareness**

*Online Advertising*: Marketing channels primarily include online advertising such as paid search engine marketing and optimization with leading Internet search engines (such as Google), as well as utilizing display advertising on websites (such as Yahoo!).

*Offline advertising*: MMYT use print or broadcast media such as television or radio, e-mails and short messages, and marketing through call centers and travel stores. Also through innovative digital marketing tools such as viral marketing and online display banners and also have a strong presence in social media, such as Facebook and Twitter.

Marketing programs and initiatives also include targeted campaigns, promotional or seasonal offers, as well as partnerships with international tourism boards.

*Alliances and arrangements*: Alliances and arrangements with several major banks in India, including Kotak Mahindra Bank, HDFC Bank and HSBC, as well as with American Express, with whom promotional offers and vouchers are offered provide a large customer base where targeted marketing for customer acquisition can be made at relatively low costs.

*Awards and recognition*: The company has won many industry awards, including Best Online Travel Portal of the Year by Class of Travel & Tourism Awards in 2010, Best Travel Portal by CNBC Awaaz 2009 and Best Online Travel Agent for Excellence in the Indian Travel Market by TravelBiz Monitor 2009, the first and only online travel agency brand to be selected as a Superbrand in India for 2009-2010, as well as numerous awards from trade partners. Furthermore, MM YT India was ranked second overall and first in the professional services industry in a ranking of “India’s Best Companies to Work For” 2010 and third overall for the year 2011 by the Great Place to Work Institute,
an independent global research and consulting firm, and The Economic Times, a daily business newspaper in India.

**Strengths**

- The Largest Online Travel Company in India with a Well-Recognized Brand.
- Comprehensive Selection of Service and Product Offerings.
- Broad Distribution Network.
- Advanced, Secure and Scalable Technology Platform.
- Customer-Focused Approach.
- Experienced Management Team.

**Strategy**

- Expand Hotels and Packages Business.
- Expand Service and Product Portfolio to Enhance Cross-Selling Opportunities
- Expand Travel Agents’ Network.
- Enhance Service Platforms by Investing in Technology.
- Expand into New Geographic Markets.
- Pursue Selective Strategic Partnerships and Acquisitions

**Conclusion**

Online Travel Agency market has grown steadily year on year, evolving into an absolute travel channel that is no more considered as subsidiary player. Having set a precedent for others to follow, the journey has been great for them. Today Makemytrip.com, Yatra.com, Travelguru.com and others have evolved into a brand, which is known and recognized by their name and services across India. The industry is keen to keep up this tempo, and is now gearing up itself for the challenges that lie ahead.

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TRENDS AND PATTERNS OF PRIVATE SAVING IN INDIA (1970-71 TO 2009-10)

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ABSTRACT

Different Saving Functions are determined which would possibly explain the long term saving behaviour and saving Potentials of the Private sector. An Autoregressive Model is also used to find out the short run and long run impact. Results show that the household sector has been the main contributor to the total private sector saving. The private corporate sector saving has shown little improvement since the period of economic liberalisation. MPS has shown improvement in the post economic reforms period over pre economic reforms period. Long run MPS is found to be higher than the short run. APS in the post economic reforms period is higher than pre economic reforms period. The income elasticity of saving has dipped a little in the post economic reforms period.

Key Words: Private Saving, Autoregressive Model, Marginal Propensity to Save, Average Propensity to Save.

Introduction

Saving rate is a crucial factor to obtain the higher growth rate which is theoretically proved in growth models like Solow and other models. Saving rates and long term growth move together suggesting a Cycle in which high rates of savings leads to high growth, countries with low savings may be caught in a poverty trap. In these countries, a low rate of saving leads to stagnation, which further reduces rate of saving pushing the country to poverty.

In India, Saving and Investment estimates are a part of the key macroeconomic indicators used in the analysis of economic performance of the country. This is the reason; Government of India from time to time has appointed several working groups to suggest suitable methodology for measurement of saving and capital formation variables in India. Two such working groups were appointed under the chairmanship of KN Raj (1982) and Raja J. Chelliah (1996). A high powered committee has been constituted under the chairmanship of Mr. C. Rangarajan, the former Governor of RBI, to review the available estimates of domestic savings and investments in the economy. It is obviously understood how important the saving and investment variables are for any economy.
In the National Accounts Statistics, Sources and Methods 2007, saving is defined as, “The difference between the current receipts and the current disbursements; the balancing item on the income and outlay account; and the balancing item of ‘Use of disposable income account’ in 1993 SNA.” (National Accounts Statistics, Sources and Methods 2007, CSO, p.325)

Saving and investment are among the important macroeconomic variables of real sector in India like any other country. Domestic saving facilitates more domestic investment. The Solow model suggests that saving contributes importantly to the economic growth and therefore advocates more attention to promoting saving.

Saving comprises mainly of three components, viz., household saving, private corporate saving and public saving. Among these the first two components, household saving and private corporate saving form total private saving. This study is confined mainly to the time period of 1970-1 to 2009-10. The justification behind choosing time period from 1970-1 is that this is the time when rapid nationalisation of private banks took place in India and it was a turning point in the history of Indian Economy.

Objectives of the Paper

The present paper is a modest attempt to study the behaviour of private saving variable in India. The main objectives of this study are –

- Review of existing literature on studies about behaviour of saving variable.
- To study trends and patterns of private saving from 1970-1 to 2009-10.
- To determine different saving functions.

Review of Literature in Brief

A number of studies have been conducted on saving behaviour in India. Saving variable has attracted the attention of the economist’s right since independence. There are a number of studies on saving behaviour in India. Important cross section studies among them are Ramanathan (1968 and 1969), Bhalla (1978, 1979 and 1980) and National Council of Applied Economic Research (NCAER) studies (1985 and 1986). These studies reveal weak version of permanent income hypothesis. Other important studies by Krishnamurty and Saibaba (1981, 1982 and 1984) and Krishnamurty, Krishnaswamy and Sharma (1987) use rate of growth of income to explain saving rate mainly for the household sector.

Uma Datta Roychoudhary analyses household saving behaviour using time series data since 1970-1. Her conclusions are that long run MPS has a higher value than the simple MPS or APS and also that the ‘transitory’ income has very little influence on household savings. Ghosh attempted to investigate the causes for shift in household savings from savings in physical assets to savings in the financial assets since 1970-1. These various studies are mainly centered on the household sector saving. There is a lack of studies on total private saving behaviour.
Sources of Data

Data for the present study have been compiled from Economic Survey, Government of India, various issues, National Accounts Statistics Back Series 1950-1 to 1999-00 and National Accounts Statistics, CSO, various issues. Wherever required, data have been calculated to bring data in its desired form so as to enable the analysis. Here, time series data have been calculated for every five years by simple average method to construct five years data series. Data have been used at the current market prices because till now the data on saving at constant prices have not been prepared by CSO due to certain difficulties encountered in deflating saving data for price change. It is mentioned in National Accounts Statistics, Sources and Methods 2007, “The estimates of domestic saving are presently prepared only at current prices. The estimates at constant prices have not been attempted so far as the suitable procedure of estimation is yet to be evolved.” (National Accounts Statistics, Sources and Methods 2007, CSO, p.194)

Methodology Adopted

Trends and patterns have been analysed using tables and graphs. To analyse the private saving function, regression analysis is done considering private saving as the dependent variable and private income as the independent variable. The present study has been undertaken for the time period from 1970-1 to 2009-10. The saving function has been analysed for the whole period as well as the two sub periods, viz. pre economic reforms period and post economic reforms period. The justification behind dividing total period into two sub periods is that the Indian Economy’s modus operandi underwent a huge change since 1991-2 and therefore it draws our attention to analyse the saving function for the time prior to economic reforms and after initiation of economic reforms.

Trends and Patterns of Private Saving

A close look at the table 1 and 2 suggests that household sector contributes a major part of total private saving. From 1970-71 till 1990 the percentage share of household sector has remained around 85 to 90 per cent and that of private corporate sector around 10 to 15 per cent. But it is observed that since 1990, the percentage share of private corporate saving in total private sector saving has increased. This share was to the tune of 19.3 per cent of total private saving on an average basis during the period 1995-2000 which, of course, dipped down to 16.5 per cent during the period 2000-05. But in 2005-2010 it has increased to 24.9 per cent.
Table 1: Component of Total Private Saving

<table>
<thead>
<tr>
<th>Years (Average)</th>
<th>Household Sector Saving</th>
<th>Private Corporate Sector Saving</th>
<th>Total Private Saving</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-75</td>
<td>5961.8</td>
<td>959</td>
<td>6920.8</td>
</tr>
<tr>
<td>1975-80</td>
<td>13226.6</td>
<td>1545.4</td>
<td>14772</td>
</tr>
<tr>
<td>1980-85</td>
<td>23684.8</td>
<td>3034.6</td>
<td>26719.4</td>
</tr>
<tr>
<td>1985-90</td>
<td>56834.8</td>
<td>7405</td>
<td>64239.8</td>
</tr>
<tr>
<td>1990-95</td>
<td>133984.6</td>
<td>24112.4</td>
<td>158097</td>
</tr>
<tr>
<td>1995-2000</td>
<td>286914.4</td>
<td>68644.2</td>
<td>355558.6</td>
</tr>
<tr>
<td>2000-05</td>
<td>584807.6</td>
<td>115966.6</td>
<td>700774.2</td>
</tr>
<tr>
<td>2005-2010</td>
<td>1170148</td>
<td>410825.4</td>
<td>1580973.4</td>
</tr>
</tbody>
</table>

Source; Economic Survey 2011

Graph 1 Components of Total Private Saving
Table 2. Percentage Share of Household and Private Corporate Sector in Total Private Saving

<table>
<thead>
<tr>
<th>Years</th>
<th>Household Sector Saving Percentage share</th>
<th>Private Corporate Sector Saving Percentage Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-75</td>
<td>86.1</td>
<td>13.9</td>
</tr>
<tr>
<td>1975-80</td>
<td>89.5</td>
<td>10.5</td>
</tr>
<tr>
<td>1980-85</td>
<td>88.6</td>
<td>11.4</td>
</tr>
<tr>
<td>1985-90</td>
<td>88.5</td>
<td>11.5</td>
</tr>
<tr>
<td>1990-95</td>
<td>84.8</td>
<td>15.2</td>
</tr>
<tr>
<td>1995-00</td>
<td>80.7</td>
<td>19.3</td>
</tr>
<tr>
<td>2000-05</td>
<td>83.5</td>
<td>16.5</td>
</tr>
<tr>
<td>2005-10</td>
<td>74.1</td>
<td>24.9</td>
</tr>
</tbody>
</table>

Source – Calculated from Table 1 of this paper

Graph 2 Percentage share of House Hold Sector and Corporate Sector

The data of tables 1 and 2 have been plotted on graphs 1 and 2 respectively so as to clearly perceive the trends and patterns of private saving in India. It is seen from graph 1 that the household curve line is travelling just below total private saving curve line.
At the same time, the private corporate saving curve line is far below the household sector saving curve line and the total private sector saving curve line. However, the private corporate sector saving curve line has shown little improvement since the initiation of economic reforms in 1990s. Similar results are perceived from graph 2 wherein percentage share of private corporate sector has shown upward trend. In other words, we can say that the percentage share of household sector has gone down since the period of initiation of economic reforms.

**Saving Functions**

In this paper satisfactory saving functions are determined which would possibly explain the long term saving behaviour. The relationship can be either a simple direct form where both variables change proportionately or of a slightly more complicated nature where saving rise at faster rate than income when income increase. Thus, a logarithmic linear relation may also be meaningful in this context.

Different equations have been estimated -

i. \( S_t = a + b \times Y_t \) where \( S_t \) and \( Y_t \) are private savings and private income respectively at time \( t \).

ii. \( \log S_t = a + b \times \log Y_t \) Both the variables are in logarithm form.

iii. \( S_t = a + b \times Y_t + \alpha S_{t-1} \), this is an autoregressive model. The coefficient \( b \) gives the short run impact and \( \frac{b}{1 - \alpha} \) gives the long run impact.

The 1st and 2nd equation had been also determined for two sub periods. One sub period is from 1970-1 to 1990-1, i.e., pre economic reforms period and another sub period is from 1991-2 to 2009-10, i.e., post economic reform period. This is done to examine whether economic reforms in the country has in any way influenced the result of saving function.

**The Empirical Results** - The results are as shown in tables 3, 4 and 5 below-

Table 3. Private Saving as a function of Private Income (At Current Prices)

For the whole period of study 1970-1 to 2009-10

1. \( \text{SP}_t = -24200.3 + .296 \times Y_t \) \( R^2 = 0.989 \)
   
   \( (-4.57) \quad (54.280) \)

2. \( \log \text{SP}_t = -4.145 + 1.99 \log Y_t \) \( R^2 = 0.997 \)
   
   \( (-30.070) \quad (110.620) \)
For the 1st sub period 1970-1 to 1990-1

3. \[ SP_t = -6346.67 + 0.222 Y_t \quad R^2 = 0.975 \]
   \[ (3.983) \quad (26.344) \]

4. \[ \log SP_t = -4.043 + 1.190 \log Y_t \quad R^2 = 0.987 \]
   \[ (11.417) \quad (39.437) \]

For the 2nd sub period 1991-2 to 2009-10

5. \[ SP_t = -7286.3 + 0.326 Y_t \quad R^2 = 0.986 \]
   \[ (-4.368) \quad (29.143) \]

6. \[ \log SP_t = -3.814 + 1.176 \log Y_t \quad R^2 = 0.996 \]
   \[ (-8.646) \quad (37.320) \]

Figures in the parentheses indicate ‘t’ values.

Table 4. Results of Auto Regressive Model

7. \[ SP_t = -5053.514 + 0.0072 Y_t + 0.869 SP_{t-1} \quad R^2 = 0.996 \]
   \[ (-1.214) \quad (2.466) \quad (7.656) \quad D.W = 1.711 \]

Table 5. APS, MPS and Income Elasticity of Saving for the Whole Period and the Two Sub Periods

<table>
<thead>
<tr>
<th>Period Covered</th>
<th>MPS</th>
<th>APS</th>
<th>Income Elasticity of Saving</th>
<th>Short Run MPS</th>
<th>Long Run MPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-1 to 2009-10</td>
<td>0.296</td>
<td>0.267</td>
<td>1.199</td>
<td>0.0072</td>
<td>0.0549</td>
</tr>
<tr>
<td>1970-1 to 1990-91</td>
<td>0.222</td>
<td>0.189</td>
<td>1.19</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>1991-2 to 2009-10</td>
<td>0.326</td>
<td>0.28</td>
<td>1.176</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

All the functions indicate good fit in view of the values of ‘t’ statistic. Comparing the two periods, the value of Marginal Propensity to Save (MPS) has increased in post economic reforms period. Though, the income elasticity of saving has declined in post economic reforms period. The long run MPS has a higher value than short run. Average Propensity to Save (APS) has shown improvement in the post economic reforms period over the pre economic reforms period wherein it has increased from
0.189 in the former period to 0.280 in the latter period. The APS for the whole period under study is to the tune of 0.267.

**Conclusions of the Study**

It is observed that the household sector has been the main contributor to the total private sector saving. The private corporate sector saving has shown little improvement since the period of economic liberalisation. At the same time the household sector saving has dipped a little. MPS has shown improvement in the post economic reforms period over pre economic reforms period. Long run MPS is found to be higher than the short run. APS in the post economic reforms period is higher than pre economic reforms period. The income elasticity of saving has dipped a little in the post economic reforms period.

It is perceived from the data analysis that contribution of household sector has shown tremendous contribution to the total private saving but since its share in the total private saving has dipped a little since the economic reforms period, it is suggested that there is a scope to improve the household sector saving and it is required to boost the household sector saving which can prove a good addition to the productive resources of our country.

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PERSPECTIVE OF WORK LIFE BALANCE

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Abstract
Work life balance has been a much discussed topic of wide interest among academicians, corporatists and researchers. But much of the general analysis about the causes and consequences of work-life imbalance is speculative and based on limited convincing evidence. The aim of this paper is to know about the perspective of work-life balance, in order to learn why it is of contemporary interest, also to identify some of the conceptual issues. The first part of the paper focuses on concept and traditional view on WLB. The second and third part discusses the determinants and consequences respectively.

Keywords: Work Life Balance

Introduction
Work-life balance has always been a concern of those interested in the quality of working life and its relation to broader quality of life. In the early days of the industrial revolution in Europe (and today in some parts of the developing world) a primary concern was with the impact of child labor. In times of recession and again today in parts of Europe, the concern is with lack of employment and its consequences, graphically illustrated in the early work by Jahoda (1992) at Marienthal and studied in many contexts up to the present day. Yet work-life balance has come to the fore in contemporary debates largely because in affluent societies the excessive demands of work are perceived to present a distinctive issue that needs to be addressed.

It is only some twenty-five years ago that pundits were warning that advances in technology would lead to the threat of mass unemployment - or the promise of a life of increased leisure for most in western (post-) industrial society. So what has changed? It is possible to identify a set of factors that have brought the issue of work-life balance to the forefront of policy debates. These are familiar but are briefly summarized, since an assessment of their significance will have a bearing on the questions that are worth researching and on judgments about the policy agendas that require attention. Three broad sets of overlapping influences can be identified, those concerned with developments at work that might be seen as causing the problem of work-life imbalance, those relating to life outside work that might be viewed as consequences of work-life imbalance and those concerning individuals and their lives that give rise to the need to address the challenge of work-life balance as a contemporary policy issue.

The pressures of work, for those in work, have been intensifying in recent decades. Factors such as the advances in information technology and information load, the need
for speed of response, the importance attached to quality of customer service and its implications for constant availability and the pace of change with its resultant upheavals and adjustments all demand our time and can be sources of pressure. The evidence from the UK, which has the longest working hours in Europe, shows while the average number of hours worked has been steady for the past twenty years, the proportion working more than 48 hours has increased in the past decade. Also, people report an increase in the intensity of work. At the other extreme West (but not East) Germany reported almost no increase in the intensity of work. Intensity was measured through subjective responses to questions about the proportion of time spent working at very high speeds and to tight deadlines. As a result, so the argument goes, the demands of work begin to dominate life and a sense of work-life imbalance ensues.

In the community, there is growing concern that the quality of home and community life is deteriorating. There are various explanations for this associated with affluence, the growth of single parent families, the privatization of family life and the lack of local resources and facilities. In Western industrial society we live in an unparalleled era in that a higher proportion of women from all social classes are engaged in paid employment than ever before. In addition, the pressures and demands of work reflected both in longer hours, more exhaustion and the growth of evening and weekend work leave less scope for “quality” family time. The consequences include increases in juvenile crime, more drug abuse, a reduction in care of the community and in community participation and less willingness to take responsibility for care of elderly relatives and for the disadvantaged. While steps to redress these concerns transcend work and employment, it is nevertheless argued that the demands of work contribute to a reduced participation in non-work activities resulting in an imbalance.

The third area concerns the attitudes and values of people in work. The issue of work-life balance has been stimulated by writers advocating the arrival of Generation X (Tulgan, 1996), a cohort of workers who give greater priority to seeking a balance between work and the rest of life. More generally, there is a view, widely promoted by some management writers but not strongly supported by sound empirical evidence, that workers are less willing to display unlimited commitment to the organization. One reason offered for this is the changing nature of the psychological contract at work; turbulence in organizations has made it less feasible to offer secure progressive careers and therefore to justify why workers should be committed. The conflict between the demands of work and the decline of work as a central life interest results in an imbalance between work and the rest of life.

Much of the general analysis about the causes and consequences of work-life imbalance is speculative and based on limited convincing evidence. We need to learn more in particular about the consequences of imbalance on family and community and on changing values among younger workers. It is also notable that debates about work-life balance often occur without any clear and consistent definition of what we mean by work-life balance, a point we return to below.
Traditional Perspectives on Work-Life Balance

Zedeck and Mosier (1990) and more recently O'Driscoll (1996) note that there are typically five main models used to explain the relationship between work and life outside work. The segmentation model hypothesizes that work and non-work are two distinct domains of life that are lived quite separately and have no influence on each other. This appears to be offered as a theoretical possibility rather than a model with empirical support. In contrast, aspillover model hypothesizes that one world can influence the other in either a positive or negative way. There is, of course, ample research to support this but as a proposition it is specified in such a general way as to have little value. We therefore need more detailed propositions about the nature, causes and consequences of spillover. The third model is a compensation model which proposes that what may be lacking in one sphere, in terms of demands or satisfactions can be made up in the other. For example work may be routine and undemanding but this is compensated for by a major role in local community activities outside work. A fourth model is an instrumental model whereby activities in one sphere facilitate success in the other. The traditional example is the instrumental worker who will seek to maximize earnings, even at the price of undertaking a routine job and working long hours, to allow the purchase of a home or a car for a young family. The final model is a conflict model which proposes that with high levels of demand in all spheres of life, some difficult choices have to be made and some conflicts and possibly some significant overload on an individual occur.

Recently interest has been focused in particular on the conflict model, especially in dual career families, although research on the spillover and compensation models continues to be widely reported. What these types of model cannot so easily address is what constitutes a balance between work and the rest of life. We shall return to explore the nature of “balance” in more detail. At this stage we will just note that it may be helpful to distinguish between objective and subjective indicators, to recognize that any objective indicators, such as working hours are themselves reflections of subjective social values and to note that any use of subjective indicators may benefit from some kind of stakeholder analysis. In other words what may seem like balance to one individual may not do so to his or her partner or boss.

The five models listed above are essentially descriptive models. To be of value they need to incorporate an analysis of their causes and consequences. Research will also benefit from a richer array of frameworks for the analysis of the boundary between work and the rest of life. One recent approach that might help to illuminate this is what has been termed border theory (Clark, 2000). It argues that people are daily border-crossers as they move between home and work. This opens up a rich vein of analysis of the nature of borders, their permeability, the ease with which they can be managed or moved and so on. Interesting questions are raised about the existence of borders for those who work from home, either in the traditional sense of farmers and those with family hotels and restaurants or in the more contemporary sense of those who use new technology to work from home rather than the traditional office. For example, are
borders desirable and if so under what circumstances? There are also potentially interesting parallels with the notion of the boundary less career (Arthur and Rousseau, 1996) and the European Union Futures Project notion of a mosaic society in which the boundaries between work and leisure become increasingly blurred. In terms of any analysis of work-life balance, the analysis of borders can help to illuminate how far individuals are in control of issues determining balance. It also allows for analysis of physical and psychological controls. While a heavy emphasis in the recent literature suggests that technology and competition have resulted in more intensive and extensive work, any analysis needs to accommodate human agency. Border theory begins to permit this. In other words, it opens up scope for the social construction or cognitive distortion of boundaries to create a defensible subjective sense of balance.

Models of work-life balance can also be enriched by the psychology of individual differences. For example, psychological theory concerned with aspects of personality can enhance our understanding of perceptions of balance. For example, there has been some research on "workaholics" who are characterized as those who choose to work long hours even when they may not need to do so. Furthermore, they tend to do so at the expense of other activities. In a review of some of the literature on workaholics, Peiperl and Jones (2000) note how it was initially viewed as a disease akin to alcoholism (Baylin, 1977) but that research by Machlowitz (1981) suggested that it was more properly viewed as a form of extreme work involvement. More recently, Scott, Moore and Miceli (1997) have linked it to three relatively stable personality types, the achievement-oriented, the perfectionist and the compulsive-dependent. Peiperl and Jones distinguish workaholics, who choose to work long hours and perceive some rewards from doing so, from over workers who may also work long hours but who have little choice in the matter and who do not believe that the returns they receive justify the long hours. This stream of research needs considerable development but it highlights the importance of taking into account individual differences in any attempt to establish what we mean by balance.

What Is Work-Life Balance?

Work-life balance is a form of metaphor; but a metaphor of what? In the English language "balance" is a complex word with a variety of meanings. As a noun, a balance is a set of scales, a weighing apparatus; it is also the regulating gear in clocks. If we use the scales, then balance occurs when there is "an equal distribution of weight or amount" (OED); but this presents problems for work-life balance since both sides may be very heavy or very light. Furthermore, the type of work-life balance sought by many may not imply equal weight on both sides. However balance also has a physical and psychological meaning as "stability of body or mind" so that suicide is sometimes officially recorded as taking one’s life “while the balance of the mind was disturbed”. However this version of the metaphor, whether it applies to body or mind is somewhat more appropriate since it implies both the possibility of external verification and
human agency. Put another way we can observe when someone has lost their balance; and we know that in given circumstances some people have better balance than others and may perceive that they have better balance. This gives rise to the need to recognize that balance can have both an objective and subjective meaning and measurement, that it will vary according to circumstances and that it will also vary across individuals.

In the English language, balance is also a verb; as the Oxford English Dictionary puts it “to off-set or compare; to equal or neutralize, to bring or come into equilibrium”. The use of the verb implies human agency; we can take steps to manage balance. In all this there is an implicit normative assumption that balance is good. We therefore refer to the balance of power and the notion of a balance sheet. On the other hand, a positive balance of trade or balance of payments, in other words an imbalance, can be something that may be valued. If we apply this to work-life balance, then when might some form of imbalance be viewed as positive; or is the idea of a positive imbalance a contradiction in terms? This brief analysis of the meaning of balance is sufficient to highlight the dangers in the loose use of metaphor.

The problems in analyzing work-life balance only begin with the concept of balance. We also need to consider work and life. Work can be initially defined as paid employment. But this soon breaks down when we begin to take into account extra unpaid hours, the time taken to travel to and from work and the more intractable problems of farmers, hoteliers and others who work from home and where the border between home and work is very porous. Part of the interest in the subject arises from the view that the scope for increased work from home, facilitated by new technology, has helped to blur the border between home and work. At the very least, the definition of work in the analysis of work-life balance is problematic.

The same can be said for life or non-work. The term work-life balance is in itself a misnomer and serves simply as a convenient short-hand for work and the rest of life. If we look at the sphere outside work, then W/O psychologists need to recognize the complexities that cloud the analysis. Much of the research, some of which is illustrated later in this paper, has been concerned with the spillover of work into family life. However family life is only one aspect of life outside work. Leisure analysts draw a distinction between free time and leisure time. Others have explored committed time and free time. W/O psychologists and others have examined the amount of time outside and away from formal work that is spent on work-related activities. In other words, there are many ways in which we can study and conceptualize life outside work and many studies of work-life balance are conveniently and partly inevitably imprecise in specifying what they mean. (In defense of this, it might be argued that in many studies the focus is on the subjective experience of imbalance and on subjective attributions of causes and therefore imposing a definition would be unhelpfully restrictive).

In much of the debate about work-life balance, there is a loose use of language. Ideally, we should define work and life carefully. On the other hand, it is partly the blurring of the distinctions and the borders between them that has stimulated interest in the topic.
In simple terms, “work” is normally conceived of in this context as including paid employment while “life” includes activities outside work. An important part of the policy debate has concerned the importance of family-friendly policies while leaving unclearly specified what is meant by the family. Indeed, Rothausen (1999) has presented a detailed analysis of how the concept of “family” has been operationalised by W/O psychologists and other work-focused researchers and offers five different models. In the absence of an agreed definition she suggests that a “realistic definition of family would include all others who meet certain needs or functions formerly thought to be met by the family; this is a functional, or effective, rather than a ‘traditional’ or legal definition of family” (1999, p.820).

Life outside work also includes free time. This is normally conceived as time when there are no commitments determined by others. It can be distinguished from leisure, which is normally considered to be the pursuit of specific activity. There is an extensive literature on the nature and consequences of leisure activity and the implications for mental health and well-being of filling free time with leisure activities rather than passive behaviour (see, for example, Haworth, 1997). Many of these points will be familiar to those who have worked in this field, but they highlight the importance of careful conceptualization of terms that fall outside the conventional domain of W/O psychology.

Utopian writers and commentators have sought to address the complexity of definition and boundary by setting out what they believe to be an appropriate balance. These utopias can serve as both theoretical propositions, templates and sometimes as indicators of a distinctive type of normative value system in society. Well-known examples are provided by Marx, Freud and Huxley. More recently observers of contemporary society such as Handy (1994) and Pahl (1995) in the UK and American sociologist Wuthnow (1996) have argued that societal cohesion depends on the re-discovery of a more appropriate balance between the competing demands that individuals face. By implication, all believe that work has become too dominant.

In the face of these challenges, we need to find ways of operationalising and measuring work-life balance. An initial definition might take the form of “sufficient time to meet commitments at both home and work”. This seeks to integrate objective and subjective definitions but cannot easily accommodate those who are under-utilized at both home and work. We may therefore seek to separate the subjective and objective definitions thereby raising the empirical question of how they are related. A subjective definition then simply becomes “a perceived balance between work and the rest of life”. This subjective balance can come in a variety of guises. For some the preference may be to spend long hours at work, perhaps because of career stage, perhaps because of a limited life outside work. For others, the opposite may apply and balance is perceived to exist where some work takes place but it is subordinated to the demands of home. Imbalance can also occur because of an absence of work. Subjective perceptions of balance are central to any analysis of this issue. However evidence about the
consequences of certain patterns of behavior, such as very long hours at work, have led to legislative and social attempts to define balance more objectively. These definitions risk conflating outcomes of balance with the measure of balance; for example, Clark (2000) defines balance as “satisfaction and good functioning at work and at home with a minimum of role conflict”. In practice therefore, definitions have focused on time and role enactment. European legislation defines 48 working hours a week as an appropriate maximum and reviews of the literature on working hours and health (Sparks, Cooper, Fried and Shirom, 1997) provide some indication that when people work much beyond these hours, their health and performance begins to deteriorate. The “objective” definition implied by this is that those who regularly work more than 48 hours a week will have an imbalance between work and rest of life. Various time studies have explored the amount of “uncommitted” time after work and family obligations have been dealt with. Another popular approach is to explore the roles of partners at work and more particularly at home to determine whether the “new man” is contributing to a range of household chores (all the evidence suggests not) or whether women still come home to what Hochschild (Hochschild and Machung, 1989) has termed “the second shift”. Not surprisingly, much of the work by W/O psychologists and others combines subjective and objective measures of balance. Discussion of this topic needs to give some attention to ways of defining and operationalising balance. Does it make sense to adopt “objective” indicators? It might be useful to consider whether in practice it is easier to define balance by its absence. In other words, people are more likely to be subjectively aware of their state when there is imbalance.

Work-Life Balance/Imbalance

In the field of organization and work psychology, research agendas tend to be influenced by societal and organizational perceptions of pressing issues. At present, the growth of interest in work-life balance reflects a perception that this is an issue that merits investigation. In making this assertion, a stakeholder analysis is important. It is possible that those in work do not perceive a problem but that school teachers, aware that children are not being encouraged by busy parents to complete homework, do believe that the problem exists. So too may welfare workers, aware of the growth of alcohol and drug abuse as a way of coping with the pressures of demands at home and at work. It is with these important provisos that we can begin to explore some of the empirical evidence. The review that follows is inevitably selective and illustrative. It provides some indication of recent work in this field including some largely descriptive material from the UK to provide a flavour of the nature and extent of concerns in the European country with the longest hours of work in Europe.

The model in Figure 1 suggests that we should consider both subjective and objective indicators. At the same time, it is reasonable to believe that the two may be interrelated. Standard surveys can shed some light on the issue. For example the annual UK CIPD survey of the psychological contract and the state of the employment
relationship, which questions a random sample of 1000 people in the working population (Guest and Conway, 1998, 2000) asked in both 1998 and 2000 whether people felt they had the right balance between work and life outside work. The responses in the two years show that 73 and 74 per cent respectively said they had the right balance. In other words, “only” about a quarter of those in work say they have the wrong balance. The survey excludes the unemployed and the self-employed, so the level of imbalance in the population as a whole may be somewhat greater. As a check, it was established that among those who reported the wrong balance, nine out of ten said that it was work that dominated. As expected, there was a strong correlation between working longer hours and a reported imbalance between work and the rest of life.

Probing in more detail, 13 per cent said that the demands of work prevented them from meeting important commitments at home and in other activities outside work “a great deal of the time” while 27 per cent said it happened “some of the time”. For the rest it happened “not very often” (31%) or “not at all” (30%). Finally, asked when they have to choose whether work or home wins, 43 per cent said work tends to win, 32 per cent said life outside work tends to win and the remaining 24 per cent said it was about equal. From surveys of this kind we can gauge the extent to which workers believe they have a problem of work-life balance. These survey data suggest that the problem is less severe than some of the more alarmist accounts might lead us to believe. Furthermore, the evidence suggests that the “problem” is most serious among those in well-paid management positions who might normally be expected to have high levels of control over their work, including their working hours. This raises the issue of whether they fit into the category of workaholics, a point we return to below. (It may also help to explain why the topic has become a fashionable one to write about) The surveys confirm that women and those with dependent children also report a greater problem of work-life balance.

Work-based surveys, even if, as in this case they are conducted in the home, can pick up imbalance biased towards too much work; they are much less able to pick up the bias towards home, in other words, those who would like to get out of the home but feel committed, often as a result of dependents, to spending more time in the home than they would wish. More generally, studies show a correlation but not an overwhelmingly strong correlation between working hours and perceptions of imbalance. This raises questions about how far we should take objective indicators such as hours as indicators of subjective experience and also how far we can rely on subjective accounts of balance as valid indicators of balance without some corroborating evidence from others, such as partners and work colleagues.

**Determinants of Work-Life Balance**

The model in Figure 1 points to a variety of determinants of work-life balance. An indication of the range of influences can be found in the more detailed analysis of the
CIPD surveys cited earlier. A regression analysis reveals that an imbalance was more likely to be reported, as we might expect, by those working longer hours. It was also more likely to be reported by those in managerial positions and on a higher income; by women rather than men and by those with dependent children; and by multiple job holders. On the positive side, those who reported that they worked in an organization with a friendly climate, where more human resource practices are in place and where they have more scope for direct participation and autonomy reported less imbalance. From a policy perspective, it is interesting to note that the presence of family-friendly practices was not associated with a reported work-life balance. This implies that they were either ineffectively implemented or that they may have lessened but did not eliminate the problem.

In the UK, Green (2001) among others, has shown that intensification of work has reached a point where there is very little slack in the working day. Typical examples include the jobs of those working in call centres where incoming calls are placed in a queue and where there is a pre-determined response time and pattern. The annual CIPD surveys have identified that one of the areas where workers believe the organization is least likely to keep its promises concerns the demands on their time. In the same surveys, subjective reports of effort show, typically, that about 30 per cent say “I am working as hard as I can and could not imagine being able to work any harder”. A further 45 per cent say “I am working very hard” and most of the rest say “I am working quite hard”. Invariably, less than 5 per cent will admit to “not working particularly hard”. In other words, people are feeling the pressure.

We have already noted, from the CIPD surveys, that those who report a friendly climate report a better work-life balance. Clark (2000) has dissected the concept of “family friendly” to distinguish practices associated with temporal flexibility, which give workers some control over when they work, operational flexibility, which give control through autonomy over the content of work and supportive supervision, which allows for rules to be flexible in the case of family crises, illness and so on. Her research with an American sample found that somewhat contrary to expectations operational flexibility but not temporal flexibility was associated with better reported work-life balance. Supportive supervision did not improve balance but increased organizational citizenship behaviour. These findings are in line with our UK surveys which suggest that autonomy and direct participation is important and that family-friendly practices have less impact than we might expect. In terms of border theory, the family-friendly practices do not succeed in making the boundaries more permeable.

There is something of a puzzle about why family-friendly policies and practices do not appear to improve work-life balance to the extent we might expect. Perry-Smith and Blum (2001) report a US study on “bundles” of family-friendly practices and corporate performance. They find, in line with other research on HRM, that isolated family-friendly practices will have little impact but that a comprehensive bundle of practices are associated with superior ratings of corporate performance. While their focus is on corporate performance, there may be similar implications for their impact on
employees. One interpretation of the presence of a bundle of practices is that they have become embedded in the organizational culture whereas isolated practices operate on the margin. This would reinforce the importance of considering organizational culture/climate as a key unit of analysis as much as the specific practices.

Research has concentrated on the demands of work rather than home. However in this context some of the work of Hochschild (Hochschild, 1997) is revealing in suggesting that the use of progressive human resource practices to generate commitment to work can risk making work almost too attractive. In contrast, the life of the American parent is increasingly programmed to meet a series of time-based obligations to transport children, meet specific needs and set aside “quality” time. With these demands made in the home, work, particularly where the social and physical environment is attractive and levels of autonomy and scope for development are high, can appear particularly appealing.

An ambitious study by Kossek, Colquitt and Blum (2001), building on some of Kossek’s earlier work, has examined the influence of both work and family climate on aspects of work-life balance and related outcomes. In fact it serves as a fairly comprehensive test of the model presented in Figure 1. The core focus is on what they term “caregiving” decisions, in other words, decisions about care of children and elderly family members. The key issues are where they should be cared for and by whom. It is hypothesized that work and family climates, and specifically the climates of sharing and sacrifice, will influence the consequences of the decisions for work-life balance and for work and family performance and for well-being. The results confirm that the climate of sharing in the home and at work has a positive impact on performance and well-being. Indeed caring for an elderly relative in the home where there is a climate that does not support sharing has a particularly negative association with performance at home and at work and on well-being. The climate of sacrifice has much less influence than the climate for sharing. This study therefore manages to incorporate climates at work and at home, a range of individual differences including differences in caregiving decisions, work-life balance and conflict and a set of organizational, family and individual outcomes.

Reference has already been made to some of the research on individual factors. There has been comparative work on orientations to work and the extent to which work is a central life interest. The Meaning of Work Team (1987) asked the lottery question in a number of countries – would you still work if you won enough money never to need to work again? A positive answer is taken as an indication that work is a central life interest. Responses suggested that most people would continue to work; the proportion saying they would ranged from 93 per cent in Japan to 69 per cent in the UK. When this question was repeated in the late 1990s in the UK, 61 per cent said they would continue to do some sort of work. Evidence from those who have won the lottery indicates that over half do in practice continue to work. Another way of getting at work as a central life interest is to ask a more direct question. In the UK, a recent survey of 2000 workers, mainly form the public sector, showed that 14 per cent said they were more committed
to work than to life outside work, 25 per cent were more committed to life outside work and the remainder, a little over 60 per cent said they were equally committed to both. A rather higher proportion, almost 20 per cent of those in the private sector, said they were more committed to work.

Evidence of the relation between orientations to work and career and life stage comes from a longitudinal study of graduates in large organizations (Sturges, Guest and Mackenzie Davey, 2000). This reveals that at the point of entry into their organizational career, the issue of work-life balance is seen as very important and they are eager not to get sucked in to a long hours work pattern. As their careers advance, they work longer hours and become more dissatisfied with their work-life balance. They rationalize this by arguing that it is only temporary and that once the current assignment is completed, they will get back into a better balance. In other words, the belief in their ability to control their working lives remains central to their capacity to cope with and tolerate the long hours.

Finally, in considering individual factors, we can return briefly to the concept of “workaholics”, or those with exceptionally high work involvement. Peiperl and Jones (2000) distinguish workaholics, who work long hours at high effort levels and who believe that they receive fair rewards for this from overworkers who also work long and hard but are dissatisfied with the rewards. Their sample is made up of MBA students and their concern is with returns such as salary and career progression so they may not be typical. However they claim that workaholics appear to display more of a collectivist orientation and may be part of an organizational culture that supports long hours, high effort and high reward. In other words, they move away from personality towards explanations at the level of organizational culture for their behaviour and its consequences.

In a separate study, another CIPD survey (CIPD, 1999) but this time of over 800 people working more than 48 hours a week, about a third admitted to being addicted to their work. They also reported higher levels of work satisfaction and satisfaction with other aspects of their life than those working long hours but who did not admit to addiction to work. It appears that those who work long hours may fall in to various types and we need to distinguish those with high levels of work involvement from those who feel an internally-driven compulsion to work without high work involvement and those who are compelled by external circumstances to work for long hours. As a postscript, a recent follow-up study of this same sample found that partners of those working long hours and reporting high levels of satisfaction with family, health and other aspects of life provide a rather less positive picture of the consequences. By implication, if we are interested in accounts of the impact of varying means of achieving work-life balance, we need to seek independent corroboration of the consequences for behaviour and performance.

This section has dealt briefly with both descriptive and more complex research on determinants of work-life balance and its consequences. It has implied that we need to take account of a range of factors at both the individual and organizational level as well
as factors in the family and possibly the wider community. In particular, issues of social support, reflected in the organizational and family climate, need to be incorporated into the analysis. The research raises issues about how far W/O psychologists should stray beyond their familiar territory. There is certainly a strong implication that to understand work behavior in relation to work-life balance, we need to explore aspects of family life.

**Consequences of Work-Life Balance**

There has been a much larger body of research on the consequences of forms of work-life imbalance and in particular various manifestations of work spillover and conflict. This has already been touched on in previous sections. In his review of the subject area, O’Driscoll (1996) identifies research on work and life satisfaction, on well-being, mental health and physical health and on individual performance in organizations. This reflects a set of traditional outcomes of interest to W/O psychologists. Recent research has increasingly recognized the complexity of the issues and the study by Kossek and colleagues cited earlier is just one illustration of this.

More sophisticated research typically starts from a particular model of the family. For example, there is a large body of research on women’s careers that explores the consequences of various types of family commitment. Similarly, there is extensive research on dual career families. Such studies usually take into account the demands and rewards in both the workplace and the home.

As in the research of Vinokur, Pierce and Buck (1999) who examined the impact of work and family stressors and conflicts on the mental health and functioning of women in the US Air force. This goes a step further than the Finnish study by incorporating family as well as work stressors in the analysis. The study builds on and partly replicates an earlier community study by Frone, Russell and Cooper (1992). The findings are complex. Using structural equation modeling again, they find that marital and parental family roles had a different effect. They also found that high involvement in family and or work affected the outcome. Both job and marital distress and family-work conflict had adverse effects on mental health. High involvement in job and family had a beneficial impact on distress but a negative impact on work-family conflict.

**Conclusion**

This brief overview has addressed the nature of work-life balance, considered why it is an issue of contemporary interest, outlined a simple framework within which it can be analysed and presented selected findings from recent research. All this raises a number of issues for W/O psychologists.

In much of the empirical and policy-oriented writing, too little consideration is given to the nature and operationalization of work-life balance. There is also uncertainty about the circumstances under which it becomes an issue for key stakeholders. In this context we should note that most of the research has concentrated on the reactions of
individual workers to their circumstances when the concept implies that they are part of wider social systems where other stakeholders have legitimate concerns. There are unresolved issues about what constitutes a good work-life balance or even whether this is something that we should consider. Certainly this needs to be seen in the context of wider societal values concerning, for example, family responsibilities. These values in turn might help us to decide whether we should be concerned with happy workaholics or leave them to work as many hours as they wish.

References


EMOTIONAL INTELLIGENCE IN BUSINESS EDUCATION

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Abstract

Today emotional intelligence is a popular topic of many discussions among academic scholars and corporate executives. Emotional intelligence (EI) refers to the ability to perceive, control and evaluate emotions. There are five components to emotional intelligence: self-awareness, self-regulation, motivation, empathy, and social skills. Emotionally intelligent people are aware of their emotions and the emotions of others. Some researchers suggest that emotional intelligence can be learned and strengthened, while others claim it is an inborn characteristic. They use that information to guide their thinking and actions. Business educators, in particular, have the responsibility to provide their graduates with a strong foundation in both technical and emotional training so that they will be well-rounded individuals, and hence worthy employees, effective managers and dynamic leaders. In order for emotional intelligence to positively emerge as an ingredient for a successful business career, it must first be integrated into classroom learning. Because emotional learning is processed differently than any other type of learning, it must evolve from a training and developmental approach. This paper is an attempt to identify the role of emotional intelligence in business education to foster the growth and stability of an organization.

Keywords: emotional intelligence, business education, organization.

Emotional intelligence (EI) refers to the ability to perceive, control and evaluate emotions. Some researchers suggest that emotional intelligence can be learned and strengthened, while others claim it is an inborn characteristic. Since 1990, Peter Salovey and John D. Mayer have been the leading researchers on emotional intelligence. In their influential article "Emotional Intelligence," they defined emotional intelligence as, "the subset of social intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions" (1990).

Emotional intelligence (EQ) can be defined as:

- "the ability to monitor one’s own and others’ feelings and emotions, to discriminate among them, and to use the information to guide one’s thinking and action" (Mayer & Salovey, 1993).
- "the intelligent use of emotions: you intentionally make your emotions work for you by using them to help guide your behavior and thinking in ways that enhance your results" (Weisinger, 1998).
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- “the ability to recognize and respond to the emotions and feelings of others, as well as the skill to help others manage their emotions” (Schmidt, 1997).
- “the ability to: 1) be aware of, to understand, and to express oneself; 2) be aware of, to understand, and to relate to others; 3) deal with strong emotions and control one’s impulses; and 4) adapt to change and to solve problems of a personal or a social nature (Reuven Bar-On, 1988).

Although many definitions exist, the basic ideas are the same. Emotionally intelligent people are aware of their emotions and the emotions of others. They use that information to guide their thinking and actions.

History Of Emotional Intelligence

The concept of ‘emotional intelligence’ was first described as a form of social intelligence ‘that involves the ability to monitor one’s own and others’ feelings and emotions, to discriminate among them and to use this information to guide one’s thinking and actions’ (Salovey & Mayer 1990, p. 189). Salovey & Mayer recognized the connection between two underlying components of personality, cognition and emotion. This relatively narrow definition of EI, as the ability to understand how others’ emotions work and to control one’s own emotions, was widened by Goleman to include such competencies as optimism, conscientiousness, motivation, empathy and social competence (Goleman, 1995, 1998b). In two articles in the Harvard Business Review, Goleman extended the concept of EI to the business world. First, from his research concerning almost 200 large, global companies, he reported that ‘truly effective leaders are distinguished by high degree of emotional intelligence’ (Goleman 1998a, p. 82). Secondly, by drawing on the experiences of over 3000 executives, he again demonstrated the link between EI and leadership and concluded that leaders can ‘increase their quotient’ of leadership styles by understanding which ‘emotional intelligence competencies underlie the leadership styles they are lacking’ and working to develop them (Goleman 2000, p. 90). Goleman and his colleagues further adapted the concept of EI to the business world by describing its importance as an essential ingredient for business success (Goleman, Boyatzis & McKee 2002; Goleman 2004; Mayer, Goleman, Barrett & Gut-stein 2004). In addition, there is also an increasing body of literature that ‘refers to emotional intelligence ... as [an] intrinsic contemporary leadership concept’ (Marques 2006, p. 885; see also Holt & Jones 2005; Johnson 2005; Kerr, Garvin, Heaton & Boyle 2006).

Since the term ‘emotional intelligence’ (EI) was first coined by Salovey & Mayer in 1990, it has been developed, adapted and embraced by the business world and also by many business educators. EI skills have been strongly associated with both dynamic leadership (Emmerling & Goleman 2005; Goleman 1998a, 2000; Goleman, Boyatzis & McKee 2002; Kerr, Garvin, Heaton, & Boyle 2006; Rosete & Ciarrochi 2005) and satisfying personal life experiences (Goleman 1995; Marques 2006; Wing, Schutte & Byrne 2006). In addition, EI has been recognised as important for success in the

Key Components of EQ

There are five components to emotional intelligence: self-awareness, self-regulation, motivation, empathy, and social skills.

- The first component of emotional intelligence – self-awareness – means, “having a deep understanding of one’s emotions, strengths, weaknesses, needs, and drives” (Goleman, 1995). People who have a high level of self-awareness are very honest with themselves and others. They avoid the extremes of being overly critical and unrealistically hopeful. Furthermore, these people know how their feelings affect them, others, and their job performance (Goleman, 1995).

- The second component of emotional intelligence is self-regulation. This is an ongoing conversation people have with themselves, which frees them from being prisoners of their feelings (Goleman, 1995). People with a high degree of self-regulation are more capable of facing the ambiguities of an advancing industry than those whose degree of self-regulation is low. Furthermore, people with a high level of self-regulation can help to enhance the integrity of an organization by not making bad decisions through impulse behaviors. Self-regulation will help individuals stay in control of their feelings and make thoughtful decisions.

- The third component of emotional intelligence is motivation. Motivated individuals want to achieve beyond their and everyone else’s expectations. Motivation extends to the deep inner desire to achieve for the sake of achievement. Some of the signs that an employer will see in a motivated employee are: passion for his or her work, quest for challenges, desire to learn, and pride in completing a job well. Motivation makes people restless; therefore, they continuously explore new horizons to find better ways of doing their jobs. Highly motivated people constantly raise their performance expectations for themselves, their team, and their organization. One of their greatest qualities, however, is remaining optimistic even though they have experienced failure or a setback. This is a valuable benefit to an organization, because it means that a motivated person is committed to seeing the company succeed in its goals and objectives.

- The fourth component of emotional intelligence is empathy. When an individual shows empathy, he or she is aware and considerate of other employees’ feelings. The empathetic person combines employees’ feelings and other factors in order to make decisions. There are three reasons why empathy is important to leadership in today’s business world: “the increasing use of teams, the rapid pace of globalization, and the growing need to retain talent” (Goleman, 1995). When using teams, empathetic individuals can be astounding leaders because of their abilities to recognize and understand other opinions. Empathetic leaders play a key role when globalization is a factor, because they can understand the importance of
others’ cultural differences. Empathetic individuals are also effective in retaining talent because they are able to develop personal rapport with new employees or protégés during coaching and mentoring stages. Through these growing relationships, an empathetic leader can provide them with effective feedback, which is essential in retaining employees.

- The fifth component of emotional intelligence is social skills. Individuals use their friendliness in order to have people do what they want. Social leaders are able to build a rapport easily by finding some type of common ground with everyone, thus establishing a broad circle of acquaintances (Goleman, 1995). In addition, the social individual is an effective persuader and is able to manage teams effectively.

Emotional intelligence Skills And University Level Students

It is appropriate that academic development be the prime goal of universities. However, a tertiary education should also be providing graduates with the skills to succeed in the workplace and in their personal lives. Furthermore, there is a significant body of research which indicates that EI and other non-traditional measures are just as predictive of success as traditional IQ tests (Lomax, Jackson & Nelson 2004; Low & Nelson 2005; Stottlemyer 2002). A comprehensive search of the academic literature concerning EI and university students only produced journal articles published since 2000, which demonstrates the increasing recent interest in the area. The literature itself fell into two categories. The largest of these consisted of studies which have concerned the measurement of students’ EI skills, all of which concluded that EI skills should be incorporated into university education in order to prepare students for success in the workplace. The second group of articles, and by far the smaller, concern the actual assimilation of these skills into courses. This group can be further sub-divided into two: those proposing how EI skills can be integrated and those reporting on the actual integration. The published studies measuring the EI skills of business students all concluded that these skills should be incorporated into the university courses. For example, after evaluating the EI of undergraduate business majors, Rozell, Pettijohn & Parker (2002) concluded that ‘emotional intelligence should be included within the core skills taught in training and development programs’ at university (Rozell et al. 2002, p. 287). In addition, Vela (2003), who studied the role of EI in academic achievement for his doctoral dissertation, asserted that ‘it is imperative that students are provided with early interventions that involve emotional intelligence skills building’ (Vela 2003, p. 130). A study of the EI levels of business students found that the non-accounting majors demonstrated significantly higher levels of EI than the accounting majors, even though accounting majors had significantly higher grade point averages (Esmond-Kiger, Tucker & Yost 2006). The researchers suggested that this may mean that particular attention should be paid to improve EI competencies of business students and graduates in early employment. This is consistent with the growing recognition within the management profession of the need to develop a good interpersonal and EI
skills base at university level. One of the three studies which reported on the integration of EI skills was Esmond-Kiger & Kirch (2003). They described the implementation of the ‘Business Activity Model’ in their intermediate business course. This involved adopting a problem-based learning approach which enabled teachers to provided students with ‘rich opportunities to gain the interpersonal skills currently demanded by the management profession’ (Esmond-Kiger & Kirch 2003, p. 53). Apart from more motivated students, two other results were reported. First, that the changes were noticed by recruiters as evidenced by more offers of employment opportunities for the business graduates and secondly, the university as experienced an increase in the number of students choosing to do an accounting major. In the second of these studies, where EI skills were introduced in the assessment component, it was concluded that ‘students in leadership courses should be more than simply bystanders when studying the impact of emotions and emotional intelligence on performance’ but requires ‘active personal involvement’ (Ashkanasy & Dasborough 2003, p. 21). Similarly in the third study on the integration of the teaching of EI competencies, Brown (2003) found that understanding their own emotions allowed students to improve their interpersonal skills and build trust and empathy.

Conclusion

The research on emotional intelligence has indicated that training in appropriate skills is essential for preparing people for career success and fulfillment. Thus, it is important that business students graduate with well-honed levels of emotional intelligence. It is a prime responsibility of educators to convert theories and research into practical applications in the management courses (Myers & Tucker 2005). Therefore, as research has determined that university level students need EI skills and ways of achieving this have been theorised, it is now necessary for management educators to actually implement these changes into their educational programs. Business educators, in particular, have the responsibility to provide their graduates with a strong foundation in both technical and emotional training so that they will be well-rounded individuals, and hence worthy employees, effective managers and dynamic leaders.

References


A STUDY ON JOB SATISFACTION AMONG EMPLOYEES OF BANK OF BARODA: A CASE STUDY OF JODHPUR CITY

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Introduction

Certain researchers and practitioners claim that the profitability of a corporation may be typically measured in prevailing currency; but at the same time suggest that overall success should be measured in terms of profitability plus the attainments of organizational goals. The success derives from a synergy of inputs, including the work of employees who are dedicated, skilled and knowledgeable, and management team that understands the ways to inspire competent and motivated performance through sensitive and responsive management of a continually changing workplace. In global and highly competitive as well as volatile business environment, the cost of socially responsible management should be considered as an investment and not as a liability. It is also an established fact that the workplace environment directly impacts the motivation and productivity of the work force. Business organizations should be responsible for creating and maintaining a positive and supportive workplace environment through ethically responsible policies, fair compensation and proactive management policies.

Retaining the job has been the primary goal of industrial workers, but now retaining employees is the responsibility of concerned management as well. Gaining maximum job satisfaction of employees is a major challenge for organizational leadership. It is an issue that has received significant attention in business world.

Today's work environment is undergoing a major shift; factors such as globalisation, growing economies, and improved technology are constantly presenting new challenges and creating new opportunities for people. With these changes, people's perceptions regarding their jobs are also changing. In this grow-or-die marketplace, the success of any organisation relies on its workforce. Satisfied and committed employees are the most significant assets of any organisation, including banks. As banking institutions are the backbone of a nation's economy, the efficient management of human resources and the maintenance of higher job satisfaction levels affect the growth and performance of an entire economy. The Indian banking sector is a fast-growing financial service sector that has seen tremendous progress following liberalisation. The Indian banking system can be broadly categorised into "scheduled commercial banks" and "non-scheduled commercial banks". Scheduled commercial banks can be further classified into public sector banks, private sector banks (old and new) and foreign banks. Over time, differences have been observed between public sector banks and
private sector banks in terms of various operational and efficiency parameters. So it is the demand of time to conduct a study that how the conditiones and organizational situations affect the job satisfaction in the employees of different banks.

**Job Satisfaction**

*Job Satisfaction* describes how content an individual is with his or her job. There are a variety of factors that can influence a person's level of job satisfaction; some of these factors include the level of pay and benefits, the perceived fairness of the promotion system within a company, the quality of the working conditions, leadership and social relationships, and the job itself (the variety of tasks involved, the interest and challenge the job generates, and the clarity of the job description/requirements).

Robert L. Kahn defines “Job satisfaction does not seem to reduce absence, turnover and perhaps accident rates”. In the words of P. Robbins “Job satisfaction is a general attitude towards one’s job: the difference between the amount of reward workers receive and the amount they believe they should receive.” Job satisfaction is also defined as “The amount of overall positive affect (or feeling) that individuals have toward their jobs,” by Hugh J. Arnold and Daniel C.

Job satisfaction is not the same as motivation, although it is clearly linked. Job design aims to enhance job satisfaction and performance; methods include job rotation, job enlargement and job enrichment. Other influences on satisfaction include the management style and culture, employee involvement, empowerment and autonomous work groups. Job satisfaction is a very important attribute which is frequently measured by organizations.

According to Weiss and Cropanzano (1996), job satisfaction represents a person's evaluation of one's job and work context. This definition is still being debated. It captures the most popular view that job satisfaction is an evaluation and represents both belief and feelings.

It is an appraisal of the perceived job characteristics and emotional experience at work. Satisfied employees have a favorable evaluation of their job, based on their observations and emotional experiences. Saleh (1981) states that job satisfaction is a feeling which is a function of the perceived relationship between all that one wants from his job/life and all that one perceives as offering or entailing. The emphasis here is on all that one wants, whether it is important for self-definition or not. Luthans (1989) states that job satisfaction is a pleasurable, or positive emotional state resulting from the appraisal of one's job, or job experience, and is the result of the employee's perception of how well the job provides those things which are viewed as important.

Locke (1976) states that job satisfaction is a collection of attitudes about specific facets of the job. Employees can be satisfied with some elements of the job while being simultaneously dissatisfied with others. Different types of satisfaction will lead to different intentions and behavior. An employee might complain to the supervisor...
when dissatisfied with low pay but not with coworker dissatisfaction. Overall job satisfaction is a combination of the person's feeling towards the different facets of job satisfaction.

He argues that the more important factors conducive to job satisfaction are mentally challenging work, equitable rewards, supportive working conditions, and supportive colleagues. One can also add the importance of good personality—job fit and an individual's genetic disposition (some people are just inherently upbeat and positive about all things including their job).

Employees are concerned with their work environment for both personal comfort and how it facilitates doing a good job. People get more out of work than merely money or tangible achievements. For most employees, work also fills the need for social interaction. Not surprisingly, therefore, having friendly and supportive co-workers leads to increased job satisfaction.

**Measuring Job Satisfaction**

There are many methods for measuring job satisfaction. By far, the most common method for collecting data regarding job satisfaction is the Likert scale (named after Rensis Likert). Other less common methods of gauging job satisfaction include: Yes/No questions, True/False questions, point systems, checklists, and forced choice answers.

The Job Descriptive Index (JDI), created by Smith, Kendall, & Hulin (1969), is a specific questionnaire of job satisfaction that has been widely used. It measures one's satisfaction in five facets: pay, promotions and promotion opportunities, coworkers, supervision, and the work itself. The scale is simple, participants answer either yes, no, or can’t decide (indicated by ‘?’) in response to whether given statements accurately describes one’s job.

The Job in General Index is an overall measurement of job satisfaction. It was an improvement to the Job Descriptive Index because the JDI focused too much on individual facets and not enough on work satisfaction in general.

Other job satisfaction questionnaires include: the Minnesota Satisfaction Questionnaire (MSQ), the Job Satisfaction Survey (JSS), and the Faces Scale etc.

As job satisfaction has been a topic of wide interest and research a number of studies have been conducted to find out the factors responsible for job satisfaction.

Employees tend to prefer jobs that give them opportunities to use their skills and abilities and offer a variety of tasks, freedom, and feedback on how well they are doing. Jobs that have too little challenge create boredom, but too much challenge creates frustration and a feeling of failure. Under conditions of moderate challenge, most employees will experience pleasure and satisfaction (Katzell, Thompson, and Guzzo, 1992).

Employees want a fair unambiguous pay system and promotion policies. Satisfaction is not linked to the absolute amount one is paid; rather, it is the perception of fairness.
Similarly, employees seek fair promotion policies and practices. Promotion provides opportunities for personal growth, more responsibilities, and increased social status. Individuals who perceive that promotion decisions are made in a fair and just manner are likely to experience satisfaction from their jobs (Witt and Nye, 1992).

The matching of job requirement with personality characteristics is best articulated in Holland's (1985) personality–fit theory. Holland presents six personality types. These are realistic, investigative, social, conventional, enterprising, and artistic. He proposes that satisfaction and the propensity to leave a job depends on the degree to which individuals successfully match their personalities to an occupational environment. Studies to replicate Holland's conclusions have been supported by many researchers (for example, Feldman and Arnold, 1985).

A strong indication that overall satisfaction ratings are inflated is that people typically report much lower satisfaction levels for specific aspects of the job. For instance, only 54 per cent of American workers believe that they are paid fairly, 46 per cent say their company promotes fairly, and 41 per cent claim that senior management truly cares about them. Satisfaction with coworkers seems to be one of the few ratings that come close to overall job satisfaction (84 percent) (Moore, 1997; Baker, 1997).

**Banking Sector In India**

After 1991, the banking scenario has been changed completely. The impact of globalisation and privatisation has affected work culture of both, public sector and private sector banks. These are witnessing a fundamental shift in working attitude and work style due to open economy and increased competition. We came a long way from the days of protectionism of Indian banking industries. The entry of private sector banks and foreign banks has forced public sector banks to adopt a new customer-centric work environment.

A comparison between public and private sector banks would make a significant contribution to the existing body of knowledge on job satisfaction. This discussion is timely. After liberalisation there is a complete change in the Indian environment. It has been discussed earlier that in India, private sector jobs do not have the required reputation and prestige as compared to government jobs. Indians seek satisfaction through the ownership of a company. If it is a private company then satisfaction will be very low and people will try to switch to a government job. In India, government jobs are symbols of status, prestige, security, and social acceptance. Private sector jobs are the second choice of Indians. In India the even less per month salary of a government sector employee is perceived better than a higher per month salary of a private sector employee. So, there may be various factors responsible for job satisfaction or dissatisfaction. But in Indian case, the factor that seems to be very closely linked with job satisfaction or dissatisfaction is the ownership of an organisation--whether it is a public or private sector company.
Since job satisfaction is considered an important aspect of work culture, public sector and private sector variations seem to affect the job satisfaction of these organisations. Since public-private sector background is an important factor in shaping the work culture of an organisation, the work culture also seems to have its root in the culture from which it is generated. Therefore, job satisfaction is likely to be affected by public-private sector differences.

A natural assumption can be made that work culture of public-private sector banks would be different because such banks have different cultural roots. It has been observed that the work culture of public sector banks was based on the social economy concept, in which profitability was secondary. After nationalisation, public sector banks used to serve social welfare in terms of social banking through special employment and poverty alleviation programmes. Despite many adverse criticisms and comments, the Indian government had persisted in using bank funds to finance various social sector schemes for employment generation and poverty alleviation. On the other hand, private sector banks work towards profitability. There is a basic work culture difference between public and private sector banks due to their different objectives. Although after 1991, the working style of public sector banks has been changing, but the previous impact of social banking policy on work culture of public sector banks cannot be ignored. Being an important aspect of work culture, job satisfaction level of these banks should also be different.

However, the arguments above are assumptions and there is a need to verify them. The present study is designed to examine the specific problem whether job satisfaction of the employees working in public and private sector banks is different. It is hypothesised that job satisfaction of the employees working in different types of banks would differ significantly.

Literature indicates that the performance of the private and foreign banks have been stronger than that of public sector banks. A recent study reveals that private banks are more successful vis-à-vis public sector banks in terms of implementing Total Quality Management (TQM) initiatives, such as human resource management, customer focus, and top management commitment. Furthermore, public and private sector banks differ with respect to their compensation structures, working environments, technology, growth opportunities, and job security provided to the employees. Performance linked payment system, supervision, promotion opportunities, job security, working conditions, co workers etc, are the factors which affect the level of job satisfaction in different ways in public and private sector banks.

But as it has been discussed earlier that still the public sector jobs enjoy higher sense of security and social prestige, the assumptions have been taken in favour of public sector bank jobs.

**Determinants of job satisfaction**

While analyzing the various determinants of job satisfaction, we have to keep in mind that: all individuals do no derive the same degree of satisfaction though they perform
the same job in the same job environment and at the same time. Therefore, it appears that besides the nature of job and job environment, there are individual variables which affect job satisfaction. Thus, all those factors which provide a fit among individual variables, nature of job, and situational variables determine the degree of job satisfaction. Let us see what these factors are.

**Individual factors**

Individuals have certain expectations from their jobs. If their expectations are met from the jobs, they feel satisfied. These expectations are based on an individual’s level of education, age and other factors.

**Level of education**: Level of education of an individual is a factor which determines the degree of job satisfaction. For example, several studies have found negative correlation between the level of education, particularly higher level of education, and job satisfaction. The possible reason for this phenomenon may be that highly educated persons have very high expectations from their jobs which remain unsatisfied. In their case, Peter’s principle which suggests that every individual tries to reach his level of incompetence, applies more quickly.

**Age**: Individuals experience different degree of job satisfaction at different stages of their life. Job satisfaction is high at the initial stage, gets gradually reduced, starts rising up to certain stage, and finally dips to a low degree. The possible reasons for this phenomenon are like this. When individuals join an organization, they may have some unrealistic assumptions about what they are going to drive from their work. These assumptions make them more satisfied. However, when these assumptions fall short of reality, job satisfaction goes down. It starts rising again as the people start to assess the jobs in right perspective and correct their assumptions. At the last, particularly at the fag end of the career, job satisfaction goes down because of fear of retirement and future outcome.

**Other factors**: Besides the above two factors, there are other individual factors which affect job satisfaction. If an individual does not have favorable social and family life, he may not feel happy at the workplace. Similarly, other personal problems associated with him may affect his level of job satisfaction. Personal problems associated with him may affect his level of job satisfaction.

**Nature of job**

Nature of job determines job satisfaction which is in the form of occupation level and job content. Occupation level: Higher level jobs provide more satisfaction as compared to lower levels. This happens because high level jobs carry prestige and status in the society which itself becomes source of satisfaction for the job holders. For example, professionals derive more satisfaction as compared to salaried people; factory workers are least satisfied.
Job content

Job content refers to the intrinsic value of the job which depends on the requirement of skills for performing it, and the degree of responsibility and growth it offers. A higher content of these factors provides higher satisfaction. For example, a routine and repetitive lesser satisfaction; the degree of satisfaction progressively increases in job rotation, job enlargement, and job enrichment.

Situational variables

Situational variables related to job satisfaction lie in organizational context – formal and informal. Formal organization emerges out of the interaction of individuals in the organization. Some of the important factors which affect job satisfaction are given below:

1. Working conditions: Working conditions, particularly physical work environment, like conditions of workplace and associated facilities for performing the job determine job satisfaction. These work in two ways.
   
   First, these provide means job performance. Second, provision of these conditions affects the individual’s perception about the organization. If these factors are favourable, individuals experience higher level of job satisfaction.

2. Supervision: The type of supervision affects job satisfaction as in each type of supervision; the degree of importance attached to individuals varies. In employee-oriented supervision, there is more concern for people which is perceived favourably by them and provides them more satisfaction. In job oriented supervision, there is more emphasis on the performance of the job and people become secondary. This situation decreases job satisfaction.

3. Equitable rewards: The type of linkage that is provided between job performance and rewards determines the degree of job satisfaction. If the reward is perceived to be based on the job performance and equitable, it offers higher satisfaction. If the reward is perceived to be based on considerations other than the job performance, it affects job satisfaction adversely.

4. Opportunity: It is true that individuals seek satisfaction in their jobs in the context of job nature and work environment by they also attach importance to opportunities for promotion that these job offer. If the present job offers opportunity of promotion is lacking, it reduces satisfaction.

5. Work group: Individuals work in group either created formally or they develop on their own to seek emotional satisfaction at the workplace. To the extent such groups are cohesive; the degree of satisfaction is high. If the group is not cohesive, job satisfaction is low. In a cohesive group, people derive satisfaction out of their interpersonal interaction and workplace becomes satisfying leading to job satisfaction.
Effect of Job Satisfaction

Job satisfaction has a variety of effects. These effects may be seen in the context of an individual’s physical and mental health, productivity, absenteeism, and turnover.

Physical and Mental Health

The degree of job satisfaction affects an individual’s physical and mental health. Since job satisfaction is a type of mental feeling, its favourableness or unfavourableness affects the individual psychologically which ultimately affects his physical health. For example, Lawler has pointed out that drug abuse, alcoholism and mental and physical health result from psychologically harmful jobs. Further, since a job is an important part of life, job satisfaction influences general life satisfaction. The result is that there is spillover effect which occurs in both directions between job and life satisfaction.

Productivity

There are two views about the relationship between job satisfaction and productivity:
1. A happy worker is a productive worker,
2. A happy worker is not necessarily a productive worker.

The first view establishes a direct cause-effect relationship between job satisfaction and productivity; when job satisfaction increases, productivity increases; when satisfaction decreases, productivity decreases. The basic logic behind this is that a happy worker will put more efforts for job performance.

However, this may not be true in all cases. For example, a worker having low expectations from his jobs may feel satisfied but he may not put his efforts more vigorously because of his low expectations from the job. Therefore, this view does not explain fully the complex relationship between job satisfaction and productivity.

Another view

That is a satisfied worker is not necessarily a productive worker explains the relationship between job satisfaction and productivity.

Various research studies also support this view. This relationship may be explained in terms of the operation of two factors: effect of job performance on satisfaction and organizational expectations from individuals for job performance.
1. Job performance leads to job satisfaction and not the other way round.

The basic factor for this phenomenon is the rewards (a source of satisfaction) attached with performance. There are two types of rewards intrinsic and extrinsic. The intrinsic reward stems from the job itself which may be in the form of growth potential, challenging job, etc. The satisfaction on such a type of reward may help to increase productivity. The extrinsic reward is subject to control by management such as salary, bonus, etc. Any increase in these factors does not hep to increase productivity though these factors increase job satisfaction.
2. A happy worker does not necessarily contribute to higher productivity because he has to operate under certain technological constraints and, therefore, he cannot go beyond certain output. Further, this constraint affects the management’s expectations from the individual in the form of lower output. Thus, the work situation is pegged to minimally acceptable level of performance.

However, it does not mean that the job satisfaction has no impact on productivity. A satisfied worker may not necessarily lead to increased productivity but a dissatisfied worker leads to lower productivity.

**Absenteeism**

Absenteeism refers to the frequency of absence of job holder from the workplace either unexcused absence due to some avoidable reasons or long absence due to some unavoidable reasons. It is the former type of absence which is a matter of concern. This absence is due to lack of satisfaction from the job which produces a ‘lack of will to work’ and alienate a worker from work as far as possible. Thus, job satisfaction is related to absenteeism.

**Employee turnover**

Turnover of employees is the rate at which employees leave the organization within a given period of time. When an individual feels dissatisfaction in the organization, he tries to overcome this through the various ways of defense mechanism. If he is not able to do so, he opts to leave the organization. Thus, in general case, employee turnover is related to job

**Improving job satisfaction**

Job satisfaction plays significant role in the organization. Therefore, manager should take concrete steps to improve the level of job satisfaction.

1. Re-designing the job.
2. Improving the quality of work life.
4. Improving overall organizational climate.

**Methodology**

**Area of study:**

This study was conducted in Jodhpur city.

**Sample size:**

The researcher has proposed to interview 100 respondents who are working in 10 branches of Bank of Baroda, Jodhpur and they were selected as the sample for the study.
Sources of data:
The study is based on both primary and secondary data.

Primary data:
The primary data were collected through structured questionnaire.

Secondary data:
The required secondary was collected from books, magazines and web-sites.

Sampling techniques:
The methodology followed for collecting data, selection of sample, and analysis of data is as follows:

Data collection technique:
The questionnaire has been designed and supplied to the respondents for collecting primary data from customers.

Tools for analysis:
The following statistical tools are used in the study for the purpose of analysis.

Chi-square test:
Chi-square test is applied to test the goodness of fit to verify the distribution of observed data with assumed theoretical distribution. Therefore it is a measure to study the divergence of actual and expected frequencies; Karl Pearson’s has developed a method to test the difference between the theoretical (hypothesis) and the observed value.

\[ \text{Chi-square test (X2)} = \frac{(O - E)^2}{E} \]

Degrees Of Freedom = \( V = (R - 1) (C -1) \)

Were,

'O' = Observed Frequency
'E' = Expected Frequency
'R' = Number of Rows
'C' = Number of Columns.

Analysis and Interpretation
By preparing tables of chi-square test and Correlation Analysis researcher does the analysis of job satisfaction, which are directly extracted from the questionnaire. The variations in the extent of the consumer satisfaction can be measured with the variables
such as job secured, promotional opportunity, relationship with management, and satisfaction factors of the respondents.

**CHI-SQUARE TEST:**

Chi-square test is applied to test the goodness of fit, to verify the distribution of observed data with assumed theoretical distribution. Therefore it is a measure to study the divergence of actual and expected frequencies, Karl Pearson’s has developed a method to test the difference between the theoretical (hypothesis) & the observed value.

\[
\text{Chi - square test (X}^2\text{) = } \frac{(O - E)^2}{E}
\]

**Degrees Of Freedom = V = (R - 1) (C -1)**

Were,

'O' = Observed Frequency

'E' = Expected Frequency

'R' = Number of Rows

'C' = Number of Columns

NOTE: For all the chi-square test the table value has taken @ 5% level of Significance.

**Analysis and Findings:**

**TABLE ONE**

**CHI-SQUARE TEST IS CONDUCTED TO EXTEND THE RELATIONSHIP BETWEEN THE AGE AND LEVEL OF SATISFACTION:**

HO: There is no significant relationship between age and level of satisfaction.

H1: There is significant relationship between age and level of satisfaction.

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<td>4.58</td>
<td>1.11</td>
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</table>

TOTAL 5.52

Calculated value = 5.52

Table value = 9.49
**Inference:**

Since the calculated value is less than the table value. The Null hypothesis is accepted. Hence, there is no significant relationship between age and level of satisfaction.

**TABLE TWO**

CHI - SQUARE TEST IS CONDUCTED TO EXTEND THE RELATIONSHIP BETWEEN THE GENDER AND LEVEL OF SATISFACTION:

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<tr>
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<td>(O-E)^2</td>
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</tr>
<tr>
<td>O</td>
<td>12</td>
<td>14.26</td>
<td>-2.26</td>
<td>5.11</td>
</tr>
<tr>
<td>E</td>
<td>-2.26</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(O-E)^2</td>
<td>5.11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(O-E)^2/E</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O</td>
<td>11</td>
<td>8.74</td>
<td>2.26</td>
<td>5.11</td>
</tr>
<tr>
<td>E</td>
<td>2.26</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(O-E)^2</td>
<td>5.11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(O-E)^2/E</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Inference:**

Since the calculated value is more than the table value. So the Null hypothesis is not accepted. Hence, there is significant relationship between gender and level of satisfaction.

**TABLE THREE**

CHI - SQUARE TEST IS CONDUCTED TO EXTEND THE RELATIONSHIP BETWEEN THE MONTHLY INCOME AND LEVEL OF SATISFACTION:

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>3</td>
<td>5.52</td>
<td>-2.52</td>
<td>6.35</td>
</tr>
<tr>
<td>E</td>
<td>-2.52</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(O-E)^2</td>
<td>6.35</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(O-E)^2/E</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O</td>
<td>14</td>
<td>12.42</td>
<td>1.58</td>
<td>2.50</td>
</tr>
<tr>
<td>E</td>
<td>1.58</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(O-E)^2</td>
<td>2.50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(O-E)^2/E</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O</td>
<td>3</td>
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<td>-0.68</td>
<td>0.46</td>
</tr>
<tr>
<td>E</td>
<td>-0.68</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(O-E)^2</td>
<td>0.46</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(O-E)^2/E</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O</td>
<td>3</td>
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<td>2.62</td>
</tr>
<tr>
<td>E</td>
<td>1.62</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(O-E)^2</td>
<td>2.62</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(O-E)^2/E</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O</td>
<td>16</td>
<td>12.96</td>
<td>3.04</td>
<td>9.24</td>
</tr>
<tr>
<td>E</td>
<td>3.04</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(O-E)^2</td>
<td>9.24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(O-E)^2/E</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Calculate value:** 7.97
**Table value:** 3.84

**Inference:**

Since the calculated value is more than the table value. So the Null hypothesis is not accepted. Hence, there is significant relationship between gender and level of satisfaction.
A Study on Job Satisfaction among Employees of Bank of Baroda: A Case Study of Jodhpur City

<table>
<thead>
<tr>
<th></th>
<th>32</th>
<th>8.64</th>
<th>3.24</th>
<th>5.52</th>
<th>12.42</th>
<th>3.68</th>
<th>1.38</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>29.16</td>
<td>-5.64</td>
<td>-0.24</td>
<td>-0.52</td>
<td>-4.42</td>
<td>6.32</td>
<td>-1.38</td>
<td>20.54</td>
</tr>
<tr>
<td></td>
<td>2.84</td>
<td>31.81</td>
<td>0.06</td>
<td>0.27</td>
<td>19.54</td>
<td>39.94</td>
<td>1.90</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8.07</td>
<td>3.68</td>
<td>0.28</td>
<td>0.05</td>
<td>1.57</td>
<td>10.85</td>
<td>1.38</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.28</td>
<td>3.68</td>
<td>0.02</td>
<td>0.05</td>
<td>1.57</td>
<td>10.85</td>
<td>1.38</td>
<td></td>
</tr>
</tbody>
</table>

Calculated value: 20.54
Table value: 15.51

Inference:
Since the calculated value is more than the table value. So the Null hypothesis is not accepted. Hence, there is significant relationship between monthly income and level of satisfaction.

TABLE FOUR
CHI - SQUARE TEST IS CONDUCTED TO EXTEND THE RELATIONSHIP BETWEEN THE EXPERIENCE AND LEVEL OF SATISFACTION:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>O-E</th>
<th>(O-E)^2</th>
<th>(O-E)^2/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>13.57</td>
<td>0.43</td>
<td>0.18</td>
<td>0.01</td>
</tr>
<tr>
<td>6</td>
<td>8.28</td>
<td>-2.28</td>
<td>5.20</td>
<td>0.63</td>
</tr>
<tr>
<td>3</td>
<td>1.15</td>
<td>1.85</td>
<td>3.42</td>
<td>2.98</td>
</tr>
<tr>
<td>29</td>
<td>31.86</td>
<td>-2.86</td>
<td>8.18</td>
<td>0.26</td>
</tr>
<tr>
<td>23</td>
<td>19.44</td>
<td>3.56</td>
<td>12.67</td>
<td>0.65</td>
</tr>
<tr>
<td>2</td>
<td>2.70</td>
<td>-0.70</td>
<td>0.49</td>
<td>0.18</td>
</tr>
<tr>
<td>16</td>
<td>13.57</td>
<td>2.43</td>
<td>5.90</td>
<td>0.44</td>
</tr>
<tr>
<td>7</td>
<td>8.28</td>
<td>-1.28</td>
<td>1.64</td>
<td>0.20</td>
</tr>
<tr>
<td>0</td>
<td>1.15</td>
<td>-1.15</td>
<td>1.32</td>
<td>1.15</td>
</tr>
</tbody>
</table>

TOTAL 6.49

Calculated value: 6.49
Table value: 9.49

Inference:
Since the calculated value is less than the table value. So the Null hypothesis is accepted. Hence, there is no significant relationship between experience and level of satisfaction.

**TABLE FIVE**

CHI-SQUARE TEST IS CONDUCTED TO EXTEND THE RELATIONSHIP BETWEEN THE MARITAL STATUS AND LEVEL OF SATISFACTION:

HO: There is no significant relationship between marital status and level of satisfaction.

H1: There is significant relationship between marital status and level of satisfaction.

<table>
<thead>
<tr>
<th>O</th>
<th>E</th>
<th>O-E</th>
<th>(O-E)²</th>
<th>(O-E)²/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>17.48</td>
<td>-0.48</td>
<td>0.23</td>
<td>0.01</td>
</tr>
<tr>
<td>6</td>
<td>5.52</td>
<td>0.48</td>
<td>0.23</td>
<td>0.04</td>
</tr>
<tr>
<td>42</td>
<td>41.04</td>
<td>0.96</td>
<td>0.92</td>
<td>0.02</td>
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<tr>
<td>12</td>
<td>12.96</td>
<td>-0.96</td>
<td>0.92</td>
<td>0.07</td>
</tr>
<tr>
<td>17</td>
<td>17.48</td>
<td>-0.48</td>
<td>0.23</td>
<td>0.01</td>
</tr>
<tr>
<td>6</td>
<td>5.52</td>
<td>0.48</td>
<td>0.23</td>
<td>0.04</td>
</tr>
</tbody>
</table>

Calculate value: 0.20

Table value: 3.84

**Inference:**

Since the calculated value is less than the table value. So the Null hypothesis is accepted. Hence, there is no significant relationship between marital status and level of satisfaction.

**TABLE SIX**

CHI-SQUARE TEST IS CONDUCTED TO EXTEND THE RELATIONSHIP BETWEEN THE NATURE OF JOB AND LEVEL OF SATISFACTION:

HO: There is no significant relationship between nature of job and level of satisfaction.

H1: There is significant relationship between nature of job and level of satisfaction.

<table>
<thead>
<tr>
<th>O</th>
<th>E</th>
<th>O-E</th>
<th>(O-E)²</th>
<th>(O-E)²/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>5.98</td>
<td>-0.98</td>
<td>0.96</td>
<td>0.16</td>
</tr>
<tr>
<td>9</td>
<td>4.83</td>
<td>4.17</td>
<td>17.39</td>
<td>3.60</td>
</tr>
<tr>
<td>0</td>
<td>8.05</td>
<td>-8.05</td>
<td>64.80</td>
<td>8.05</td>
</tr>
<tr>
<td>0</td>
<td>1.38</td>
<td>-1.38</td>
<td>1.90</td>
<td>1.38</td>
</tr>
<tr>
<td>9</td>
<td>2.76</td>
<td>6.24</td>
<td>38.94</td>
<td>14.11</td>
</tr>
</tbody>
</table>
A Study on Job Satisfaction among Employees of Bank of Baroda: A Case Study of Jodhpur City

TABLE SEVEN
CHI-SQUARE TEST IS CONDUCTED TO EXTEND THE RELATIONSHIP BETWEEN THE FAMILY SIZE AND LEVEL OF SATISFACTION:

<table>
<thead>
<tr>
<th>O</th>
<th>E</th>
<th>O-E</th>
<th>(O-E)^2</th>
<th>(O-E)^2/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.15</td>
<td>-0.15</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td>15</td>
<td>14.95</td>
<td>0.05</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>7</td>
<td>6.90</td>
<td>0.10</td>
<td>0.01</td>
<td>0.00</td>
</tr>
<tr>
<td>2</td>
<td>2.70</td>
<td>-0.70</td>
<td>0.49</td>
<td>0.18</td>
</tr>
<tr>
<td>40</td>
<td>35.10</td>
<td>4.90</td>
<td>24.01</td>
<td>0.68</td>
</tr>
<tr>
<td>12</td>
<td>16.20</td>
<td>-4.20</td>
<td>17.64</td>
<td>1.09</td>
</tr>
<tr>
<td>2</td>
<td>1.15</td>
<td>0.85</td>
<td>0.72</td>
<td>0.63</td>
</tr>
<tr>
<td>10</td>
<td>14.95</td>
<td>-4.95</td>
<td>24.50</td>
<td>1.64</td>
</tr>
<tr>
<td>11</td>
<td>6.90</td>
<td>4.10</td>
<td>16.81</td>
<td>2.44</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>6.68</td>
<td></td>
</tr>
</tbody>
</table>

Inference:
Since the calculated value is more than the table value. So the Null hypothesis is not accepted. Hence, there is significant relationship between nature of job and level of satisfaction.

TABLE SEVEN
CHI-SQUARE TEST IS CONDUCTED TO EXTEND THE RELATIONSHIP BETWEEN THE FAMILY SIZE AND LEVEL OF SATISFACTION:

HO: There is no significant relationship between family size and level of satisfaction.
H1: There is significant relationship between family size and level of satisfaction.

Calculate value: 6.68
Table value: 9.49

Inference:
Since the calculated value is less than the table value. So the Null hypothesis is accepted. Hence, there is no significant relationship between family size and level of satisfaction.

**TABLE EIGHT**

CHI – SQUARE TEST IS CONDUCTED TO EXTEND THE
RELATIONSHIP BETWEEN THE EDUCATIONAL
QUALIFICATION AND LEVEL OF SATISFACTION:

**HO:** There is no significant relationship between educational qualification and level of satisfaction.

**H1:** There is significant relationship between educational qualification and level of satisfaction.

<table>
<thead>
<tr>
<th>O</th>
<th>E</th>
<th>O-E</th>
<th>(O-E)²</th>
<th>(O-E)²/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>8.51</td>
<td>-2.51</td>
<td>6.30</td>
<td>0.74</td>
</tr>
<tr>
<td>17</td>
<td>14.49</td>
<td>2.51</td>
<td>6.30</td>
<td>0.43</td>
</tr>
<tr>
<td>28</td>
<td>19.98</td>
<td>-8.02</td>
<td>64.32</td>
<td>1.89</td>
</tr>
<tr>
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<td>34.02</td>
<td>-8.02</td>
<td>64.32</td>
<td>1.89</td>
</tr>
<tr>
<td>3</td>
<td>8.51</td>
<td>-5.51</td>
<td>30.36</td>
<td>3.57</td>
</tr>
<tr>
<td>20</td>
<td>14.49</td>
<td>5.51</td>
<td>30.36</td>
<td>2.10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>TOTAL</td>
<td>11.95</td>
</tr>
</tbody>
</table>

**Calculate value:** 11.95
**Table value:** 3.84

**Inference:**

Since the calculated value is more than the table value. So the Null hypothesis is not accepted. Hence, there is significant relationship between educational qualification and level of satisfaction.

**TABLE NINE**

CORRELATION TEST CONDUCTED TO EXTENT THE
RELATIONSHIP BETWEEN THE AGE AND SATISFACTION LEVEL

<table>
<thead>
<tr>
<th>AGE/ SCORE</th>
<th>15-30</th>
<th>30-45</th>
<th>45-60</th>
<th>f</th>
<th>u</th>
<th>fu</th>
<th>fu²</th>
<th>Fuv</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-30</td>
<td>8</td>
<td>23</td>
<td>8</td>
<td>39</td>
<td>-1</td>
<td>-39</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>30-45</td>
<td>12</td>
<td>18</td>
<td>13</td>
<td>43</td>
<td>0</td>
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<tr>
<td>45-60</td>
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<td>57</td>
<td>-1</td>
</tr>
<tr>
<td>V</td>
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<td>0</td>
<td>1</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fv</td>
<td>-23</td>
<td>0</td>
<td>23</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>fv²</td>
<td>23</td>
<td>0</td>
<td>23</td>
<td>46</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Formula:

Result:

\[ r = -100.4918.475 = -0.02033 \]

Inference:

The correlation shows the negative result, so the correlation between the age and satisfaction level is have a negative correlation.

**TABLE TEN**

**CORRELATION TEST CONDUCTED TO EXTENT THE RELATIONSHIP BETWEEN THE FAMILY SIZE AND SATISFACTION LEVEL**

<table>
<thead>
<tr>
<th>Family Size/ Score</th>
<th>15-30</th>
<th>30-45</th>
<th>45-60</th>
<th>F</th>
<th>U</th>
<th>Fu</th>
<th>Fu2</th>
<th>Fuv</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>-1</td>
<td>-5</td>
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<td>0.02033</td>
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<td>40</td>
<td>15</td>
<td>65</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4-6</td>
<td>11</td>
<td>12</td>
<td>7</td>
<td>30</td>
<td>1</td>
<td>30</td>
<td>30</td>
<td>-4</td>
</tr>
<tr>
<td>F</td>
<td>23</td>
<td>54</td>
<td>23</td>
<td>100</td>
<td>0</td>
<td>25</td>
<td>35</td>
<td>-3</td>
</tr>
<tr>
<td>V</td>
<td>-1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fu</td>
<td>-23</td>
<td>0</td>
<td>23</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fu2</td>
<td>23</td>
<td>0</td>
<td>23</td>
<td>46</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Result:

\[ r = -300 = -0.08249 \]

3636.619

Inference:

The correlation shows the negative result, so the correlation between the family size and satisfaction level is have a negative correlation.

Summary of Findings:

**CHI- SQUARE ANALYSIS**

- The analysis of the survey revealed that there is no significant relationship between Age and level of satisfaction.
- The analysis of the survey revealed that there is significant relationship between Gender and level of satisfaction.
- The analysis of the survey revealed that there is significant relationship between Monthly income and level of satisfaction.
- The analysis of the survey revealed that there is no significant relationship between Experience and level of satisfaction.
The analysis of the survey revealed that there is no significant relationship between marital status and level of satisfaction.

The analysis of the survey revealed that there is significant relationship between Nature of job and level of satisfaction.

The analysis of the survey revealed that there is significant relationship between Educational Qualification and level of satisfaction.

Conclusion

From the study, the researcher has come to know that most of the respondents have job satisfaction; the management has taken the best efforts to maintain cordial relationship with the employees. Due to the working conditions prevailing in this bank, job satisfaction of each respondent seems to be the maximum.

From the study, the researcher has come to know that most of the employees were satisfied with the welfare measures provided by bank. The employees of BOB get more benefits compare to other banks. The main problem of shortage of man power is less in the BOB compare to other banks.

References

BOOK REVIEW: MANAGEMENT THROUGH FOLK WISDOM

Reviewed by:
Vijaya Venkatesh
Indian Society of Agricultural Economics, Mumbai

Author:
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The folk tales have been an eternal part of every culture since ages. They have been passed from generation to generation, creating bondage of traditional values with present day generation. But the advent of new communication technologies like television and internet have resulted in widening of gap between generations or led to a breakdown in the system of informal communication or rather shrinkage of bond that was shared earlier between grand parents and their grandchildren. This slim volume under review is the outcome of the author’s compilation of 54 short stories as told by his parents since childhood that emerge from all walks of life, seeking to draw lessons from them. What is particularly interesting about these stories is that it helps the present generation managers in understanding the complex moral values and tries to impart knowledge to this generation to help them improve their efficiency in decision making by sorting out life’s many confusing problems. These folk tales praise qualities such as kindness, truth, honesty and hard work and can also be used as lessons of value to teach besides young managers even young children desirable behaviour. In fact these folk tales would help them to reflect their own experience and motivate them to live vicariously and overcome such feelings like jealousy, sadness, anger, fear etc. The author deserves to be lauded for his excellent job of producing these stories which would be useful to all those including students, corporate managers and teachers involved in the field of management education.