

## **Work-Life Balance among Government School Teachers in Haryana: A Study of Married Females**

Sunita, Ramchander, Mukesh Dhunna

## **Management Specializations in India: Student's Perspective**

Nupur Gosain, Farhat Mohsin

## **Implication of Tax Avoidance with Special Reference to Vodafone Case**

Sunil Kumar Gupta, Pradeep Aggarwal, Raju Aggarwal

## **Socio-Economic Dimension of Fishermen in Chilika Lake of Odisha**

Sarita Das, G B Sitaram

## **Knowledge Management and Business Process Reengineering**

Ajay Kumar

## **A Study of the Contributing Factors for Enhancement of the Effectiveness of Training and Development**

Sandeep Kumar, Renu Bhardwaj

## **Role of Values and Ethics in Business: An Empirical Study**

Sambhavana Gupta, Ritesh Gupta, Sunil Kumar

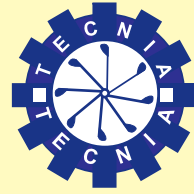
## **WTO and India's Exports Performance**

M. A. Beg

## **An Empirical Study on Understanding the Potential of Private Life Insurance Sector in India Using Servqual**

Nidhi Gupta, Nitin Goel, Manish Madan





# TECNIA

Living World of Diversity...

## **Vision**

“Imparting holistic development by inculcating knowledge, ethics, professional acumen and socially concerned attitude to carve an edge in a dynamic environment”.

## **Mission**

“To make a thorough professional and responsible citizen through student centric teaching learning process, co curricular, extracurricular, enrichment, extension and outreach activities and research environment”.

## **Quality Policy**

To provide quality education, training and expertise to improve the quality of life by improving the capabilities of human resources, thinking process, practices & performance in the Management, IT and Media disciplines by adopting the quality management system through continual improvements.

# *Tecnia Journal of Management Studies*

Vol. 9, No. 2, October 2014 – March 2015

---

## **PATRON**

**Shri R.K.Gupta**

Chairman,  
Tecnia Group of Institutions

## **Editorial Board**

Dr. Ajay Kumar  
Dr. Sandeep Kumar

**Dr. Sandeep Kumar**  
Editor

## **Editorial Board Members**

Dr. Sandhya Bindal  
Dr. Rajesh Bajaj  
Dr. Ajay Pratap Singh  
Dr. Namita Mishra  
Dr. Vishal Khatri

## **Editorial Assistance**

Pradeep Kumar Palei

## **Editorial Office & Administrative Address**

### **The Editor**

Tecnia Institute of Advanced Studies,  
3-PSP, Institutional Area,  
Madhuban Chowk, Rohini,  
Delhi-110085.  
Tel: 011-27555121-124,  
Fax:011-27555120

E-mail: [journaltias@tecnia.in](mailto:journaltias@tecnia.in)  
Website: <http://www.tecnia.in>

## **EDITORIAL ADVISORY BOARD**

**Prof. G.N. Tiwari**  
Professor, IIT Delhi

**Prof. (Dr.) R.C. Singh**  
Professor, Mahatama Gandhi Chittrakoot  
Gramodaya Vishvavidyalaya, Chittrakoot

**Dr. Nasib S. Gill**  
Director, DDE  
MD University, Rohtak

**Prof. Mukesh Dhunna**  
Professor, MD University, Rohtak

**Dr. Nirmal Singh**  
Former Professor, IIT, Delhi

**Prof. R.P. Tulsian**  
Professor  
University of Delhi

**Prof. R.K Agrawal**  
Director Finance, HAL (Retd.)

**Prof. M.P. Gupta**  
Former Dean, Faculty of Management Studies  
University of Delhi, Delhi.

---

Published & Printed by Dr. Ajay Kumar, on behalf of Tecnia Institute of Advanced Studies. Printed at Rakmo Press Pvt. Ltd., C-59, Okhla Industrial Area, Phase-I, New Delhi-110020. Published from Tecnia Institute of Advanced Studies, 3 PSP, Institutional Area, Madhuban Chowk, Rohini, Delhi-85.

## *From The Editor's Desk*

I take this opportunity to thank all contributors and readers for making *Tecnia Journal of Management Studies* an astounding success. The interest of authors in sending their research-based articles for publication and overwhelming response received from the readers is duly acknowledged. I owe my heartfelt gratitude to all the management institutes for sending us their journals on mutual exchange basis, and their support to serve you better.

We are happy to launch the Eighteenth issue of our academic journal. The present issue incorporates the following articles:

- ❖ Work-Life Balance among Government School Teachers in Haryana: A Study of Married Females
- ❖ Management Specializations in India: Student's Perspective
- ❖ Implications of Tax Avoidance with Special Reference to Vodafone Case
- ❖ Socio - Economic Dimension of Fishermen in Chilika Lake of Odisha
- ❖ Knowledge Management and Business Process Reengineering
- ❖ A Study of the Contributing Factors for Enhancement of the Effectiveness of Training and Development
- ❖ Role of Values and Ethics in Business: An Empirical Study
- ❖ WTO and India's Exports Performance
- ❖ An Empirical Study on Understanding the Potential of Private Life Insurance Sector in India Using Servqual

My thanks to the authors, Dr Sunita, Dr Ramchander, Dr Mukesh Dhunna, Ms Nupur Gosain, Dr Farhat Mohsin, Dr Sunil Kumar Gupta, Prof. Pradeep Aggarwal, Prof. Raju Aggarwal, Ms. Sarita Das, Dr G B Sitaram, Dr Ajay Kumar, Dr Sandeep Kumar, Renu Bhardwaj, Sambhavana Gupta, Ritesh Gupta, Sunil Kumar, Dr. M. A. Beg and Nidhi Gupta, Nitin Goel, Manish Madan who have sent their manuscripts in time and extended their co-operation particularly in following the American Psychological Association (APA) Style Manual in the references.

I extend my sincere thanks to our Chairman Sh. R. K. Gupta, who has always been a guiding light and prime inspiration to publish this journal. I am grateful for his continuous support and encouragement to bring out the Journal in a proper form. I also appreciate Editorial Committee Members for their assistance, advice and suggestion in shaping up the Journal. My sincere thanks to our distinguished reviewers and all team members of Tecnia family for their untiring efforts and support in bringing out this bi-annual Journal.

I am sure the issue will generate immense interest among corporate members, policy-makers, academicians and students.

**Editor**

---

## Contents

---

1. **Work-Life Balance among Government School Teachers in Haryana: ..... 1**  
**A Study of Married Females**  
*Sunita, Ramchander, Mukesh Dhunna*
2. **Management Specializations in India: Student's Perspective..... 9**  
*Nupur Gosain, Farhat Mohsin*
3. **Implications of Tax Avoidance with Special Reference to Vodafone Case ..... 15**  
*Sunil Kumar Gupta, Pradeep Aggarwal, Raju Aggarwal*
4. **Socio - Economic Dimension of Fishermen in Chilika Lake of Odisha ..... 22**  
*Sarita Das , G B Sitaram*
5. **Knowledge Management and Business Process Reengineering ..... 28**  
*Ajay Kumar*
6. **A Study of the Contributing Factors for Enhancement of ..... 31**  
**the Effectiveness of Training and Development**  
*Sandeep Kumar, Renu Bhardwaj*
7. **Role of Values and Ethics in Business: An Empirical Study ..... 35**  
*Sambhavana Gupta, Ritesh Gupta, Sunil Kumar*
8. **WTO and India's Exports Performance ..... 41**  
*Dr. M. A. Beg*
9. **An Empirical Study on Understanding the Potential of ..... 52**  
**Private Life Insurance Sector in India Using Servqual**  
*Nidhi Gupta, Nitin Goel, Manish Madan*

## General Information

- ◆ Tecnia Journal of Management Studies is published half-yearly. All editorial and administrative correspondence for publication should be addressed to the Editor, Tecnia Institute of Advanced Studies, 3 PSP, Institutional Area, Madhuban Chowk, Rohini, Delhi-110085.
- ◆ The received articles for publication are screened by the Evaluation Board for approval and only the selected articles are published. Further information on the same is available in the "Guidelines for Contributors".
- ◆ Annual subscription details with the format for obtaining the journal are given separately and the interested persons may avail the same accordingly.
- ◆ Views expressed in the articles are those of the respective authors. Tecnia Journal of Management Studies, its Editorial Board, Editor and Publisher (Tecnia Institute of Advanced Studies) disclaim the responsibility and liability for any statement of fact or opinion made by the contributors. However, effort is made to acknowledge source material relied upon or referred to, but Tecnia Journal of Management Studies does not accept any responsibility for any inadvertent errors & omissions.
- ◆ Copyright © Tecnia Institute of Advanced Studies, Delhi. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the Publisher.
- ◆ Registration Number : **DELENG/2006/20585**
- ◆ ISSN – 0975 - 7104
- ◆ Printed & Published by : **Dr. Ajay Kumar**  
Tecnia Institute of Advanced Studies,  
Madhuban Chowk,  
Rohini,  
Delhi-110085.
- ◆ Printed at : **Rakmo Press Pvt. Ltd.**  
C-59, Okhla Industrial Area, Phase-I,  
New Delhi-110020.

# WORK-LIFE BALANCE AMONG GOVERNMENT SCHOOL TEACHERS IN HARYANA: A STUDY OF MARRIED FEMALES

Sunita\*  
Ramchander\*\*  
Mukesh Dhunna\*\*\*

***Abstract:** Work-Life Balance (WLB) has gained attention in literature. However, there is a need to explore the subject vis-à-vis teachers, keeping in mind the increasing cases of Work-Life problems among female married school teachers especially in government schools. Thus, the purpose of this study is to map the dimensions of WLB circumvent upon demographics. In all 100 responses were generated. Reliability and validity was established. Overall, WLB took a back seat in the minds of school teachers while weighing the work load, life at school and general academic and administrative environment prevailing at government schools.*

***Keywords:** Work-life balance, quality of life, female school married teachers, personal life, and life at school.*

## 1.1 Introduction

With the priorities and expectations of the modern world changing, the work complexities have also changed. Under the new circumstances, there is a scramble to maintain balance between what is expected of you and enjoying personal life. Working effectively in a meaningful career and enjoying quality personal life are often at cross roads bleeding into each other. People are marred by their demographic and social trends on one side and careers screw up on the other side of equation. Thus the concerns of narrow peripheral relationship between work-life and personal life have been on the agenda of researchers since ages. This "Work-life balance" (WLB) expression describes the balance to be maintained between what an individual does at work place and personal life. It is a satisfactory 'fit' between the roles in life and work by an individual. Clark (2000) defined "Work-life balance as satisfaction and smooth functioning at work and home without any role conflict".

Companies like Merck, Deloitte & Touche, and IBM were among the first to recognize the value of WLB. In the 1960s and the 1970s the issues of WLB became

prominent when they realized the contribution of women was getting affected by the requirements of their jobs and maintain spouse, family and raising children. New working practices, policies, procedures were drawn by experts in order to help women at workplace. Provisions of providing women with maternity leave, employee assistance programmes (EAPs), flexitime schedules, work-from home policies, and child-care referral etc. are thus the brain child of such companies (see Singh, 2014).

Ample researches have conclusively been done on teachers' Work-Life balance and it has been found that teaching is a stressful profession (Rosser, 2004). Another most important reason for studying schools teachers on the aspect of Work-Life balance is that, this is the profession which is overwhelmingly female dominated than any other profession (Acker 1996). Hakanen et al., (2006) pointed to teachers to be overburdened due to their academic work load and career issues. Clark (1989) concluded that it is the teaching profession that has multiple of dimensions such as pattern of work, authority, identification and career etc, and most important thing is that all these dimensions differ with different institutes and subjects that is why this field is most preferred for Work family conflict.

---

\*Dr. Sunita, Assistant Professor in Psychology, Government College for Women, Bawani Khera (Bhiwani)

\*\*Mr. Ramchander, GSS School, Dhanana, Bhiwani, ramchanderchauhan1971@gmail.com

\*\*\*Dr. Mukesh Dhunna, Professor in Management, M D University, Rohtak

As female teachers get married, they are bestowed upon the additional responsibility of taking care of children as a mother and remain engaged in family affairs taking care of mother/father in law, husband and other members of the family and household chore besides pursuing teaching as the career path. Working mothers of today thus need to dedicate themselves towards family responsibilities as well as need to cope up with the competing demands of their job at school. Besides teaching, many administrative duties are assigned not only by the superiors, teachers in the government schools are also supposed to be a community mentor and hence are asked to participate in many public/community programmes and need to attend to multiple of duties assigned to by the district administrator and other State machinery. Such responsibilities add to the stress on teachers and yet they remain responsible for the superlative results in academics of their students. School teachers thus need to continually harmoniously mitigate, organize and ensure proper balance between the various problems and activities in their different roles simultaneously. This paper focuses on the tough life of married government school teachers in Haryana in their efforts to arrive at a balance between work and family life. Changing demographics of the workforce, work culture and working environment in schools have often been rooted as the primary force for the dynamics of family-work issues. Due to Indian economic conditions coupled with better economic rewards and increased social prestige, women have started shouldering the dual responsibility of managing the home and the workplace. Thus dual-career families have emerged and the Work-life balance has become an issue. All these has led to the stress among teachers leading to imbalanced work-life equation. Thus, there is a need to study work-life balance issues *vis-à-vis* government school teachers.

## 1.2 Literature Review

Work-life balance encompasses an employee's perception about multiple domains of personal time, family care, and work that are maintained and integrated with a minimum of role conflict (Clark, 2000; Ungerson & Yeandle, 2005). "Dual career families have generated an increasingly diverse workforce and a greater need of employees to balance their work and non-work lives" (Bharat, 2003; Komarraju, 1997; Rajadhyaksha & Bhatnagar, 2000; Sekharan, 1992).

Off-late the palatial conditions of the economy has created greater access to jobs for women. "Coupled with factors such as a change in marital patterns and smaller families has lead to an increase in the number of working women and, hence, working

mothers" (Grossman, 1981). Provision of extended educational facilities by the governments, both professional and otherwise, have led to greater intrusion of females in almost every sector. Women are now much mobile and career seekers. But the challenge lies in the fact that female teachers work under the same working environment as the men but for different role demands. "By fulfilling their economic needs, employment has no doubt made teachers independent with an identifiable social status, but it has also made them to juggle into two main domains of life-work and family. They have stepped into work place but the role responsibilities of women still remain the same, i.e., women may be a top executive, still the 'nurturing' or 'care giving' roles are considered much a part of feminine roles" (Malhotra & Sachdeva, 2005).

Due to family issues interfering the work and the vice versa, the life at work as well as at home seems becoming complex for the female school teachers. The work of Pleck's (1977) research which suggested the family-to-work spill-over to be stronger for women and the work-to-family spill-over stronger for men, lends support to contention that inter-field marriages may nullify the problems of work-life balance. Researches such as Nielsen Survey, (June 2011) even suggested that women in India are most stressed/pressured for time to the extent of 87%.

There is no dearth of studies wherein the effect of work-life conflict on the health of working women has been discussed. ASSOCHAM's study covered corporate female employees and focused on the health issues of corporate female employees. Similarly, one of their significant finding of the study of Ahmad (2009) claims that "75 percent of the working females suffer depression or general anxiety disorder than those women with lowest level of psychological job demands due to high psychological job demands like long working hours, working under deadlines, without clear direction leads".

Kofodimos (1993) talking about the work imbalance stated that it "stir up high levels of stress, detracts from quality of life, and ultimately reduces individuals' effectiveness at work". While Work-life balance problems are really serious and has real consequences (Friedman and Greenhaus, 2000), a perfect state of balance cannot be achieved. One can only strive for it. Thus Work-Life Balance Programs (WLBP) are usually resorted to help employees control over time and place of work (Thomas & Ganster, 1995) and reduce work-family conflict (Kossek & Ozeki, 1998) and stress (Thompson & Prottas, 2006). Kirchemeyer (2000) views living a balanced life as "achieving



satisfying experiences in all life domains, and to do so requires personal resources such as energy, time, and commitment to be well distributed across domains”.

As regards the teaching profession, the studies of Borg & Riding (1991) and Farber (1991) need special mention here who proclaimed that “Teaching is stressful” and it has been found that “5% to 20% of all U.S. teachers/academicians are burned out or stressed”. Even Maslach, Jackson, & Leiter (1996) and Schaufeli & Enzmann (1998) reported that compared to other professions, “teachers show high levels of fatigue and pessimism”, which are considered as the core dimensions of burnout/Work-Life conflict. Kalimo and Hakanen (2000) also supported the contention in context of educators of Finland that burnout levels was high compared to workers in all other human services and white collar/executive jobs.

Johnsrud and Rosser (2002) conducted a study on faculty members in their study; they proposed and tested a multilevel structural equation model (SEM). The results indicated that the Work-Life perceptions of faculty members directly impacted the morale, and intentions to leave at both the individual and group or institutional levels. There was modest or no direct consequence of Work-Life and demographic variables on faculty members’ intentions to leave. Thus, the eminence of teachers’ Work-Life affects their level of morale, and in turn, morale affects their intentions to leave their career or position.

A key problem, on the other hand, is that teaching to the school children has become very challenging. Smyth (1991) concluded that widespread economic recession seems to have shaped conditions where schools come under escalating pressures to provide measurable results by tight controls over teachers’ work. The mechanism of measuring academic output of school teachers annually has added to the pressure the teachers face adding to the conflicts between competing teaching demands and personal and family needs. Research conducted by Rout, Lewis and Kagan (1999) supports that Indian women cannot escape the work chore both at home and at school and exert considerable pressure.

Authors of this study perceived that unlike the foreign studies e.g. Rosner et al. (2005); Robotham (2001); Jacob (2004); Hakanen et al. (2005) not many studies have focused on specific dimensions of Work-Life balance of government school teachers. Thus, this study was conferred over government school teachers in Haryana. This study is basically for assessing the prevalence of work-life among married government school teachers. The purpose is also to present and discuss specifically the problems of such teachers face

in the process of balancing their work and family life.

Based on above considerations, following objectives were conceived for the study were:

- To study the prevalence of work-life balance problem among the married government school teachers.
- To study the work-life balance problems of married government school teachers across their demographic characteristics such as age group, number of children and spouse’s profession.
- To study the effect of work-life balance on the quality of life of married school teachers.
- To study the extent to which various factors like teaching hours, administration and own management, compensation and job security, promotions, co-workers’ behavior, leadership, and physical conditions and support facilities affect the married school teachers’ work-life balance.

### 1.3 Research Methodology

The study was conducted among the married female school teachers of Haryana. Using convenient sampling method, a sample of 100 married school teachers who volunteered to participate in the study were selected. Besides conducting personal unstructured interviews with the 26 teachers on various issues, a research instrument designed for the purpose was personally administered to the teachers. The issues covered included views on teaching, school administration, compensation and job security, promotions, co-workers’ behaviour, leadership, and physical conditions and support facilities.

Replicating the study procedure adopted by Delina & Raya (2013) the major tool was the checklist (Daniels and McCarragher, 2000) in the manual on work-life balance of The Industrial Society (now the Work Foundation). The context suitability of the statements were pilot tested over 10 school teachers and were found to be suitable. It consists of ten statements about work-life balance where the options for answers were either ‘agree’, ‘sometimes’ or ‘disagree’. Demographic details of the respondents namely Age group, Number of Children, Profession of Spouse and Industry/Sector the respondent is working in were also sought. Views were obtained on agreement or disagreement point over statements added to get a better clarity in the study on Work-Life balance in the married female school teachers of Haryana.

- I am able to balance my personal and professional life well.
- As a teacher, my biggest challenge is work-life balance.

- There is a strong relationship between work-life balance and quality of life.
- I feel that better work-life balance in my life can guarantee me a better quality of life.
- In general, my level of satisfaction towards my life in school is good.

The checklist manual developed by Daniels and McCarragher for the Industrial Society (2000) and the guidelines to check oneself with the manual on the balance between work and family has been presented below. Responses are sought on a three point scale ranging from A (Agree =3), B (Sometimes = 2) and C (Disagree = 1).

### 1.4 Work through this checklist and assess whether your own life is balanced

- Q1 At the moment, because the job demands it, I usually work long hours
- Q2 There isn't much time to socialize/relax with my partner/see family in the week
- Q3 I have to take work home most evenings
- Q4 I often work late or at weekends to deal with paperwork without interruptions
- Q5 Relaxing and forgetting about work issues is hard to do
- Q6 I worry about the effect of work stress on my health
- Q7 My relationship with my partner is suffering because of the pressure or long hours of my work
- Q8 My family are missing out on my input, either because I don't see enough of them/am too tired
- Q9 Finding time for hobbies, leisure activities, or to maintain friendships and extended family relationships is difficult
- Q10 I would like to reduce my working hours and stress levels, but feel I have no control over the current situation

Source: Daniels and McCarragher Industrial Society (2000)

### 1.5 Analysis and Interpretation

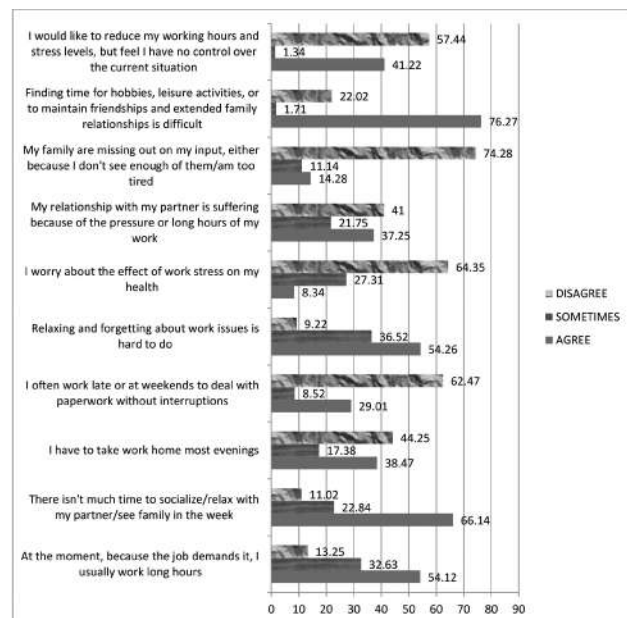
In order to subject the data to statistical testing, the collected data were coded and analyzed using MS Excel software. The data were subjected to Alpha tests of reliability and they had acceptable (0.668) Cronbach's Alpha value which indicates a good level of internal consistency for the scale with the specific sample used for the study.

Demographic Characteristics of Respondents	Frequency	Percentage	
Age Group of Respondents:	Under 30 years	24	24.0
	30 to 50 years	38	38.0
	Over 50 years	38	38.0
	Total	100	100
Spouse's Profession:	School/college Teaching	34	34.0
	Other jobs	66	66.0
	Total	100	100
No. of Children:	None	19	17.27
	One	11	10.00
	Two	67	60.99
	Three or more	13	11.81
	Total	100	100

#### Exhibit 1

Exhibit 1 presents the profile of the 100 married female school teacher respondents. About 61% of the respondents had two children and 11.81 had three or more children. Spouse's profession was deliberately limited to either teaching or otherwise to understand the differences in WLB. Profession of the 34% spouse of the respondent was teaching either in a school or a college and rest were in other professions.

Exhibit 2 presents the percentage of responses on the three points of the scale mentioned. Predominance of scores on 'agreement' signifies that work-life balance is moderately out of control and is in need of attention. Work-life balance problem is perceivably



caused because of not finding time for hobbies, leisure activities or to maintain friendships and not finding time to relax with life partner or family. Worries about health were not at all a concern for many of the female school teachers of Haryana.

### Exhibit 3

S. No.	Statements	Mean	S.D
Q2	There isn't much time to socialize or relax with my partner/see family in the week.	2.5512	.564
Q9	Finding time for hobbies, leisure activities, or to maintain friendships and extended family relationships is difficult	2.5425	.444
Q5	Relaxing and forgetting about work issues is hard to do	2.4504	.654
Q1	At the moment because the job demands it, I usually work long hours.	2.4087	.453
Q7	My relationship with my partner is suffering because of long hours of my work	1.9625	.764
Q3	I have to take work home most evenings	1.9442	.651
Q10	I would like to reduce my working hours and stress levels, but feel I have no control over the current situation	1.8378	.434
Q4	I often work late or at weekends to deal with paperwork without interruptions.	1.6654	.435
Q6	I worry about the effect of work stress on my health	1.4399	.712
Q8	My family is missing out on my input either because I don't see enough of them/am too tired.	1.3940	.432

The mean and standard deviation of responses for each statement in the checklist are shown in Exhibit 3. This exhibit signifies that there isn't much time available to socialize or relax with partner and see family in the week for the female school teachers. Also they find little time for hobbies, leisure activities, or to maintain friendships and extended family relationships. Married female school teachers were squeezed of time because of time devoted to their respective school. Relaxing and forgetting about work issues was simply not possible as the time schedule at school was quite tight. Relationship with partner were also perceivably suffering but had no control over the situation.

**Exhibit 4 presents the responses to the statements added by the researchers.**

	Responses	Percentage Respondents
I am able to balance my personal and professional life well	YES	24.00
	NO	76.00
As a school teacher, my biggest challenge is work-life balance.	YES	65.00
	NO	35.00
There is a strong relationship between work-life balance and quality of life	YES	74.00
	NO	26.00
I feel that better work-life balance in my life can guarantee me a better quality of life	YES	68.00
	NO	32.00
In general, my level of satisfaction towards school life is good	YES	44.00
	NO	56.00

From the above table, we find that married female school teacher respondents of Haryana, 76% of them felt that they were not able to balance their work-life while 24% of them felt that they were able to do so. Also, 65% of them felt that work-life balance was the biggest challenge that they faced while 35% of them felt that work-life balance was not their biggest challenge. 74% of them felt that there is a strong relationship between work-life balance and quality of life while 26% of them felt that there is no strong relationship between work-life balance and quality of life.

From the above table, we find that 68% of them felt that better work-life balance in their life can guarantee them a better quality of life while 32% of them felt that better work-life balance cannot guarantee them a better quality of life. At the same time, 44% of married female school teacher respondents of Haryana felt that their level of satisfaction towards their Quality of life is good while 56% of them felt that their level of satisfaction towards their Quality of life is not good.

It is found through the tabulated results that majority of the respondents are not successful in striking a balance between their personal and professional life. This shows the severity of the problems of work-life balance among the married female school teachers. A large number of respondents are found to have the feeling that the biggest challenge of being a school teacher is work-life balance. This implies that female school teachers are really facing a tough time in their attempts to balance personal and professional life. Many respondents have agreed that there is a strong relationship between work-life balance and quality of life and many of them feel that a good work-life

balance can guarantee them a better quality of life. Majority of the respondents are dissatisfied with their quality of life which shows that married female school teachers are not pleased with the way their life is going. The purpose of striving very hard both at home and work thus always costs female teachers their individual health but the gain is better quality of life. But this quality of life that she craves for is often moderated by the role her spouse, the organization and her personality plays in WLB.

Exhibit 5 represents the responses as per age group of female married teachers to the statement "I am able to balance my personal and professional life well".

I am able to balance my personal and professional life well				
Age Group		Responses		
		NO	YES	Total
Age Group	Under 30 years	14	10	24
	30 to 50 years	29	9	38
	Over 50 years	27	11	38
	Total	70	30	100
Spouse Profession		Responses		
		NO	YES	Total
Spouse Profession	School/college teaching	6	28	34
	Other profession	46	20	66
	Total	52	48	100
Number of children		Responses		
		NO	YES	Total
Number of children	None	6	13	19
	One	6	5	11
	Two	43	24	67
	Three or more	63	47	100

### Exhibit 5

As regards the age group of the respondents, the chi-square statistic turned out to be 2.2974. The p-value is .317047. The result is not significant at  $p < .05$ . Age group seems to have a no effect on the respondents' perception on their work-life balance. The percentage of married female school teachers being able to strike a balance between their personal and professional seems to increase with age. This might probably due to the experience gained over the years in carrying out personal & professional duties.

As regards the spouse's profession, the chi-square statistic is 24.3567. The p-value is  $< .00001$ . The result is significant at  $p < .05$ . The perception of respondents towards their work-life balance varies much with their spouse's profession. The respondents' spouses with same academic profession either in school or college seem to have better work-life balance than others which might be because the similar nature of the job

and better understanding of the job characteristics. This implies that the profession of spouses does really matter for the married female school teachers when they strive to balance their personal and professional life.

As regards the number of children, the chi-square statistic is 6.5618. The p-value is .087258. The result is not significant at  $p < .05$ . Thus the perception of married school teacher respondents towards their work-life balance does not depend on the number of children that the respondents have.

Approximately 93 percent of the teachers were satisfied with the subjects that they taught and their knowledge of the content of what they teach. Teachers were satisfied with their own skills in teaching methods, the authority they had to choose teaching methods and their autonomy to choose content. The imbalance was attributed to poor performance of the students as they mostly belonged to poor and illiterate parents. Despite best efforts, the annual performance rated poorly and this affected the teachers' evaluation reports. Government interference in school governance was very high, and besides the routine teaching work load teachers were assigned a host of community duties which included even population count, election duties and counting and verifying heads for government pension. All this decreased the teaching contact hours with the students, increased work hours and even moving out to allotted stations for government assigned administrative jobs.

Teachers did not hold particularly strong positive or negative views on community service. Approximately half of the respondents were satisfied with the importance of their work to the community but dissatisfied with the influence this had on their promotion. The responsibility of holding community programmes always fell on the teachers. Visits of the local politicians and holding of other programmes in the school often steal their time they are supposed to spend with their families.

About two-thirds of the respondents were satisfied with their school system of administration. However, about half were dissatisfied with the time they had to spend on administrative duties, the amount of paperwork they had to do and the level of interaction at meetings.

Surprisingly 88 percent female school teachers were satisfied and just 12 percent were dissatisfied with salaries paid by their institution in comparison with others schools in private sector. This helped them adding to the quality of family life. Regarding teachers' views on promotions, they were dissatisfied with

this aspect. About half of the sampled teachers were unhappy about the politics surrounding promotion which was usually delayed. The teachers always felt imbalanced as they were frequently transferred from one station to other and often much away from their home town separating them from their spouse and at time from the families.

The teachers seemed relatively satisfied with the leadership at their school. About three-quarters indicated their satisfaction with the relationship between themselves and their Principal as well as with the support they get from him/her. About two - thirds were satisfied with the way departmental meetings as they are conducted and with the feedback received from their head quarters.

In general, teachers were satisfied with their co-teachers' behavior. Satisfaction was especially indicated with personal relationships with colleagues, personal friendships with colleagues and quality of colleagues in the school. Approximately half were satisfied with the clerical support in the school and the support from colleagues with activities they had to carry out. Lowest satisfaction was indicated for academic communication among colleagues.

Nearly two-thirds were satisfied with their working environment, the availability of supplies, the physical attractiveness of their building or office. Only about half of the respondents were satisfied with the quality of their office equipment, such as their computer.

Respondents expressed themselves favorably on general job satisfaction. Most of them (72.7 percent) replied that they were satisfied and did not consider WLB an issue compared to work load, life at school and general academic and administrative environment prevailing at government schools.

### 1.6 Summary of Findings

This study was able to measure the work-life balance of married female school teachers finding that married female school teachers find it very moderately hard to balance their work and personal life irrespective of the age group they belong to and the number of children they have. Spouse's profession however did affect the work-life balance among the married school teachers of the sample. Working hours related WLB problems were somewhat severe for the female school teachers who did not find time to socialize or being relaxed. The married female school teachers predominantly find it very hard to steal out time for their own hobbies or leisure activities and maintain friendships or extended relationships.

The idea has lead to Indian women in the teaching

field not only in schools, colleges and universities preferring to marry men in the same field supposedly assuming lesser role conflict and better balance between work and life. Considerably more research is needed to gain additional insight into the meaning and consequences of work-family balance. Juggling between the obligations towards the families and expectations of the school and constant struggle to maintain a balance between work and family can have serious implications on the life of an individual by affecting their well-being and overall quality of life. Health and wellness programs can, for sure help female school teachers in balancing their personal and professional life. But they alone cannot be the answer to addressing the problems of imbalance. The problems and difficulties of women are multi-dimensional as evident from the literature reviewed; therefore, they require further probing to help female school teachers in balancing their work and family life.

### 1.7 References

- Acker Sandra (1996), Gender and Teachers' Work; Review of Research in Education, Vol. 21, pp. 99-162
- Ahmad, Nusrat (March 2009), ASSOCHAM Business Barometer, ASSOCHAM Research Bureau. <http://www.assochem.org/arb/>
- Bharat, S. 2003. "Women, work, and family in urban India, Towards new families?" in J. W. Berry, R. C. Mishra, and R. C. Tripathi ed., Psychology in human and social development, Lessons from diverse cultures pp.155-169 New Delhi, India, Sage.
- Borg, M., and R. Riding (1991), Stress in Teaching: A study of Occupational Stress and its determinants, Job Satisfaction and career commitment among primary school teachers, Journal Of Educational Psychology 11: 59-75.
- Clark (1989).The Academic Life: Small Worlds, Different Worlds .Educational Researcher, Vol. 18, No. 5 (Jun. - Jul., 1989), pp. 48
- Clark SC (2000).Work/Family Border Theory: A New Theory of Work/Family Balance. Human Relations 53(6): 747-770.
- Daniels, L. and McCarragher, L. (2000), The Work-Life Manual. London: Industrial Society.
- Delina, G. & Prabhakara Raya (2013), A study on Work-Life Balance in Working Women, IRACST – International Journal of Commerce, Business and Management (IJCBM), ISSN: 2319-2828, Vol. 2, No.5, 274

- Denise Horner Mitnick, "The Impact of Female school teachers on Work/Life Balance Perspectives", University of Pennsylvania Scholarly Commons, 2006
- Farber, B. (1991). *Crisis in Education*. San Francisco: Jossey-Bass.
- Grossman, Allyson Sherman. "Working Mothers and Their Children". *Monthly Labor Review: Special Labor Force Reports - Summaries*. May, 1981: pp 49 -54.
- Hakanen J, Arnold B. Bakker B, Wilmar B. Schaufeli (2006), Burnout and work engagement among teachers, *Journal of School Psychology* 43 :495-513
- Jacobs A. Jerry, (2004); *The Faculty Time Divide; Sociological Forum*, Vol. 19, No. 1pp. 3 -27
- Jeffrey H. Greenhaus, Karen M. Collins & Jason D. Shaw, (2003) "The relation between work-family balance and quality of life", *Journal of Vocational Behavior* 63, 510-531
- Jerry A. Jacobs and Sarah E. Winslow (2004). *Overworked Faculty: Job Stresses and Family Demands: Annual journals of the American Academy of Political and Social Science*, Vol. 596, 104-129
- Johnsrud, L. K., and Rosser, V. J. (2002). Faculty members' morale and their intentions to leave: A multilevel explanation. *The Journal of Higher Education* 71(1): 34-59.
- Kalimo, R., & Hakanen, J. (2000). *Work and Health in Finland: Burnout*. Virtanen (Ed.), (pp. 119 - 126).
- Kirchmeyer, C. (2000). Work-life initiatives: Greed or benevolence regarding workers' time. In C. L. Cooper & D. M. Rousseau (Eds.), *Trends in organizational behavior* (Vol. 7, pp. 79-93). West Sussex, UK: Wiley.
- Kofodimos, J. R. (1993). *Balancing act*. San Francisco: Jossey-Bass.
- Komarraju M. 1997. "The work-family interface in India", in S. Parasuraman and J. H. Greenhaus Eds., *Integrating work and family, Challenges for a changing world* pp. 104-114. Westport, CT, Quorum Books.
- Kossek E. E. and Ozeki C. (1998). Work-family conflict, policies, and the job-life satisfaction relationship, A review and directions for organizational behavior-human resources research, *Journal of Applied Psychology*, Vol.83, pp.139-149.
- Leiter, M. P., & Schaufeli, W. B. (1996). Consistency of the burnout construct across occupations. *Anxiety, Stress, and Coping*, 9, 229-243.
- Malhotra, Sunita & Sapna Sachdeva (2005), "Social Roles and Role Conflict: An Inter-professional Study among Women", *Journal of the Indian Academy of Applied Psychology*, January - July, Vol. 31, No.1-2, 37-42.
- Maslach, C, Jackson, S. E. and Leiter, M. (1996). *Maslach Burnout Inventory: Manual* (3rd ed.). Palo Alto, CA: Consulting Psychologists Press
- Peeters, M. C. W., Montgomery, J. J., Bakker, A. B. & Schaufeli, W.B. (2005). "Balancing work and home: How job and home demands are related to burnout". *International Journal of Stress Management*, 12, 4361.
- Pleck, J H (1977). "The Work-Family Role System," *Social Problems*, 24(4), 417-427.
- Rajadhyaksha U. and Bhatnagar, D. 2000. "Life role salience, A study of dual career couples in the Indian context". *Human Relations*, Vol.53, pp.489-511.
- Robotham, G. (2001). Safety training that works. *Professional Safety* 46(5): 33-37
- Rosner, E., Lisa Indovino, Jennifer DeNicolis Bragger, Ofelia Rodriguez-Srednicki, Eugene J. Kutcher, (2005); *Work-Family Conflict, Work-Family Culture, and Organizational Citizenship Behavior among Teachers*; *Journal of Business and Psychology*, Vol. 20, No. 2 pp. 303-324
- Rosser (2004). Faculty member's intentions to leave: A National Study on Their Work-life and Satisfaction. *Research in Higher Education*, Vol. 45, No. 3.
- Rout, U R; Lewis, S and Kagan, C (1999). "Work and Family Roles: Indian Career Workmen in India and the West," *Indian Journal of Gender Studies*, 6(1), 91-105.
- Singh Kavita (2014), The importance of work-life balance, published in *The Hindu Business Line* on March 25, available at <http://www.thehindubusinessline.com/specials/new-manager/the-importance-of-worklife-balance/article5831127.ece>
- Schaufeli, W.B. & Enzmann, D. (1998). *The burnout companion to study and practice: A critical analysis*. London: Taylor & Francis.

# MANAGEMENT SPECIALIZATIONS IN INDIA: STUDENT'S PERSPECTIVE

Nupur Gosain\*  
Farhat Mohsin\*\*

***Abstract:** Education being the most fundamental and essential factor determines the structure and the shape of the society we strive in, it acts as a key for development of any society. A society with maximum population of educated people is a society with vigilance and awakening conscious and it helps in continuous evolution and development. Higher education nurtures and polishes a person's skills, knowledge, abilities and character and makes him employable. Management education in India has become more competitive and dynamic in nature. The young generation has a vast exposure to information and availability of different career options. Master of Business Administration (MBA) is a unique combination of class room theories and experiential learning. This study aims at exploring how various factors has an influence on student's decision in selection of major & minor specializations at post graduate level. Its focus is to analyze how various factors have influenced on the decision of students in selecting institute for post graduate degree.*

*The present study is taken up with an objective to investigate student's opinions on the various attributes of selecting different specialization streams in management program. The main aim of this research work was to evaluate the impact of student's socio- economic and demographic factors in selecting different specializations in management education. The findings of this research paper revealed that student's demographics play a major role in selection of their specialization. This research is based on primary data collected through a questionnaire. The study is carried out in four major cities of Punjab (Amritsar, Jalandhar, Ludhiana and Chandigarh). The samples are drawn from the population of 50 respondents, who are students of various graduate courses of reputed universities at Punjab state. Analysis has been done by using simple percentage method and analysis of variance (ANNOVA).*

***Key Words:** MBA, Specializations, admission, selection decision, management education*

## 1. Introduction

The present study attempts to assess the determinants affecting student's choice in selection the field of specialization in management course in four major cities of Punjab (Amritsar, Jalandhar, Ludhiana and Chandigarh).The study is mainly based on primary sources of data. The study implies data collection

method from the students of few reputed universities at Punjab state. The study indicates the factors which influence the perception of management students in selection of specialization field. The data is collected using a self-administered questionnaire. The sample for this study is final year graduate students in Amritsar, Jalandhar, Ludhiana and Chandigarh districts of Punjab. The sample size for the study is

\*Ms. Nupur Gosain, Assistant Professor, Faculty of Management Studies, Manav Rachna International University, Faridabad

\*\*Dr. Farhat Mohsin, Assistant Professor, Faculty of Management Studies, Manav Rachna International University, Faridabad

50 respondents. Analysis has been done by using multivariate techniques like Factor Analysis followed by Analysis of Variance (ANOVA).

The survey is based on questionnaire to guide the impact of student's demographics. Further descriptive statistics and Chi square method are the data analysis methods used to predict the relationship between student's demographics and their perception in selecting specialization field in management course. This study will help educators to know about aspirations and perception of future aspirants and image of their brand in the market. It can be used to understand about the latest trend and practices that help educational policy makers to offer better career options to their students. This study provided significant information necessary to the management of various institutions of higher learning to help in planning the strategies to increase the number of student's different specializations in their institutions.

## 2. Review of Literature

To formulate the research problem scientifically, and to point out the importance of undertaking this study, it is essential to present a brief review of researches undertaken in this area. Although the review involved a large number of studies but only those studies which have a direct and important bearing on the present study have been reported here. Numerous researchers and experts have attempted to determine what factors do influence student preference in selection of MBA specialization. Many of these researchers considered demographics and social-cultural as most impactful factors. According to Main and Ost (2011) societies have marked a shift from conventional inclination for career in medicine and engineering education towards banking, finance, human resource management, supply chain or accounting etc.

As per the study done by Alam, (2012), in Karachi, Pakistan that Management education is still one of the most lucrative career option, available to students after graduation from job security and employability point of view. In the current economic scenario, however, when industries have shut down, rate of employment reduced, job opportunities for fresh graduates have become a matter of greater concern (Jamillee, 2011).

According to Chun (2012) there is a clear association between level of education and employment, as well as salary. Students generally prefer a career option that is promising and ensure their social security. To support this point a study of Powell (2010) also determined that job security works as a major driver in selecting specialization field. In the support of the same Lowe and Simons (1997) also mentioned that the

most important factors influencing the choice of major and minor MBA selection are earnings, career options, initial earnings, and ability/aptitude. According to Rapert et al. (2004) students prefer to divide the major determinants into two categories "in-class" and "outside-class" environments.

Heslop and Nadeau (2010) surveyed MBA fair attendees to determine what important factors they used to determine whether or not to pursue the degree and what were the important qualities they used in determining the school at which they chose to study. They found that the primary decision factors included financial cost, investment of time, career uncertainty, future job opportunity, and an expressed interest in learning. Carrel and Schoenbachler (2001) examined the decision factors for students choosing to study in an Executive MBA program and found that financial cost involved in program, avenues availability and future and scope are the major considering point. Johnson, Thomas and Peck (2010) in their studies exhibit a shift from conventional MBA programs to specialized programs. These specialized programs have been designed to fit the individual student's needs rather than a one-size-fits-all-MBA. These specialized programmes are increasing in popularity reflected by the growth in application volume.

The research conducted by Dennis Zocco (2011) clearly exhibit that while selecting field of specialization, students generally focus on the subject matter, professor, course environment and grading. His research interrogated and found out those important factors which play in important role in student's selection of specialization in MBA. These factors are students own interest, friends' opinion, numerical approach, theoretical approach, specialization scope, nature of specialization, financial interest, faculty, professor opinion and physical attributes. The research findings shows that own interest is important perception of students at the time of selection of specialization in MBA.

## 3. Objectives

- To analyze the effect of demographic variables on respondent's selection of MBA specialization.
- To study the association between gender and their selection of MBA specialization.
- To study the association between respondent's education qualification and their selection of MBA specialization.
- To study and examine respondent's choice and combination of MBA specialization.
- To examine to what extend respondent's demographics have an impact on their choice of MBA specialization.



- To study and analyze the major factors influencing the selection of MBA specialization.
- To analyze level of students awareness towards MBA program.

#### 4. Research Methodology

The purpose of this study is to establish the factors that influence the choice of specialization of MBA courses by Students at Punjab state. The population for this study consists of 50 final year students of graduation..Convenience sampling of students was used from each university that offers graduation program. The research instrument to be relied on for primary data collection was a structured questionnaire that has both open ended and closed questions. The questionnaire was administered using drop and pick later method. The data gathered is aimed at offering sufficient information identify the factors influencing the choice of Specialization of MBA Courses by Students. Data collected was edited for accuracy, consistency, uniformity and completeness where the results were presented in tables, graphs and charts. The questionnaire was administered to about seventy two students and out of which fifty responded correctly and completely. The respondents included twenty five males and twenty five females. The survey was carried out at few reputed universities of Punjab during two month period from January to February 2016. Convenience sampling and simple random sampling approach were adopted in order to collect the primary data; however questionnaire was administered diligently to avoid any possible bias.

**Table 1: Demographic Profile of the Sample Respondents**

Sl. No.	Demographic Variables	No. of respondents (n-50)	Percentage
1	Age		
	21	23	46
	22	25	50
	23	2	4
2	Gender		
	Male	25	50
	Female	25	50
4	Education		
	B.Com	22	44
	B.Sc.	5	10
	B.Tech.	7	14
	B.A	6	12
	B.B.A	6	12
	B.C.A	4	8
7	First Preference Specialization		

	Marketing	34	68
	Finance	9	18
	HR	7	14
8	Second Preference Specialization		
	Marketing	15	30
	Finance	23	46
	HR	12	24
9	Combinations of Specialization Preferred		
	Finance and Marketing	9	18
	HR and Finance	1	2
	HR and Marketing	6	12
	Marketing and Finance	22	44
	Marketing and HR	12	24

#### 5. Result and Analysis

1. The respondents, who are students of different stream, were approached to collect information using Survey methodology making use of questionnaire as a tool. The discussions and summaries of the findings are given in distribution tables of frequency, percentages and figures. The insight obtained from the key questions asked is listed as below:

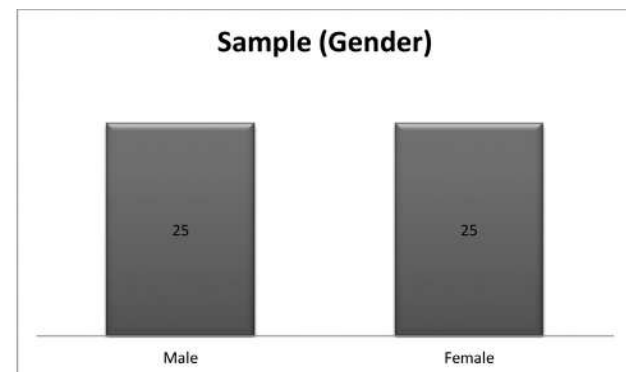


Fig.: 1.1. Gender

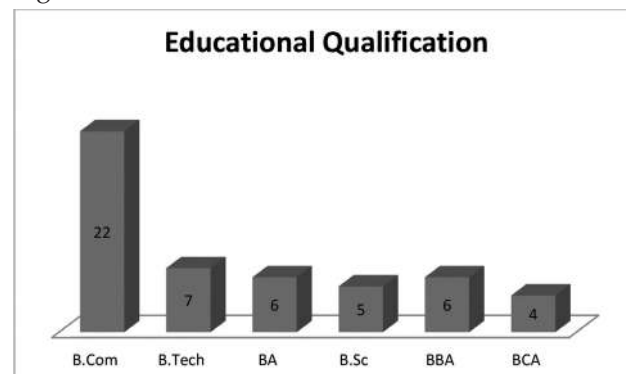


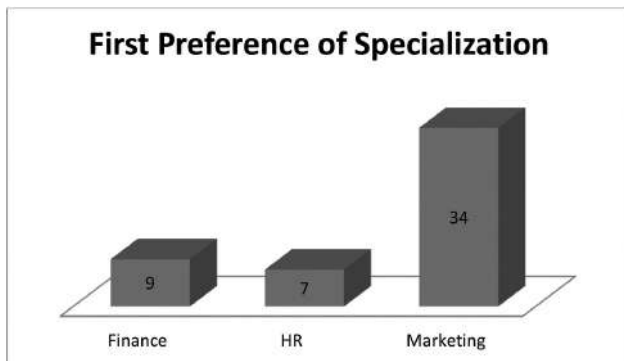
Fig.: 1.2. Educational Qualification

From the above graph it is very obvious that majority of respondents were commerce stream students. 7% were from technical background, 6% were from Art & Management stream followed by Science and Computer streams.

## 2. Preference

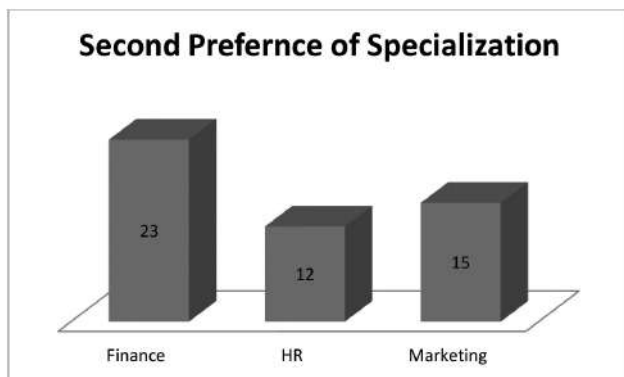
Preferences are the choices/options which are chosen by students for their MBA specialization during their study.

### 2.1. First Preference



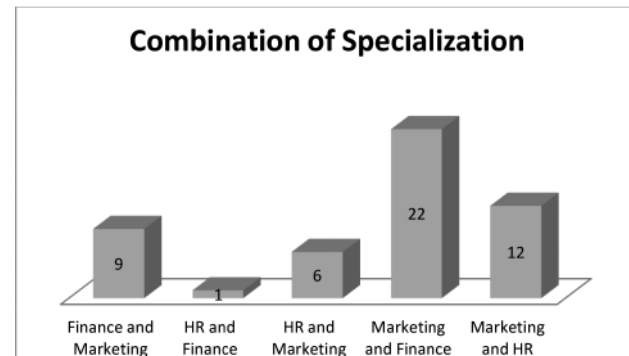
The graph shows that majority of respondents have selected Marketing for their MBA specialization as their first choice. Nine percent students chosen Finance followed by Human resource management.

### 2.2. Second Preference



In dual specialization maximum students around 23% chosen Finance as their first choice. 15% were chosen Marketing as a second specialization and 12% have opted Human Resource Management as third specialization.

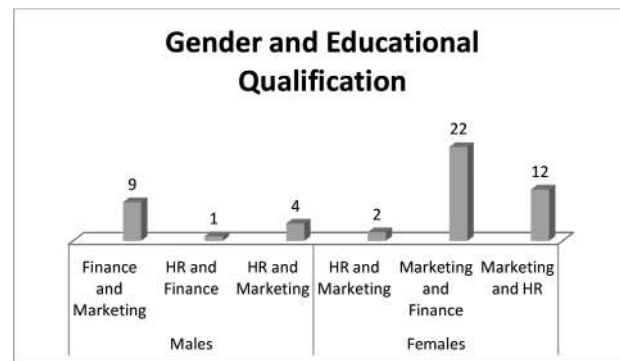
### 2.3. Combination Preference



The data reveals that most of the students have chosen Marketing and Finance as most preferred specialization option in MBA. Second combination which was preferred by candidate was marketing and finance. Third combination was finance and marketing; 9% people preferred finance and marketing followed by Human Resource and finance.

## 3. Gender and Specialisation

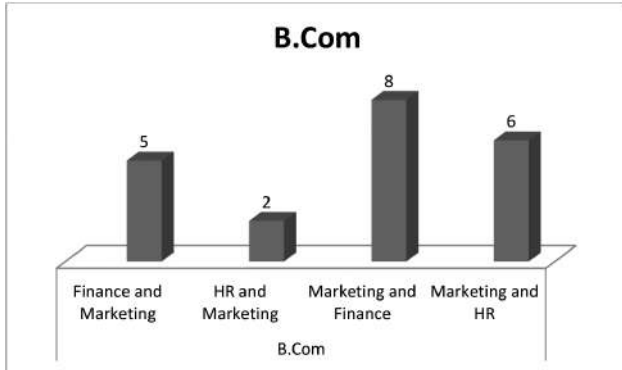
### 3.1



From the graph no. 3.1 it is clear that among females the most preferred combination was marketing with finance. Second preference was given to marketing with Human Resource and third preferred option was human resource with marketing. On the other hand among males the first preference was finance with marketing, the second choice was human resource with marketing and the last only 1% opted human resource with finance.

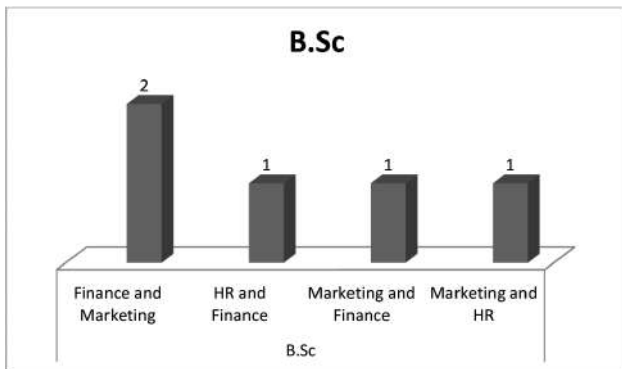
**4. Education Qualification and Preference**

**4.1 B.com**



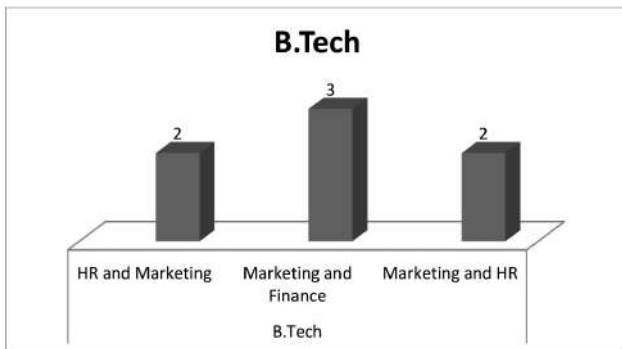
Among commerce graduates graphs 4.1 reveals that the first preferred combination was marketing with finance. The second option was chosen by candidates was marketing and human resource. Five percent candidates have opted finance with marketing followed by HR & marketing.

**4.2 B.Sc**



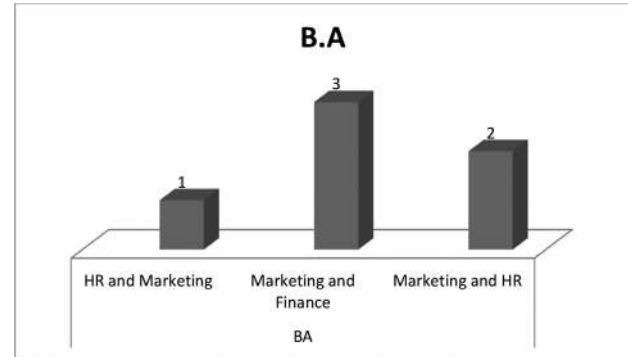
Graphs 4.2 shows science graduates also preferred finance and marketing as their first choice. Rest of the students given equal weightage to other specialisations.

**4.3. B.tech**



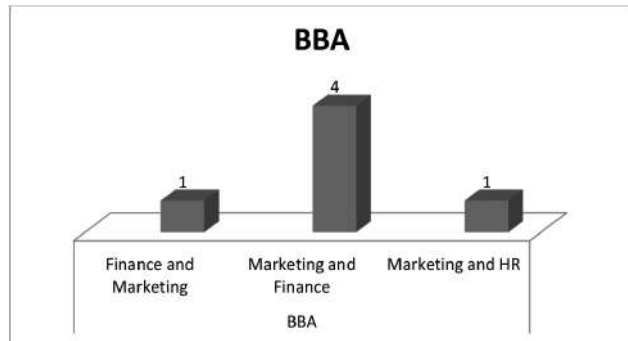
Graphs 4.3 shows that engineering students preferred marketing and finance as their first choice. Rest of the students given equal weightage to HR & marketing.

**4.4 BA**



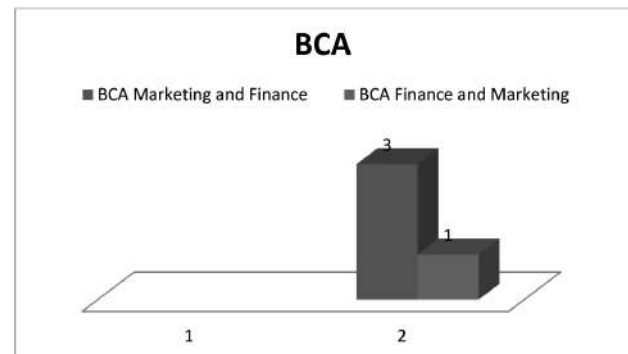
Graphs 4.4 shows Art graduates also preferred marketing and finance as their first choice. The second preferred choice was marketing with HR followed by HR & marketing.

**4.5 BBA**



Graphs 4.5 shows science graduates also preferred finance and marketing as their first choice. Rest of the students given equal weightage to other specialisations.

**4.6 Bca**



Graphs 4.5 shows that computer science students preferred marketing and finance as their first choice. The second interest was shown in finance with marketing combination.

## Conclusions

The entire research work revolves around figuring out what is the current preference of youngsters with regards to the various branches of specializations in management courses available in today's era. The researchers have aimed to find out the factors those govern these choices and also knowing whether the decision making could be channelized in right direction. It is commonly noticed that the decision for selection of the specialization is affected by the future opportunities. The decision one makes takes into the perspective of job security, earnings from the prospective job, stability, career options and progression in life. One of the major indicators of choosing the specialization is environment. Through this research it was attempted to examine different management college attributes involved in selection decisions and their role in students satisfaction. The findings suggested that infrastructure, placement facilities, experienced teachers and specialization options have a significance role in influencing their admission decisions.

## References

- Carrel, A. E., & Schoenbachler, D. D. (2001). Marketing Executive MBA programs: A comparison of student and sponsoring organization decision considerations. *Journal of Marketing for Higher Education*, 11(1), 21-38. 10.1300/J050v11n01\_02.
- Dailey, L., Anderson, M., Ingenito, C., Duffy, D., Krimm, P., & Thomson, S. (2006). Understanding MBA consumer needs and the development of marketing strategy. *Journal of Marketing for Higher Education*, 16(1), 143-158. 10.1300/J050v16n01\_07
- Eklund-Leen S. J. A study of the relationship of student cocurricular activity, intensity of involvement and other variables to attitude and estimated behavior toward community involvement among college students. Unpublished doctoral dissertation, Kent State University 1994.
- Ender M, Martin L, Cotter D, Kowalewski BM, Defiore J. Given an opportunity to reach out: heterogeneous participation in optional service-learning projects. *Teach Sociol* 2000, 28(3): 206-19.
- Jamillee, N (2011), receiving business education, *Daily DAWN*, Karachi, 1st August, 2011.
- Kaighobadi, M., & Allen, M. (2008). Investigating Academic Success Factors for Undergraduate Business Students. *Decision Sciences Journal of Innovative Education*, 6(2), 427-436. <http://dx.doi.org/10.1111/j.1540-4609.2008.00184>.
- Main, J. & Ost, B. (2011), *The Impact of Letter Grades on Student Course Selection and Major Choice: Evidence from a Regression-Discontinuity Design*, Cornell Higher Education research Institute.
- Nicholls, J., Harris, J., Morgan, E., Clarke, K., & Sims, D. (2011). Marketing higher education: the MBA experience. *International Journal of Educational Management*, 9(2), 31-38.
- Riasat, M. & Zaman, (Dec 2011). Measuring the impact of educational expenditures on economic growth: evidence from Pakistan, Department of Management Sciences, COMSATS Institute of Information Technology, Abbottabad, Accepted 12 December, 2011
- Rocha CJ. Evaluating experiential teaching methods in a policy practice course: The case for service learning to increase political participation. *J Soc Work Educ* 2000; 36(1): 23-37.
- Goldgehn, L. A., & Kane, K. R. (1997). Repositioning the MBA: Issues and implications. *Journal of Marketing for Higher Education*, 8(1), 15-24. 10.1300/J050v08n01\_02.

## IMPLICATIONS OF TAX AVOIDANCE WITH SPECIAL REFERENCE TO VODAFONE CASE

Sunil Kumar Gupta\*  
Pradeep Aggarwal\*\*  
Raju Aggarwal\*\*\*

***Abstract:** The recent verdict by Supreme Court on Vodafone case generates fresh debates on whether India needs to review her existing legal provisions particularly with respect to offshore tax laws. In this context, formal treatment and clear demarcations between tax evasion, tax avoidance and tax planning practices are imperative. The Standing Committee on Finance in its 49th Report on Direct Taxes Code bill, 2010 (submitted to Parliament on 9th march, 2012) recommended Controlled Foreign Corporations (CFC) rules, Advance Pricing Agreement (APA) along with General Anti Avoidance Rule (GAAR) provision to replace the Income Tax Act, 1961 as per the International Taxation Standard and also in line with the recent Chinese Corporate Income Tax (CIT) Law introduced in 2008 to deal with offshore transactions via holding companies. Whereas introduction of GAAR is essential given the limited applications of a specific or targeted anti avoidance rule, the Committee also acknowledges the need for an appropriate Dispute Resolution Panel (DRP) as GAAR might result in a disproportionate discretionary power for the Income tax authority. The appropriate application of GAAR provision assumes a crucial role, in particular with countries lacking any Limitations of Benefit (LOB) clause (e.g. Mauritius) with India. Before entering into litigation, it might be beneficial to settle tax disputes through a bilateral negotiation in the form of Mutual Agreement Procedure (MAP), where tax authorities of the respective countries negotiate to settle disputes in a cordial manner. The Present Study aims to attempt how to take undue advantage of the loopholes available in Indian Income Tax Act, 1961.*

### 1. Introduction

The recent verdict by Supreme Court on Vodafone case generates fresh debates on whether India needs a review of her existing legal provisions particularly with respect to off shore tax laws. Regarding this, serious discussions are essential for a clear distinction between tax evasion, tax avoidance and tax planning. Tax evasion is the *illegal* practice where individuals/firms escape paying taxes to the government through deliberate concealment or misrepresentation of their tax liability. On the other hand, when a taxpayer escapes his/her tax liability by exploiting legal ambiguities or in other words resort to

non-compliance of tax payments being entirely within the framework of the law (i.e. not violating any laws), it amounts to tax avoidance (Sandmo 2004). Another way to make a distinction between tax evasion and avoidance is that while in case of evasion, transactions are mostly unreported due to the natural tendency of avoiding punitive actions, in tax avoidance details are not hidden by tax payer(s) i.e. transactions are usually on record. For instance, the Australian Ralph Review of Business Taxation has described tax avoidance as misuse of the law that is often driven by structural loopholes in the law (Garg and Mukerjee 2012). However, it is often difficult to distinguish between

\* Dr. Sunil Kumar Gupta, Associate Prof., SOMS IGNOU, New Delhi-110068

\*\*Prof. Pradeep Aggarwal, Deptt. of Management, Sharda University, G. Noida

\*\*\*Prof. Raju Aggarwal, SS Jain Subodh Management Institute, Jaipur.

the two as both practices are harmful to society as they cause a drain on the exchequer through loss of public revenue. Both tax avoidance and evasion are forms of tax noncompliance describing a range of activities that are unfavorable to a nation's tax system. For instance, though tax avoidance is a legal practice, it is often very hostile as companies/individuals seek to pay less than their tax liabilities. Such aggressive tax avoidance causes substantial public revenue loss. Hence, most literature on tax evasion discusses both tax evasion and avoidance as a collective way of escaping taxes (using terms like 'tax noncompliance' or 'tax dodging').

On the other hand, 'tax planning' may be justified where individuals/institutions or firms plan to minimize their tax payments through financial planning. A disturbing fact is that while tax evasion is an outright illegal way of non-payment of taxes (breaching the law) and from legal point of view is quite unambiguous, the distinction between tax avoidance and tax planning is often difficult to make. The ambiguity arises since both the tax planning and tax avoidance is related with the activity of non-payment of tax liability being within the framework of the law. For instance, a person may adopt different accounting methods for different sources of income/ invests in tax saving securities/other tax-planning schemes — all these may reduce/negate tax liability and do not violate laws. However, some strategies for tax avoidance (for instance transfer mispricing) are often intended for the sole purpose of non-payment of taxes and hence controversial. Therefore, tax avoidance is controversial and often treated as bizarre whereas tax planning is not. But the distinction between the two in practice is extremely difficult since both are legal. Therefore if a person/company is accused of tax avoidance in its negative sense, that person/company may claim that the intention is only 'tax planning' and not 'tax avoidance'. The debate then ultimately boils down towards identifying what

Transactions should be treated as legal. Given the proliferation of sophisticated devices used by companies for non-compliance of legitimate tax payments fine-tuning the existing legal provisions has also become essential. Nobody would like to pay tax since it reduces disposable income. However, the approach towards non-compliance is crucial. For instance, an economic entity in India may engage in a 'tax planning' by investing in a judicious portfolio of tax saving instruments (e.g. National Savings Certificates, Equity Linked Savings Schemes etc.) to minimize her overall annual tax payments. On the other hand, a practice of routing back same amount

of money via a number of tax haven countries (or the so called 'round tripping') to the origin country, or parking higher profits in lower tax jurisdictions and lower profits in higher tax jurisdictions via 'transfer mispricing' may be 'tax avoidance'. Another way of looking into the difference between tax planning and tax avoidance is that while an economic entity tries to minimize the overall tax burden by *utilizing the available options* in case of tax planning (and does not try to escape from tax payments), in case of tax avoidance an entity try to escape from tax burden by creating *sophisticated methods for non-compliance of legitimate tax payments*. However, it is difficult to treat the latter practice in a legal manner as it is done within the framework of the law, even in cases where the sole purpose is noncompliance of taxes and nothing else. Certain transfer pricing policies have been challenged on legal ground in some countries. For instance, global pharmaceutical company Glaxo Smith Kline was accused of charging a transfer price for its marketing services to its US-based subsidiaries at rates much lower than the normal market price, which undermined Glaxo's US income. By understating its income, the company escaped around USD 5.2 billion in US taxes. Glaxo had to pay a penalty of USD 3.4 billion to the Internal Revenue Service (IRS) of the United States after a prolonged litigation. This case is remarkable in the sense that GSK's USD 3.4 billion payment to the IRS is the largest single payment made to the US tax authority to resolve a tax dispute. Again, Russia's biggest privatized energy company, Yukos, has allegedly been engaged in stripping of enormous amount of assets and of transfer pricing. The Russian government filed a case against Yukos and a number of shell companies helping the transfer pricing process by acting as legitimate financial institutions. The Russian government claimed that a subsidiary of Yukos sold crude oil at a price much below the market rate to some shell companies to escape its tax liability. The shell companies are unregistered companies and therefore not liable to pay tax to the Russian government. These companies are accused of reselling the crude oil at much higher prices than the transfer prices charged by Yukos to domestic and foreign buyers, and the revenues following the resale has in effect been appropriated by Yukos. Yukos has been able to escape the tax by officially reporting a much lower transfer price (below the taxable limit) while indirectly appropriating the revenue proceeds from the resale at the market price (not declared, as these prices were charged by shell companies not officially registered with the Russian government as being liable to pay tax).

## 2 The Supreme Court Verdict on Vodafone

In this context, the recent Supreme Court (SC) verdict regarding the Vodafone case is not only important for the Income Tax Department (I-T Department) of India but for the country as a whole given the aspect of shrinking fiscal policy space with respect to resource mobilisation. It is crucial to understand *the reasons* for which SC gave the decision against Income tax Department of India, whereas the verdict of Bombay High Court was the opposite. Let us explore the following:

- The background of the case and Issues
- Reasons for rejecting the case in favor of Vodafone
- Some Concerns

### 2.1. The background of the case and Issues

The entire transaction and subsequent acquisition of shares of CGP (A Holding Company Incorporated in Cayman Islands) by Vodafone is a complex process. Put simply, the claim by the Indian Tax Department is that Vodafone purchased USD 11.2 billion worth of assets (67 percent stake) of a Hong Kong-based company called Hutchison Whampoa Limited in 2007 indirectly through the purchase of shares (or being entered into a Share Purchase Agreement called SPA) of CGP Holding private Limited. This deal by Vodafone is subject to a capital gains tax of USD 2.5 billion, as most of the assets acquired by it from Hutchison were based in India and under Indian law. These assets had been generated and held initially by Hutchison while doing its mobile business in India. The rule of violation arises since the transaction involves a transfer of Indian assets (initially held by Hutchison, which Vodafone acquired in 2007 without deducting tax at source on them through the purchase of shares of CGP Holdings Limited; a company incorporated in Cayman Islands) which were supposed to generate public revenue in India. The defense argument by Vodafone is that Indian tax laws do not apply in this case since it is a Dutch company registered in the Netherlands, whereas CGP (through which the Hutchison shares had been acquired by Vodafone) is located in the Cayman Islands and the agreements were signed abroad (outside the Indian geographical territory) between two non-Indian entities. On the other hand, the acquisition of shares by Vodafone of Hutchison is on income/revenue generated in India acquired initially by Hutchison via their mobile business in India. Therefore, the revenue is subject to Indian capital gains tax laws. The Income Tax Department of India sought to tax the capital gains arising from the sale of the share capital of CGP on the basis that CGP though not a tax resident in India, holds the underlying Indian assets which acted as an intermediary between

Vodafone Group and Hutchison. The crux of the dispute had been whether or not the Indian Income Tax Department has jurisdiction over the transaction. Vodafone had maintained from the outset that it is not liable to pay tax in India, and even if tax were somehow payable, then it should be Hutchison to bear the tax liability which I-T Department is supposed to collect during Hutchison's business in India. The relevant Sections of the Income Tax Act (for instance Section 9), henceforth is not applicable for Vodafone as the contract had taken place in a different (offshore) jurisdiction.

Bombay High Court, in September 2010, dismissing the writ petition filed by Vodafone, held that share transfer had a significant nexus with India and the proceedings which have been initiated by the Income Tax Authorities cannot be held to lack jurisdiction. Accordingly, Bombay High Court has held that the share transfer by Cayman entity (CGP) is liable to tax in India.

### 2.2. Reasons for rejecting the case in favor of Vodafone

However, after an appeal by Vodafone to Supreme Court and further proceedings of the case, Supreme Court did not uphold the Bombay High Court ruling and rejected the case in favour of Vodafone. The important reasons that were cited for the rejection of the case in favour of Vodafone are as follows:

- (1) The 'Situs' (the place where a thing/right properly belongs) of CGP shares was outside India and not taxable under Sec 9 of the Income Tax Act of India. Transfer of a capital asset (in Hutch-Vodafone case, CGP share which is based in Cayman Island) situated outside India, falls outside the ambit of Sec 9(1) of the Income Tax Act. Moreover, it has been argued by the Supreme Court that "Acquisition of the CGP share which gave VIH an indirect control over three genres of companies evidences a straightforward *share sale* and not an *asset sale*."
- (2) The actual acquisition by Vodafone of CGP shares was 51.96% and not 67%. The Supreme Court verdict stated that:  
According to VIH, the price also included a control premium, use of Hutch brand in India, a non-compete agreement, loan obligations and an entitlement to acquire, subject to the Indian rules, a further 15% indirect interest in HEL. According to the said letter, the above elements together equated to 67% of the economic value of HEL. This sentence has been misconstrued by the High Court to say that the above elements equated to 67% of the equity capital. 67% of the

economic value of HEL is not 67% of the equity capital. If VIH would have acquired 67% of the equity capital, as held by the High Court, the entire investment would have had breached the FDI norms which had imposed a sectoral cap of 74%.

- (3) The entire structure cannot be looked at as an 'artificial tax avoidance scheme', (a 'sham' transaction is solely for the purpose of non-compliance of legitimate tax payments without having genuine business purposes) in as much as CGP was not situated at the last minute, and existed since 1998 having economic and commercial substance and cannot be treated as 'shell' in its bizarre or pejorative interpretation. Therefore it cannot be said to be a 'pre-ordained' transaction for the sole purpose of avoiding tax only.
- (4) The Supreme Court emphasized that a 'look at' (a holistic) approach is required instead of a 'look through' (or dissecting) approach. To quote: High Court, in the present case, ought to have examined the entire transaction holistically. VIH has rightly contended that the transaction in question should be looked at as an entire package. The items mentioned hereinabove, like, control premium, non-compete agreement, consultancy support, customer base, brand licenses, operating licenses etc. were all an integral part of the Holding Subsidiary Structure which existed for almost 13 years, generating huge revenues, as indicated above. In this context, it may be worth mentioning that before the Ramsay case, the statue of Duke of Westminster was omnipotent which rested upon "Given that a document/transaction is genuine, the court cannot go behind it to some supposed underlying substance." However, the relevance of the Ramsay principle had been understood in a later stage stating: companies that had made substantial capital gains had entered into complex and self-cancelling series of transactions that had generated artificial capital losses, for the purpose of avoiding capital gains tax. The House of Lords decided that where a transaction has prearranged artificial steps that serve no commercial purpose other than to save tax, the proper approach is to tax the effect of the transaction as a whole following litigation with respect to a *farmer company W. T. Ramsay Ltd.* In this context, McDowell and Azadi Bachao cases were also referred. In the McDowell case, Justice Ranganath Mishra stated that tax planning might be legitimate provided it is within the framework of law. Colorable devices cannot be part of tax

planning and it is wrong to encourage or entertain the belief that it is honorable to avoid the payment of tax by resorting to dubious methods.

### 3. Some Concerns

The Supreme Court verdict regarding the Vodafone issue is extremely important with respect to the current Income tax laws, potential revenue impact of the Government of India (GoI), future approach regarding offshore transactions as well as socio-economic implications for the common people. Among others (if any), the following issues required further discussions:

- The suggested 'look at' approach (or a holistic approach) instead of a 'look through' approach (or a dissected approach) provides scope for further debates and discussions. While, the need for a holistic approach can be recognized from the perspective of the distinction between 'genuine' and 'sham' transactions, it appears also that the treatment of taxes might be case sensitive and not a uniform approach. In the present Income Tax Act Section 9(1)(i) it is mentioned that the following incomes shall be deemed to accrue or arise in India " all income accruing or arising, whether directly or indirectly, through or from any business connection in India, or through or from any property in India, or through or from any asset or source of income in India, or through the transfer of a capital asset situate in India." Therefore the income that deemed to accrue in India is income generated through either from (a) a business connection in India; (b) a property in India (c) any asset or source in India; and (d) transfer of a capital asset in India. It is difficult to believe that no income has generated through any of the four categories in this transaction. Vodafone has a business connection in India through CGP Holding and in turn Hutchison. Even if we consider that there is *only a share sale and not an asset sale*, it is clear there is a share sale which generated an amount of income from India. The important question is whether this is taxable, and if so who should pay the tax? Is it Hutchison or Vodafone? Since this is an acquisition (the purchase or obtaining of a controlling interest in a firm, usually via a tender offer for the target shares) by Vodafone (the acquirer or bidder) of Hutchison (the target company), it appears the proceedings from such acquisition or takeover should be included in the asset side of Vodafone in its balance sheet. However, if we accept the definition of capital gains as 'The gain on sale of a capital asset is called capital gain' (Standing Committee on Finance 2012) then capital gains tax can be implemented only on capital assets. Hence, the issue is whether capital gains tax is applicable on income generated through purchase or sale of shares and whether shares can be treated as capital assets.



As per the Income Tax Act Department, India: The incidence of tax on Capital Gains depends upon the length for which the capital asset transferred was held before the transfer. Ordinarily a capital asset held for 36 months or less is called a 'short-term capital asset' and the capital asset held for more than 36 months is called 'long-term capital asset'. However, shares of a Company, the units of Unit Trust of India or any specified Mutual Fund or any security listed in any recognized Stock Exchange are to be considered as short-term capital assets if held for twelve months or less and long term capital assets if held for more than twelve months.

In the 49<sup>th</sup> Parliamentary Standing Committee report, equity or preference shares, securities like debentures, listed government securities, units of mutual funds and UTI, zero Coupon bonds are defined as long term capital assets (Standing Committee on Finance 2012).

Another crucial issue is to determine the benchmark of permissible amount of 'income transfer' (whether in form of assets or shares) or 'upper limit' of such transfer. However, Supreme Court stated that:

This problem has arisen also because of the reason that this case deals with share sale and not asset sale. This case does not involve sale of assets on itemized basis...The High Court has failed to appreciate that the payment of \$11.08 bn was for purchase of the entire investment made by HTIL in India.....Thus, it was not open to revenue to split the payment and consider a part of such payments for each of the above items.

In this context it can be mentioned that the practice of seeking non-compliance of tax can be contrary to the spirit of the law whilst attempting to comply with the letter of the law. To quote:

Aggressive tax avoidance is the practice of seeking to minimize a tax bill whilst attempting to comply with the letter of the law while avoiding its purpose or spirit. It usually entails setting up artificial transactions or entities to re-characterize the nature, recipient or timing of payments. Where the entity is located or the transaction routed through another country, it is international avoidance. Special, complex schemes are often created purely for this purpose. Since avoidance often entails concealment of information and it is hard to prove intention or deliberate deception, the dividing line between avoidance and evasion is often unclear, and depends on the standards of responsibility of the professionals and specialist tax advisers. It has been argued also that the CGP Holding has not been created at the last moment and existed since 1998. A disturbing fact is that there are a number of such tax haven corporations already in place which may be

used to avoid paying taxes by a number of companies like Vodafone. This is a fully external factor and beyond the scope of Income Tax Authorities. Unless global pressure is created on 'tax haven' countries to amend their tax laws to impose certain taxes on offshore transactions and broaden tax bases on such transactions, it is difficult to tackle such tax avoidance practices. Though OECD has taken an initiative in this regard, still the tax rates and tax structure in a number of tax haven countries are highly and unnecessarily beneficial for business purposes. In this regard, the Standing Committee Finance recommendation on Controlled Foreign Corporation (CFC) rule is crucial which would be applicable to Companies located in low tax jurisdictions. Law should be able to clearly reflect precisely: *Whether Income Tax authorities are entitled to charge capital gains tax where mergers and acquisitions take place outside Indian Territory by foreign companies containing any relation to Indian assets Or whether companies (foreign/domestic) have to pay a capital gains tax to Indian tax authority incase of a M&A held outside Indian jurisdictions containing any relation to Indian assets (and under what conditions)*. Laws should be clear and mostly inclusive to reflect how to tax direct and indirect offshore transactions arising from sale of assets. Moreover, what should be treated as assets for tax purposes and the related classification of such assets is crucial.

It can be mentioned in this context that the proposed Direct Tax Code (DTC) in India suggested that income from transactions in all *investment assets* will be computed under the head 'Capital gains.' However, more clarity is required whether capital gains tax would be generated on both assets and income since a major controversial area is whether the income generated from capital market transactions should be treated as business income or as capital gains. There is also a need of clear separation of different corporations/companies (for instance, 'offshore companies') to specifically categorize *which types of taxes* would be applicable on *which types of companies* and *under what circumstances*. For instance, in the revised discussion paper of DTC an explicit mention is provided whether capital gains tax would be applicable for Foreign Institutional Investors (FIIs) as "The capital gains arising to FIIs shall not be subjected to TDS and they will be required to pay tax by way of advance tax on such gains" (CBDT 2010).

- The General-Anti Avoidance Rules (GAAR) in the proposed Direct Tax Code in India has the potential to empower the Income Tax Department of India regarding taxing offshore transactions. Countries like UK, US, Mexico and Denmark have specific anti-

abuse rules pertain to taxation instead of a statutory GAAR, for instance, Controlled Foreign Corporation (CFC) regime to tax income parked in low tax jurisdictions, thin capitalization rules to rule out tax rebates for inflated and unjustified interest deduction etc. The positive side of such anti-abuse rules is that these are very clear-cut laws reducing possibilities for litigations. The Standing Committee on Finance has recommended GAAR should not override the Limitations of Benefit (LOB) Clauses already made with contracting countries (Standing Committee on Finance 2012). While this is important to avoid disputes, appropriate application of GAAR is crucial in case any tax disputes arises with countries lacking LOB clauses (e.g. Mauritius). India has included LOB with some countries, for instance with Singapore. The norm of 'residential status' is stricter in Double Tax Avoidance Agreement (DTAA) treaty with some other countries compared to Mauritius. For instance, there is a 'conduit/shell' test of Singapore-based companies selling Indian shares, whereas the company should either be a listed company on a recognized Singapore stock exchange or it must expend more than Singapore USD 200,000 (Indian Rs.5 million) on its operations in Singapore. Again, the Double Tax Avoidance Agreements or DTAA with United Arab Emirates (UAE) provides the definition of a resident company as:

A company is deemed to be a UAE resident if it is incorporated, managed and controlled wholly in the UAE. A strict interpretation of the word "wholly" by the Indian tax authorities might result in a UAE entity being denied the benefits of the treaty if even a small degree of control of the entity is exercised outside the UAE. By contrast, a Mauritius entity carrying out the same activities would not be liable to any tax on capital gains under the Mauritius-India DTAA, nor would it be subject to any 'primary purpose' test or such rigid controls regarding the management of its affairs (Xavier 2009).

It is not understood, why such Limitation of Benefit (LoB) clause cannot be included between India and Mauritius whereas such clause can be included in the DTAA treaty between India and Singapore. While GAAR may obviate the need for such fresh LOB clauses, appropriate application of GAAR is crucial. Moreover, It may be noted that the applicability of GAAR would be most useful in case of abusive 'tax avoidance', i.e. in cases where it is difficult to draw clear legal lines between genuine tax planning and abusive tax planning (or 'tax avoidance' in its bizarre interpretation). Inputs may be sought from recent Chinese Corporate Income Tax (CIT) Law

introduced in 2008. As per the old income tax system, corporations in China were taxed under two different legal provisions, one for domestic enterprises and one for foreign enterprises. With the introduction of the new CIT Law, these two classifications were merged. Circular 698 focuses on offshore transactions with regard to share transfers and specifically designed to treat abusive tax avoidance practices in cases *offshore Special Purpose Vehicles (SPV)* have been established for the only purpose to avoid capital gains tax in China. The Chinese tax authorities would have the right to disregard the existence of the offshore holding company (if found to be operative without substantial economic or commercial substance) and levy Corporate Income Tax (CIT) on the indirect equity transfer. Circular number 698 also requires non-resident companies to report their share transfer transactions with supporting documents in case the transfer is done via holding company in certain circumstances.

- Before entering into litigation, it might be beneficial to settle tax disputes through a bilateral negotiation in the form of Mutual Agreement Procedure (MAP), where tax authorities of the respective countries negotiate to settle disputes in a cordial manner and/or seeking advice from Supreme Court authorities. In the Vodafone issue, The Netherlands government was reported to have written to the Indian government on behalf of the Vodafone Dutch holding company (CGP) with a view to arranging an out of-court settlement, using mutual agreement procedures provided in the double taxation agreement between the two countries.
- There is a need for a formal treatment of tax evasion and tax avoidance. There should be clear legal guidelines distinguishing tax evasion, tax avoidance and tax planning and what type of strategies under what circumstances would be taxable or subject to penalty. In the Vodafone case it has been pointed that "Tax avoidance and tax evasion are two expressions which find no definition in the Indian Companies Act, 1956 or the Income Tax Act, 1961."

As concluding remarks it can be mentioned that in the era of globalization and liberalization competition among multinational corporations has increased tremendously. It would be a natural tendency for such companies seeking reduction of their 'tax costs' by any affordable means. To prevent certain abusive tax avoidance practices, such practices should be made illegal. The challenge lies in framing appropriate legal provisions to tackle such practices in an unambiguous manner. Apart from this, global pressure should be created on 'tax haven' countries to amend their tax

laws to impose certain taxes on offshore transactions and broaden tax bases on such transactions.

### References

- Central Board of Direct Taxes (CBDT), Department of Revenue, Ministry of Finance (June 2010): "Revised Discussion Paper on Direct Taxes Code."
- OECD's project on *Harmful Tax Practices: Update on Progress in Member Countries, 2006*, URL: <http://www.oecd.org/dataoecd/1/17/37446434.pdf>.
- Garg, Rahul and Kaushik Mukerjee (February 2012): "Removing the fences: Looking through GAAR" *Price water house Coopers (PwC) White Paper*.
- Sandmo Agnar (2004): "The Theory of Tax Evasion: A Retrospective View", Norwegian School of Economics and Business Administration, prepared paper was originally prepared for the conference "Skatteforum" (The Research Forum on Taxation), Rosendal, Norway, 5-6 June 2003.
- "STANDING COMMITTEE ON FINANCE (2011-12) FIFTEENTH LOK SABHA Ministry of Finance (Department of Revenue) THE DIRECT TAXES CODE BILL, 2010, Forty-Ninth Report, 9 March 2012."
- "Vodafone International Holdings BV V. UOI (CIVIL APPEAL NO.733 OF 2012 (arising out of S.L.P. (C) No. 26529 of 2010)" dated 20th January 2012.
- Wenzel Michael (2002): "The Impact of Outcome Orientation and Justice Concernson Tax Compliance: The Role of Taxpayers' Identity", *Journal of Applied Psychology*, 87, 629-645.
- Xavier, Sonia (2009): "Mauritius: A Preferred Jurisdiction for Cross Border Investments", Conyers Dill & Pearman, URL: [http://www.conyersdill.com/publicationfiles/Article\\_179\\_Mauritius\\_XBorder\\_Investments.pdf](http://www.conyersdill.com/publicationfiles/Article_179_Mauritius_XBorder_Investments.pdf)



# SOCIO - ECONOMIC DIMENSION OF FISHERMEN IN CHILIKA LAKE OF ODISHA

Sarita Das\*  
G B Sitaram\*\*

***Abstract:** The status of fisheries in Chilika Lake on the east coast of India is in a critical state. Local fishing communities feel that catches have reduced significantly and they face more hardships now to sustain their livelihoods. The study presents findings from field research and argues that notions of access are linked to community perceptions of the resource, the extent of authority they have to make decisions related to access and use rights and the traditional management strategies. State interventions through mechanization and new regulations have undermined the traditional management strategies leading to conflicts between different stakeholders and decline in traditional fisheries. There is a growing realization that without traditional fishing community's participation it is not possible to ensure sustainable use of the lake resources. Legitimizing community access and use rights is one of the key factors for successful management of fisheries. A significant proportion of the fishing population comprises small-scale fishermen and many studies illustrate that these people are exploited by middlemen in the process of fish marketing combined with money lending. The negative dependency gives rise to poverty and triggers indiscriminate fish catch that threatens fishery resources depletion. The study presents a case study of Chilika lagoon, India and focuses on the interaction between small-scale fishermen and middlemen. The small-scale fishermen have been exploited by specific middlemen and the underlying causes of the present fish marketing structure stem from indebtedness and the unstable situation because of perpetual conflicts over fishery resources among the fishers across Chilika lagoon. Climate change combined with human activities poses significant risks to people's livelihood especially in developing countries*

***Keywords:** Fishermen, socio-economic, moneylender, livelihood, credit*

## 1. Introduction

Fish and fisheries is an important sector in most of the developing and developed countries of the world from the stand point of income and employment generation. Fisheries sector occupies an important place in the socio-economic development of the country, as it contributes to economic growth and human welfare. It has been recognized as a powerful income and employment generator as it stimulates growth of a number of subsidiary industries and is a cheap source

of nutritious food, besides being a foreign exchange earner in India (Ayyappan and Krishnan, 2004). This sector contributes to the livelihood of a large section of economically underprivileged population in our country. More than 200 million people worldwide are fish workers, which is just under 3 percent of the global agricultural labour force. In India, about 14 million people are employed in this sector either directly or indirectly (Sugunan, 2008). Apart from this, the twin problems of unemployment and malnourishment at the rural sphere in India can be simultaneously

---

\* Ms. Sarita Das, Research Scholar, Utkal University, Odisha

\*\* Dr. G B Sitaram, Professor., Deptt. of Management, Rukmini Devi, institute of Advanced Studies, Rohini, Delhi

addressed to by proper and planned utilization of available local resources through involvement of local people (Datta and Kundu, 2007). Fisheries sector, a sunrise sector in India, has recorded a faster growth than that of crop and livestock sectors (Kumar et al., 2006). In the last 25 years, total fish production has been growing at an annual growth rate of about 4.60%, in which marine sector was growing at a rate of 3.24 and inland sector was growing at a rate of 6.20% (Ganesh kumar, et al., 2008). For some years now, aquaculture has been seen as a possible savior for the overburdened capture fisheries sector and an important source of food fish for the poor (FAO, 1995; Williams, 1996). The present study has been undertaken to evaluate the socio-economic conditions of the fishing community, because Socio-economic improvement of fishermen is considered to be the primary objective of revering fisheries development.

Chilika is the largest brackish water lake in Asia and also the second largest lake in the world. Chilika is situated between 19°28' and 19°54' North latitude and 85°05' and 85° 38' East longitude. A mix of estuarine, marine and freshwater ecosystem is observed here and the lagoon has a long history of sustainable fishing. According to the Directorate of Fisheries (Statistics 2000-01), the wetland supports 122,339 fisher folk who live in the 137 villages near Chilika. The Chilika lagoon remains a vital life line for more than 200,000 people in 141 villages who live in around the lagoon. The complex mix of resources in and around the lagoon (water, fish, land, forests and fauna) has an interrelated effect on community life.

Attempts have been made to carry out to, make studies on socioeconomic conditions of the fishermen in Chilikalake of Odisha. Odisha is one of the maritime states of India situated at 170.49' and 220.54' North Latitude, 810.29' East Longitude on eastern coast of India, spread over an area of 56,207 Sq. Kms. having beguiling charm, rural tranquility and 480 Kms, of coastline dotted with some spectacular virgin beabhes, lakes and lagoons, having excellent scope for development of inland, brackish water and marine fisheries. The resources were fully tapped and utilized to fulfill the domestic and export market demand. With diverse resources ranging from deep seas to lakes in the mountains and more than 10% of the global biodiversity in terms of fish and shellfish species, the country has shown continuous and sustained increments in fish production since independence.

## 2. Objectives of The Study

The specific objectives of the study were

- (1) To study the socioeconomic conditions of fishing communities of Chilika in Odisha.

- (2) To suggest guidelines for better improvement of social and economic status of fishermen communities.

## 3. Methodology

Chilika Lagoon is divided into four sectors Northern, Central, southern and outer Channels. The survey has been conducted in four villages namely Sundarpur, Baulabandha, Ramagarh and Arakhakuda from all the regions. The total sample size was 120 from all the four villages and probability proportion to sample size method used for selection of household and simple random sampling technique was used for data collection. The data on various parameters related to socio economic conditions collected and analysed. The results of the study are given below.

## 4. Results and Discussion

In the fisheries sector, socio-economic status of fishermen plays a key role in productive activities. Socio-economic parameters such as family size, age structure, customs, beliefs and habits, employment potentials, education and living standards of fishermen influence their response to new technology and their participation in development schemes. Studies on these variables attempt not only to explain the overall socio-economic conditions of the fishermen, but also to identify the factors constraining the realization of the full potential of traditional fishery and the appropriate area for government intervention (Sathiadhas and Panikkar, 1988). The interactions of personnel, psychological and situational factors always influence the earnings and the adoption of scientific fish farming. Hence, profile of the respondents is important to explain the possible relationships among different variables. Characteristics representing the personal and socio-economic attributes like family size and caste, housing, educational status and occupation are given in Table 1.

### Impact

**Table: 1 Percentage Distributions of Sample Respondents by Age**

Age (Years)	Sundarpur	Baulabandha	Ramagarh	Arakhakuda	Total
< 35	19.23	13.79	14.29	47.73	27.50
35-50	38.46	34.48	33.33	20.45	30.00
>50	42.31	51.72	52.38	31.82	42.50
Total	100.00	100.00	100.00	100.00	100.00

Table 1 shows the percentage distribution of respondents by age group. Age was classified into various groups starting from less than 35 going up to 50

plus. Three age groups were formed in all. Age group above 50 was the most frequent in all the villages of the cluster followed by age group 35.50. Among the four villages Arakhaudha younger population, 47.73 of the sample represented is more than other villages. Only 42.50 percent of the total respondents represented the age group of above 50. This was mostly so on account of elder men looking after more strenuous work of the household and decision making in the families.

**Table 2 Distribution of Respondents by family size**

Family Size	Sundarpur	Baulabandha	Ramagarh	Arakhakuda	Total
<4	23.08	17.24	23.81	52.27	32.50
5 to 7	30.77	51.72	61.90	43.18	45.83
>8	46.15	31.03	14.29	4.55	21.67
Total	100.00	100.00	100.00	100.00	100.00

\* Figures in parentheses indicates percentage of the total

### Impact

Table 2 presents absolute and percentage distribution of respondents according to the family size. A perusal of the data in table shows that (45.83 percent) of the total respondents were having 5-7 members in their family. Only 32.50 percent of the total respondents were having less than 4 members in their family. 21.67 percent having more than 8 members in the family.

**Table 3. Percentage distribution of Sample household by Literacy**

Education Level	Sundarpur	Baulabandha	Ramagarh	Arakhakuda	Total
Primary	38.46	44.83	71.43	52.27	50.83
Middle	30.77	24.14	19.05	34.09	28.33
High School	23.08	20.69	9.52	6.82	14.17
Graduation	7.69	10.34	0.00	6.82	6.67
Total	100.00	100.00	100.00	100.00	100.00

\* Figures in parentheses indicates percentage of the total

### Impact

Table 3 presents absolute and percentage distribution of respondents according to the level of education. A perusal of the table shows that half (79.16 percent) of the total respondents were primary and middle education level due to National Literacy Mission. Only 14.17 percent of the respondent educated up to high school. Only 6.67 percent of the respondents educated up to graduation. Thus the level of the household literacy is very low up to primary and middle classes due to rural character. Moreover it could also be due to economic compulsion and lack of proper awareness among people regarding education. Among four

villages Sundarpur has highest Keuta sub caste whose major occupation is only fishing. So in Sundarpur primary education is only 38.46 percentages among all other villages and it is lowest among other villages that are having primary education

**Table 4 Distribution of household by House type**

Housing type	Sundarpur	Baulabandha	Ramagarh	Arakhakuda	Total
Temporary	7.69	13.79	23.81	22.73	17.50
Kucha and Bamboo	46.15	44.83	57.14	56.82	51.67
Pacca House	46.15	41.38	19.05	20.45	30.83
Total	100.00	100.00	100.00	100.00	100.00

\* Figures in parentheses indicates percentage of the total

### Impact

Table 4 indicates that 69.17 percent of sample respondents have either Kucha and bamboo or temporary house. Only 30.83 percent respondent have pacca house in sample village. Reasons for that the sum of the sample respondents got the benefit of different government schemes for example Indranivas Yojana sponsored by Central Government and Mo Kudia schemes sponsored by State Government. The similar pattern was observed in all the selected villages. It was observed from the table that 57.14 percent of respondents having Kucha and bamboo house in Ramagarh village followed by Arakhakuda, (56.82percent), Sundarpur (46.15 percent), Baulabandha (41.83percent) respectively. 46.15 percent household had the highest having Pucca house in Sundarpur because the region might have easy access to government scheme and more awareness among the sample respondent. Another reason may be that they are near the urban settlement in the Chilika block. (It is proved demonstration theory of economics.)

**Table 5 Distribution of Respondents by caste group**

Caste	Sundarpur	Baulabandha	Ramagarh	Arakhakuda	Total
Keuta	61.54	58.62	47.62	36.36	49.17
Kandara	30.8	17.2	28.6	18.2	22.5
Nolia	3.85	10.34	4.76	31.82	15.83
Tiara	3.85	10.34	19.05	9.09	10.00
Bengali	0.00	3.45	0.00	4.55	2.50
Total	100.00	100.00	100.00	100.00	100.00

### Impact

Table 5 depicts most of the fishers in Chilika belong to fishers' caste, and fisher caste is divided into five

sub caste groups classified as Keuta, Kandara, Nolia, Tiara and Bengali refugee. Among these five sub caste group two sub caste group classified as Keuta and Kandara dominated the sample as they jointly accounted for 71.67 percent of the sample. Where as Nolia contributed 15.83 percent of the total, Tiara represent 10.00 percent of the total and 2.50 percent were Bengali Refugee. The villages wise data show that village Sundarpur has highest Proportion (61.54) percent of Keuta followed by either Kandara (30.8) percent.

In all the villages the proportion of Keuta was higher than other remaining sub caste group. 61.54 percent, 58.62 percent, 47.62 percent and 36.36 percent in Sundarpur, Baulabandha, Ramagarh and Arakhakuda respectively. Keuta people spread whole area of Chilika Lake .While in Sundarpur, Kandara had the second position (30.8 percent). Kandara which is the lower sub caste among fishers sub caste and most of them live in southern sector and in Arakhakuda Nolia with 31.82 percent. Bengali refugee is not caste. It means refugee fishers who escaped from Bangladesh to outer channels and Central sector of Chilika. They are also engaged in fisheries too.

**Table 6 Distribution of Respondents by ownership of boat**

Boat owner	Sundarpur	Baulabandha	Ramagarh	Arakhakuda	Total
Owned	11.54	17.24	9.52	13.64	13.33
Partnership	19.23	13.79	14.29	40.91	25.00
Hired	46.15	51.72	23.81	27.27	36.67
Others	23.08	17.24	52.38	18.18	25.00
Total	100.00	100.00	100.00	100.00	100.00

**Impact**

Table.6 indicates that 74 percent of the sample respondent do not have own or partnership boat. This indicates that the majorities of the population don't have enough resources to purchase or made a partnership for the boat. The similar pattern was observed in all the villages except Ramargh where 52.38 percent of sample respondents were depend on other for fishing activities. The table revealed that 51.72 percent respondents in Baulabandha and 46.15 percent Sample respondent in Sundarpur hired the boat for catching the fish as compared to their counter parts Arakhakuda 27.27 percent and 23.81 percent in Ramagarh. It indicates that the village Baulabandha and Sunderpur have access to market as compared to counter parts. Only 11 to 17 percent of sample respondents have their owned boat for fishing activities. The reasons for low ownership of the boat because they do not have enough institutional credit

support. Although two formal Institutions bank and SHG are operating in study area but the amount of credit was given not sufficient to owned the boat.

**Table 7 Distribution of Respondents by ownership motorized and non motorized boat**

Boat	Sundarpur	Baulabandha	Ramagarh	Arakhakuda	Total
Motorized	11.54	10.34	4.76	6.82	8.33
Nonmotorized	19.23	20.69	19.05	47.73	30.00
Not own	69.23	68.97	76.19	45.45	61.67
Total	100.00	100.00	100.00	100.00	100.00

**Impact.**

Table 7- indicates that majority of the sample respondents (61.67 percent) do not have either motorized or non motorized boats .It means that majority of the respondent were depends on the mercy of commission agent and money lender. The table also revealed that less than 35 percent respondents have either motorized or none motorized boat in all the sampled villages except Arakhakuda the percentage of sample respondent (47.3 percent) have non motorized boat. It indicates that they are only depending on fishing activities as compared to their counterpart in other sample villages. It may be concluded from the table that fishing is a main occupation in Arakhakuda since long ago.

**Table 8. Distribution of Respondents by income group**

Income	Sundarpur	Baulabandha	Ramagarh	Arakhakuda	Total
30000 and less	23.08	20.69	19.05	18.18	20.00
30001- 40000	19.23	17.24	9.52	22.73	18.33
40001-50000	15.38	13.79	23.81	15.91	16.67
50001-60000	7.69	10.34	14.29	13.64	11.67
60001-70000	3.85	6.90	9.52	4.55	5.83
70001-80000	7.69	6.90	4.76	6.82	6.67
80001-90000	7.69	6.90	4.76	4.55	5.83
90001-100000	3.85	3.45	4.76	2.27	3.33
more then 1 lac	1.54	13.79	9.52	11.36	11.67
Total	100.00	100.00	100.00	100.00	100.00

**Impact**

The data of the table 8 indicates that 55 percent of the sample respondents have income below Rs 50000 per year. A similar pattern observed have income more than 1 lakh in sample villages. The income was from all source of means The study was indicate that the people engaged in fishing activities in Chilika area was spending their life much below then the counter

parts in urban area. It requires serious efforts of state as well as central government to uplift their condition. So they can also join main stream of economic social and equitable distribution of growth. It was observed from findings of primary data that per capita income is much below in a study area as compared to national average which is more than 60000 per capita incomes per year per head. It is also providing further indication the state as well as central government should put more efforts or implements different welfare scheme to raise standard of living condition of population in the study area.

**Table 9 Distribution of Respondents by Land size group**

Size of land in Acre	Sundarpur	Baulabandha	Ramagarh	Arakhakuda	Total
Upto 1 acre	23.08	27.59	28.57	47.73	34.17
1-3 acre	38.46	34.48	38.10	27.27	33.33
4 to 5 acre	19.23	20.69	28.57	13.64	19.17
>5 Acre	19.23	17.24	4.76	11.36	13.33
Total	100.00	100.00	100.00	100.00	100.00

#### Impact

Table 9 indicates that 13.33 percent sample respondents fall in the category of medium and large farmers. The similar pattern was observed in all the villages except Ramagarh where only 4.76 percent sample respondent fall in this category. The majority of the respondent in the study area belong to the category of small and marginal farmers. It is evident from the table that the study area is also fellow national land holding patterns where 82 percent farmers belong to this category small and marginal. The condition of the sample respondents was observed very bad in the village of Arakhakuda where 47.73 percent respondent having land holding of 1 acre or below. It indicates that in this village condition of fisher farmers is very worst. It is immediately both required Central as well state government intervention for the well being of fisheries farmers.

**Table 10 Number of Fishers in Debts and Its Sources (multiple answers) N=120**

Village	Bank	SHG	Money lender	Relatives	Friends	Others	Total sample
Sundarpur	42.31	53.85	80.77	84.62	69.23	34.62	100.00
Baulabandha	44.83	41.38	82.76	68.97	51.72	31.03	100.00
Ramagarh	47.62	42.86	71.43	85.71	57.14	28.57	100.00
Arakhakuda	31.82	29.55	79.55	63.64	84.09	65.91	100.00

#### Impact

The majority of respondents depends for finance on different sources for example banks, SHG, moneylender, relatives, friends. The table 10 indicate interesting fact that less than 55 percent sample respondents have excess to institutional credit in study area. Another interesting fact that more than 70 percent respondents taking loan from money lenders. 85.7 percent respondents of Ramgarh borrowing money from relatives followed by sundarpur (84.63 percent), Baulabandha (68.97 percent), Arakhakuda (63.64 percent) respectively. Intervention is required from formal financial institution to provide loan at lower rate of interest. It was also observed from the survey that money lenders are charging exorbitated rate of interest (36-60 percent).

Hence the socioeconomic assessment indicates prevalence of high levels of poverty within villages in and around the lake. Surveys indicate that more than 70% of households living in the villages fall below poverty line as compared to the state average of 52%. Access to basic social amenities as clean drinking water and safe sanitation is limited to only 16% of the population. Penetration of formal economic infrastructure for banking and credit is equally dismal. Assessments indicate that 76% of the populations have access to credit from local moneylender often paying exorbitant rates of interest. Given the fact the local community plays an important role in determining the ecological character of the lagoon, management planning needs to address their socioeconomic status as a pre-condition for achieving conservation and wise use.

#### 5. Suggestions and Conclusions:

In order to improve the socioeconomic conditions of the poor fishermen of Chilika Lake some recommendations has been cited below.

1. There should be reactivated of the fishermen cooperatives and some self help group offishermen to put forth their problems, hardships and offer solutions to their problems.
2. Role of middlemen should be shortening to enable the fishermen to sell their catch at appropriate price to get a good amount of profit.
3. Awareness program should be conducted periodically to educate the fishers about the use of the common pool resource without affecting the ecological condition of the lake.
4. Government should evolve suitable sustainable earning approach for this community particularly during ban period. Adequate compensation package and self sustainable approach of business



model should be paid to them during the period of banning which will certainly improve their living condition.

5. Proper education facilities should be provided by opening schools, providing educational kits, pursuing the fishermen to get inclined towards schooling of their children and monitoring regularly the ongoing classes.
6. In every occasion during the period of survey, the fishermen in the Chilika Lake complain about unauthorized fishing by prawn mafias and non fishermen communities. This problem should be tackled by the joint effort of Department of Fishery, and Chilika Development Authority Government of Orissa to prevent their entry.
7. The basic amenities like jetty, cemented bases at landing centers, roofed big house for keeping and weighing of fishes, proper weighing machine, cold storage, transport facility etc. should be provided by the government.
8. Sanction of loan should be provided with less interest.
9. The fishermen should be well aware of the different welfare schemes of government implemented from time to time. The government and NGOs should play a key role in this regard.
10. Implementation of more fishermen welfare oriented schemes including construction of low cost houses, coverage of more fishermen under the schemes like accident insurance and saving-cum-relief for overall socio-economic development of fishermen.

## 6. References

- Anonymous, 1982, District Statistical Report, 1981-82. Dharwad district at a glance/Dharwad.
- Anonymous, 2007, Statistical Bulletin of Fisheries 2006-2007, Department of Fisheries, Government of Karnataka, Bangalore.
- Beegum, S., 2006, Socio-economic condition of inland fisherman – A case study of Kerala, Ph.D Thesis, Mahatma Gandhi University, Kerala.
- Capistrano, D., Hossain, A. M and Ahmed. M., 1997, Poverty alleviation, Empowerment and Sustainable resource use: Experiments in inland fisheries management in Bangladesh Paper presented at the 3<sup>rd</sup> Int. Conf. of the Int. Soc. for Ecological Economics in San Jose, Costa Rica.
- Chakraborty, C., Dutta, S., and Katiha, P., 2005, Fishery co-operatives in West Bengal: A socio economic appraisal. *Environ. Ecol.*, 23: 50-57.
- Datta, S. K. and Kundu, R., 2007. Socio-economic appraisal of culture based fisherman: A case study in West Bengal. *J. Soc. Sci.*, 15(3): 255-262.
- Heady, C., 2000, Natural resource sustainability and poverty reduction *Environ. Dev. Econ.*, 5: 241-258.
- Jhingran, V. G., 1975, Fish and Fisheries of India, Hindustan Publishing Company Ltd., New Delhi: pp. 515-548.
- Nandeesh, M. C., Murthy, C. K., Bhatta, R. and Devaraj, K. V., 1986, An evaluation of the socio-economic status of the fishermen community of Mugad village of Dharwad District, Karnataka. *Co-operative Perspective*, 12 (3): 62-68.
- Panikkar, K. K. P., 1980. Coastal rural indebtedness - A case study. *Mar. Fish Informat. Servo T&E Ser.*, 18: 1-12.
- Prakasham, M. S., 1974. Impact of mechanization of fishermen. *Voluntary Action*, 16(2&3): 13-19.
- Pattanshetti, M., 2010, Awareness and listening behavior of farmers on Krishi Community Radio. M.H.Sc., thesis, Univ. Agric. Sci., Dharwad (India).
- Rao, D. L. P. and Kumar, R. Y., 1984. Impact of mechanization on a traditional economy: A case study of fishermen in Vishakhapatnam, *Man Life*, 10(1&2): 31-42.



# KNOWLEDGE MANAGEMENT AND BUSINESS PROCESS REENGINEERING

Ajay Kumar\*

***Abstract:** Knowledge management has recently become a trendy concept. Information and Communication Technologies (ICT) were thus positioned as a strategic resource that enables automation, monitoring, analysis and coordination to support the transformation of business processes. Business Process Reengineering (BPR) is a strategy of redesigning business operations to take full advantage of information technology and human resources. BPR is a management tool which became popular together with the generic process management philosophy of lean manufacturing. Business process reengineering has become a viable way of implementing lean structures. The concept at the core of the BPR is the need to stay competitive. Business process reengineering is complex and challenging. Many organizations are trying to switch over to knowledge management and develop a knowledge management strategy, often alongside ongoing BPR. KM includes a set of tools, such as social network analysis, gatekeeper theory, knowledge audit, process mapping and optimization, knowledge asset deployment, knowledge sharing improvement, informal network planning, communications design, development of networks of excellence and communities of practice, and succession planning.*

## 1. Introduction

Knowledge management has recently become a trendy concept. Many organizations are still unable to explain the term knowledge. They are unable to develop and influence knowledge to improve organizational performance. As organizations become more complex in structure, this result in fragmented, hard to locate, leverage, share and difficult to reuse knowledge. At the same time, organizations also experience the effects of the integration and evolution of information technology. Information Technology (IT) has long been tout as a means to improve productivity and competitiveness. However, there is significant evidence that this has not occurred. One explanation is that past use of IT focused on the automation of established practices. This approach had the effect of enhancing or automating subsystem processes or tasks in the overall process. Many of these old processes evolved with time and contain tasks that do not add value to the product or service. Thus, investment

in information technology showed little impact on economic measures of productivity. While information systems continue to serve traditional business needs such as coordination of production and enhancements of services offered, a new and important role has emerged, namely the potential for such systems to adopting a supervisory or strategic support role.

Information and Communication Technologies (ICT) were thus positioned as a strategic resource that enables automation, monitoring, analysis and coordination to support the transformation of business processes. However, many organizations are now attempting to enhance their performance through Business Process Reengineering.

Business Process Reengineering (BPR) is a strategy of redesigning business operations to take full advantage of information technology and human resources. In such an unstable environment, information system developers were challenged to develop systems that can meet the requirements of modern organizations.

---

\* Dr Ajay Kumar, Director, Tecnia Institute of Advanced Studies, Rohini, Delhi -110085

The paradigms of Business Process Reengineering and Business Process Improvement contrast with traditional information system development that focused on automating and supporting existing business processes.

BPR is a management tool which became popular together with the generic process management philosophy of lean manufacturing. They represent a vehicle to develop company efficiency and customer satisfaction. Lean processes and BPR both stand for doing more with less and eliminating wastes. Things that are not of value to the customer are considered wasteful and eliminated where possible. The significant rate of failure of BPR projects is a source of concern. Recent research posits that the ongoing strategic development of reengineering requires a new dynamic impetus. Implementing KM strategy is believed to make the needed impact Reengineering as a Tool.

Business process reengineering has become a viable way of implementing lean structures. The concept at the core of the BPR is the need to stay competitive. This is achieved by a systematic, disciplined improvement approach. Business process reengineering is formally defined as the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements.

In order for a BPR project to be successful, a few shifts of concept have to be made. Thanks to decades of custom and practice, most people are predisposed to task-based thinking. Business process reengineering establishes the premise that none of the individual tasks matters if the overall process is not working. Rather than defining problems, people should possess the ability to recognize opportunities and powerful solutions. This requires the shift from deductive to inductive thinking.

It is important that a BPR team does not take anything for granted. Part of understanding a process is not to accept the existing output as a given, or "known good". This is sometimes referred to as the shift from an analytical to a synthetic way of thinking.

## 2. The Power of Knowledge

Business process reengineering is complex and challenging. Many organizations are trying to switch over to knowledge management and develop a knowledge management strategy, often alongside ongoing BPR. Knowledge is the capability of choosing the rational action for a certain purpose, and it is a major asset to a company if managed properly. The purpose of this paper is not to promote the advantages of knowledge management strategy, but to map the use of it within the business process reengineering

## 3. The Nature of Knowledge

Knowledge by itself is of little use. It can be manipulated to become valuable asset. Knowledge has to be capable of being identified, acquired, applied and stored for later use in order to be considered a competitive advantage. It is often sub-categorised into two forms, explicit knowledge and tacit knowledge. Explicit knowledge can be easily articulated and transferred to others. Tacit knowledge is personal knowledge residing in individuals' heads or built into the working practices of the business over time. It is relatively difficult to articulate, codify and communicate.

## 4. Knowledge Management Strategy

Successful reengineering project can benefit from a knowledge management strategy. Such a strategy can outline goals, identify and clarify change needs, and provide a suitable way to respond to them. Organizations typically pursue five different knowledge management strategies: KM as business strategy, intellectual asset business strategy, personal knowledge asset responsibility strategy, knowledge creation strategy and knowledge transfer strategy.

## 5. Knowledge Management versus Business Process Reengineering

According to Bergeron knowledge management is best applied in times of stable processes and as follow-on to a reengineering effort, not as a parallel process, because KM initiatives typically involve documenting and sharing information about what is, whereas process reengineering is about designing what should be. Process reengineering is concerned with benchmarking and best practices, implementing alternative business models and process optimization. The goal is to increase corporate competitiveness by eliminating non-value-added steps, copying the methods of successful companies, and reducing unnecessary employees through intelligent downsizing. KM, in contrast, is about documenting and sharing practice through activities such as: knowledge audits, collaboration, communities of practice, knowledge mapping, mentoring, etc. This is commonly existing practice, but can include development of new knowledge through the constructive interactions that come from knowledge sharing and communities of practice Bergeron also posits as a fact that many KM initiatives fail because KM is performed in parallel with BPR initiative. The purpose of this article does not contradict this opinion as such. KM should not be applied as a parallel process. The greater opportunity arises where KM is implemented within the BPR process.

## 6. Knowledge Management within Business Process Reengineering

To deliver successful reengineering projects, a company has to possess precise and deep knowledge about the processes it wants to change. To submit all of the high-level processes to reengineering simultaneously is not possible for even the most radical of organizations. The business, after all, has to sustain itself as a going concern whilst change is implemented. Aspects of knowledge management strategy offer a good way to identify which processes should be prioritized in reengineering. If the objective of BPR is elimination of value-added steps, a clear idea of where value arises within the business is a precursor for effective implementation and eventual success. The ability to produce high value change in even end-to-end process development is questionable when the manager does not understand how value is implemented. All too often, the value chain depends on knowledge rather than the overt physical processes or infrastructure. These typically attract first attention, as they are the easiest targets in BPR. A fully effective project will start with a knowledge audit (of which there are various forms, often sourcing information from informal interviews across the company hierarchy) to determine both the intellectual capital that exists in the company, the knowledge value nexii, and the processes which drive the value chain. This may be followed by evolution of the KM strategy. There is another example of the way KM benefits BPR. It can make a contribution to reengineering development by enabling the move from solely analytic to synthetic thinking and understanding [1]. It is known that knowledge consists of both scientific and social constructs. Applied to the business, this point of view legitimises the acceptance of a wider variety of factors in analysis of business processes and promotes holism rather than simply "fact" based thinking.

KM includes a set of tools, such as social network analysis, gatekeeper theory, knowledge audit, process mapping and optimization, knowledge asset deployment, knowledge sharing improvement, informal network planning, communications design, development of networks of excellence and communities of practice, and succession planning. A number of these are shared with conventional BPR. The ability to tailor knowledge processes as part of business change offers real opportunities to improve the outcomes of BPR. Understanding how tacit knowledge has shaped and is embedded in the baseline position prevents the fundamental mistake of reorganizing out experience, expertise and essential evolved processes. It allows the organization to plan

staffing changes, developing the human resource base for the best exploitation of established tacit knowledge value. Succession planning, staff development and training can ensure good practice is retained and with care, help also to eliminate waste built into routines and established rituals of behavior

## 7. Conclusions

KM and BPR are complex research areas. There are inevitable overlaps in the tools used, notably process mapping and the various methodologies used with the process map. Whilst it is quite possible to use the tools of knowledge management within a BPR approach, there are merits in the broader understanding KM techniques (even KM strategy) can offer: the social nature of work; the need to ensure the fruitful development of tacit knowledge; identification of where value lies in the business to prioritise business development; and the acceptance of the importance of implicit knowledge in processes. Built into business change, implementation of KM strategies in the BPR domain can help to minimize the failure sources.

## 8. References

- Anklam P. (2003), KM and the Social Network, Inside Knowledge, Volume 6, Issue 8, 8<sup>th</sup> May, 20
- Brayan P. Bergeron (2003), Essentials of knowledge management, chpt. 2, pp.47
- Freddy & Michael Balle (2005), THE GOLD MINE: a novel of lean turnaround
- Gergen J. (1991). The Saturated Self, Basic Books, USA
- Guo Z., Sheffield, Habermasian Inquiring System: Toward a General Framework for Knowledge Management Research, Proceedings of HICSS 2006, USA
- Gupta. A., McDaniel, J., 2002, Creating Competitive Advantage By Effectively Managing Knowledge: A Framework For Knowledge Management, Journal of Knowledge Management Practice, Volume 3 No. 2, pp.40-9.
- James P. Womack & Daniel T. Jones (2003), Lean thinking, ISBN: 0743249275
- M. Hammer and J. Champy (2001), Reengineering the Corporation: A Manifesto for Business Revolution, ISBN 9780060559533
- Natalie J. Sayer, Bruce Williams (2007), Lean for Dummies, Chpt. 1, p.21
- Rodney McAdam (Chichester: Sep/Oct 2000), Strategic Change. Vol. 9, Iss. 6
- Wilg, K.M. (1997), "Knowledge management: an introduction and perspective", The Journal of Knowledge Management, Vol. 1 No. 1, pp.6-14

# A STUDY OF THE CONTRIBUTING FACTORS FOR ENHANCEMENT OF THE EFFECTIVENESS OF TRAINING AND DEVELOPMENT

Renu Bhardwaj\*  
Sandeep Kumar\*\*

***Abstract:** Training is instrumental in upgrading the human resource of any organization and helps in keeping with the changing trends around the world. The long term success of any organization is dependent on training however its often seen that the organization underestimate the importance of Training due to which the desired results are not achieved. This article focus on the Factors which impact the Effectiveness of Training & Development of employees. It highlights the importance of followup study after training is done and the importance of feedback process during the training. This study also emphasize the importance of Organization support in order to enhance the effectiveness of Training.*

***Objective :** The objective of this paper is to focus on the importance of effectiveness of the Training programme for the employees It identifies and discuss the factors which influence the effectiveness of the Training programme. It discuss the research done so far in assessing the effectiveness of training and the causal factors. It will help in designing an effective training programme which can yield the expected result.*

## 1. Introduction

Training helps the employee to perform better in their present job as well prepare them for the future roles and responsibilities.. With the introduction of globalization the need for trained and skilled Human resource is the key to gain competitive advantage (Drucker, 1999; Drucker et al., 1997).

Human resource is the most important resource for any organization so in order to attain competitive advantage organization need to optimize their contribution towards attainment of organizational mission and vision (Tuzun 2005)

Training is mandatory to make sure the organization has competent manpower to realize the organizational objective.

To enhance the effectiveness of Training and Job performance Training need analysis is mandatory to perform According to Heath field (2012) if organization provide training and education at the right time then

it really pays off in excelling the organization objective and employees are more knowledgeable and feel a sense of belongingness. Its a proven fact that when employee perceive that organization is investing in his development through regular trainings then they are also very particular about their deliverable towards achievement of organization objective. (Elnaga & Imran 2013)

It depends very much on the Organization ability to learn and upgrade as per the growing trend. The companies are emphasizing on importance of the learning organization .

Effectiveness of Training programme in an organization depends on various criteria. Training plan should be carefully designed after detailed study of the Training need analysis of the audience in consideration.

Before designing a successful training calendar there should be clarity of policies, job functions, goals and human resource philosophy of the company.

---

\*Renu Bhardwaj, Asst. Professor, International Institute of Business Studies, Noida

\*\*Dr Sandeep Kumar, Professor, Department of Management, Tecnia Institute of Advanced Studies, New Delhi

Training is influencing the attitude and behavior of employees which can be seen at the workplace. Training is becoming an integral part of the organization.

Organization has increased focus on the trainers and the training programs to enhance the efficiency.

Here is what the companies are doing to enhance the Training effectiveness.

- The agenda for the training is discussed in the beginning of training session
- The hand outs are circulated so that the trainees can relate with the discussion
- The session plan need to be time bound and adherence to the session plan is mandatory
- Training is always interactive where trainees speak about their experience and suggestions which value add the discussion
- Regular feedback is sought at regular interval from the trainees to ensure their understanding of the concept.
- Evaluation is done with suitable testing methodology to ensure the understanding of the trainees. Experimenting new techniques at regular intervals which are effective for learning.

One of the factor which cannot be ignored is the expertise of the Trainer in transferring the learnings and seeking feedback to check the understanding is mandatory during the training. The importance of the follow-up study to keep a check on the progress of action plans of improvement chalked out during the training programme.

The primary objective of conducting training should be clear to ascertain the effectiveness of training. If the objectives are not well defined before, the session plan cannot be planned and so the desired objectives and result cannot be attained after training.

The assessment of Training need analysis is yet another important basic criteria as Training need to be specific as per the need of the trainees else it will not be able to benefit the areas of improvement for employees.

**Scope of the study:** The research article will help the organization to understand the importance of Training as dispensable tool to upgrade the human resource. The Organization will be particular about the Effectives of Training, it will increase the focus on contributing factors which enhance the effectiveness of a training programme This will help in the optimum utilization of the resource of training and subsequently maximize the organizational productivity and performance.

**Research Methodology:** The paper is written with the reference collected from the Secondary data.

## 2. Literature Review

The research work done so far indicates that the effectiveness of training depends on structural design of training programme, trainers ability and environment in which training takes place. However the audience or trainees receiving the training cannot be ruled out. Result of training is greatly influenced by the trainees capability and self efficacy.

Kirkpatrick (1998) studied evaluation process of training and gave hierarchical model of evaluation based on four factors like 1 trainee reaction to the content of the training programme, 2 knowledge and learning of the trainee 3 behavior change after training acquisition 4 result delivered in terms of turnover, productivity, behavioral change etc.

According to Dayal (2001) Trainers should be clear about two objectives (1)the training objectives (2) the content of training and the methodology used for training.

According to Kalemci (2005) the recognition of methods of training and the techniques of measuring the effectiveness is important criteria for the success of any organization.

According to Haywood (1992) out of the factors which impact the effectiveness of training is the human resource policy of the organization. Too many training programme complicates the main focus and reduces the effectiveness of training.

Trainees attitude, ability and motivation decides the success of the training programme Zaciewski (2001).

Bidhi (2005) further researched that if the Management is not supportive and the organizational environment is not favorable then the learning cannot be implemented by the trainees post session.

Saks and Haccoun (2007) said that the effectiveness of training depends on the emotional state of trainee like his motivation level, ability, self control and his understanding of the organization. Bumpass (1990) said that trainees attitude and how motivated he is towards the training influence the training effectiveness.

Fisher and Ronald (2011) said that there has to be an understanding between the Trainer and Trainee, if the outlook is broad then healthy exchange of learning can happen. Driskell (2011) mentioned that training effectiveness depends majorly on the kind of training, content of training course material and the expertise of the trainer.

Dahiya and Jha (2011) said that training program

implementation involves four steps planning, program implementation, program evaluation and follow up. They said that training is complete only after assessment of methods and results.

Tabassi et al (2012) concluded that trainees motivation and his attitude towards learning enhance the employee productivity and he tries to optimize his learning during the training programme.

Rama and Vaishnavi (2012) said that after training there should be regular assessment to evaluate the learning gained out of training and the result obtained should be linked to the performance plan.

### 3. The Contributing Factors in Enhancing the Training Effectiveness

**Management Support:** The support of the Organization and the Management is very important. The budget allocated for training depends on the Management perception about the relevance of training. Management should understand that Training is instrumental in upgrading the skills and knowledge of the employee. Its a necessary investment towards human resource and helps in achieving the competitive advantage. Post training the implementation of new ideas and learning by the trainee also require. Management support.

The Management should link the performance of the Trainee to Annual Performance appraisal system as it will enhance the motivation level of the Trainees and promotes growth.

**The Training Need Assessment:** Based on the weekly or monthly performance report Training Need Analysis is done by the reporting Manager of the respective department and is conveyed to the Training department. Its a time taking ongoing process comprising off periodic written assessment, and other evaluation exercises. If the assessment is not effective enough the whole exercise will be futile and will result into identification of wrong Training needs and will be a waste of time and resource. The capability of the Manager is crucial in this regard as he need to be well versed with the detail of the process.

**Objective of Training:** The effectiveness of the training depend on the clearly defined objectives. The objective of learning should be written and clearly defined. The objective is the basis for the content design and training methodology used. The objective should be conveyed to the trainees. Trainer should make the trainee understand the benefit they will get after fulfillment of objective...

**Trainer Expertise:** Effectiveness of the Training Programme depend majorly on the Trainers expertise. The trainer should be knowledgeable and should have

absolute clarity of the content of the Training. The trainer need to be an expert in the delivery skills, he should be able to communicate the content effectively. The trainer should be flexible enough to change the training methodology to suit the requirement as and when required. The communication skills should be excellent. Trainer should understand the importance of feedback and should seek feedback on regular basis from the Trainees .to evaluate their understanding. The Trainer need to be approachable so that the Trainees feel comfortable in clarifying their doubts. Regular assessment should be conducted by the trainer to check the progress.

**Trainee ability :** The effectiveness of training depends on the self efficacy and knowledge of the trainee. The trainee should be motivated enough to make the best use of the training opportunity. He need to give importance to the training he is enrolled into. Post training he should be capable enough to transfer and implement the learning. Trainee should be receptive to the feedback received and should implement the same.

**The Content:** The Content also influence the effectiveness of the training programme. The Content should cover all the areas of learning with relevant examples. It should be simple and not complicated. Handout should be provided to the trainees as a support reference.

**Methodology of Training:** The Effectiveness of Training is influenced by the Training methodology. Trainer should choose the best methodology which suits the Trainees receptivity and support learning. Trainer should not be conservative in switching over the methodology if the need arises. Trainer should use blended approach of learning approach which included traditional methods as lectures, demonstrations as well as the computer based learning or online classes.

**Implementation of Training:** To enhance the effectiveness of Training, the trainees should be encouraged to implement their learning and innovative ideas. The Management should encourage them to take initiative and contribute effectively for Organizational objective

**Evaluation:** To enhance the Effectiveness of Training evaluation of learning post training is required. Trainer should seek regular feedback to assess the comprehension of his deliverables, necessary follow-up study at regular interval need to be conducted to check the progress of the action plan made by the trainee.

Comparison of pre and post training should be done to assess the effectiveness. This helps in improvising the training programme and enhance effectiveness.

#### 4. Conclusions

To keep update with the changing trend Organization is using Training as a indispensable tool to gain complete advantage.

To gain competitive advantage Organization need to enhance the effectiveness of Training as this is the only way by making the human resource competitive and be better than the competitors. Training promotes employee to acquire new skills, sharpen the existing skills, enhance their performance and contribute meaningfully in organizational objective and evolve as a leader will help to empower employee and raise the standard of their performance and work life.

The Organization should understand Training as the most important tool for employees development and for the growth of the organization in the era of Globalization.

To achieve the best result out of the training programme organization should focus on the factors that influence the effectiveness of the training programme.

The Organization and Management support ,Training Need Analysis, Objective of Training, Trainers Ability, Training Content, Trainee ability, Training methodology devaluation. are some of the important factors which affects the Training programme effectiveness.

#### 5. Reference:

- Birdi, Kamal S. (2005) Journal of European Industrial Training ,29(2),pp. 102-111 "No Idea? Evaluating the Effectiveness of Creative Training"
- Bumpass's. (1990), Australian Journal of education Technology, 6(2), pp. 99-107, "Measuring Participant Performance"
- Dahiya, S and Jha, A(2011), International Journal of Computer Science and Communication, 2(1), pp. 11-16 "Review of Training Evaluation"
- Dayal, Ishwar (2001) Indian Journal of industrial Relations, (2001), pp.339-344, "Measuring Training Effectiveness"
- Driskal, James. E. (2011) Psychology Crime & Law, 10(2011) pp.1-9 "Effectiveness of Detection, Deception Training: A Meta Analysis.
- Elgna. A and Imran. A(2013) European Journal of Business and Management 5(4), The Effect of Training on employee Performance,
- Fisher, B.Ed win (1971). McGraw Hill Company, New Delhi, Principles of Management
- Haywood, K.M.(1992). Cornell Hotel and Restaurant Administration Quarterly, 33(4), pp-43-52
- Kalemci, P. 2005, Journal of Commerce & Tourism Education faculty, 1(2005), pp144-156
- Kirkpatril, D.L (1977) Training & Development Handbook: "Evaluation of Training "A guide to human resource development, New York; McGraw- Hill Company
- PF Drucker(1999), Harvard Business Review, Vol. 77, March-April, pp 65-74, Managing Yourself
- Rama, M. Janki and Vaishnavi. R.(2012) International Journal of Multidisciplinary Management Studies, 2(4), pp16-25 "Measuring Training effectiveness: A Study in a Leading Retailing Industry in a Metropolitan City".
- Saks, A and Haccoun, R. (2007) Toronto, Nelson and Thompson Ltd, "Managing Performance through Training and Development"
- Tabassi, Amin A., Mahyuddin, R. and Abu, Hassana. b. (2012). International Journal of Project Management, 30(2), pp 213-224, Effects of Training and Motivation Practices on Teamwork Motivation and Task Efficiency: The Case of Construction Firms.
- Tuzun P, K (2005) Journal of Commerce and Tourism Education Faculty, General Overview of Training effectiveness and Measurement Model
- Zaciwski R. D. (2001) Quality Progress, 34 (6) pp. 36-42, "Measuring Training Effectiveness"
- <http://smallbusiness.chron.com/developing-effective-employee-training-program-1181.html>
- <http://trainingtoday.blr.com/employee-training-resources/how-conduct-effective-training-session>.



# ROLE OF VALUES AND ETHICS IN BUSINESS: AN EMPIRICAL STUDY

Sambhavana Gupta\*  
Ritesh Gupta\*\*  
Sunil Kumar\*\*\*

**Abstract:** Business ethics is one of the most discussed topics in this millennium, and one of the most conflicting subjects. Unfortunately, people nowadays believe that ethics is not related to any type of religion, but is a habit gained from culture, family upbringing and society. The Macquarie Dictionary defines ethics as "...a system of moral principles by which human actions and proposals may be judged good or bad or right or wrong". In a business context, ethics (or the lack of them) influence corporate behaviour. In the popular mind, business ethics are inextricably linked to notions of honesty, integrity, trust, accountability, transparency and social responsibility.

Ethics deal with "what that ought to be". Patrick and Quinn (1997), defined ethics as the study of individual and collective moral awareness, judgment, character and conduct.

Ethical values serve the ends of human well-being; the well-being promoted by ethical values is not personal and selfish well-being; No one person's well-being is to be counted as more worthy or valuable than any other's; Ethical values promote human well-being in an impartial way. The main purpose of this research paper is to explore importance of ethical values and business ethics in today's globalized world of high competition and to create awareness about concept and essence of ethical values and business ethics for sustainable progress in this globalized world. Research methodology comprises real data – primary and secondary as well based upon Personal Interview Method, Telephonic Interview Method and Questionnaire Method. Research relates to re-exploring the facts which are already with us. Knowledge lies in reviewing and finding new possibilities in information. Research helps in making new innovations to pursue for betterment of our existing awareness. The study emphasizes the essence of ethical values; business ethics and social ethics as backbone in the field of business.

**Keywords:** Business, Business Ethics, Ethical Values, Globalization, Ethics, Sustainability

## 1. Introduction

Recent global corporate scandals have done long-lasting damage to the reputations of some of our most important civic institutions and businesses. 21<sup>st</sup> Century has opened many corporate ethical scandals that have harmed millions of employees and

investors and sent shock waves to the business world. To name a few – Manu Chabra Group for wrecking the fortunes of about half a dozen companies and facing investigation on FERA violations, the Harshad Mehta epic stock scam, ITC's violation of excise laws, the recent UTI scam, the recent Adarsh, Kansal,

\*Dr. Sambhavana Gupta, Faculty, Fairfield Institute of Management & Technology, N Delhi

\*\*Ritesh Gupta, Faculty, Deptt. of Management Studies, FDDI, Rohtak, Haryana

\*\*\*Dr. Sunil Kumar, Faculty, SOMS, IGNOU, MaidanGarhi, New Delhi-110068

CWG and 2G spectrum scam. Key constituents – employees, investors, and community members – no longer trust or respect many institutions as much as they once did. Meanwhile, increased transparency and connectivity have enabled greater access to previously private information. The way to thrive in this era of increased public scrutiny is to put an introduction to business ethics training at the core of how corporations conduct business, and by tangibly demonstrating they have nothing to hide. “Doing what’s right” represents a sustainable way to create competitive advantage. The path to operationalizing ethical capitalism requires formalizing an introduction to business ethics, grounded in a code of ethics, not just at the top, but throughout the organization. Over time, ethical leadership fosters and sustains enduring corporate cultures that self-govern around corporate values and set forth a code of conduct that meets the highest standards. Now the time has come that managers, CEOs, MDs and owners of business organizations will have to rethink about business ethics which include honesty and respect for company assets; no compromise with quality and competence; embracement of diversity and respect of dignity of fellow employees; respect of customers’ needs and values; and so on. These traits help in making the business sustainable. Now what is business ethics?

The word “ethics” is derived from the Greek *ethos*, meaning “customary” or “conventional.” Ethics is built on good work practices & what is right; it provides general guidelines on good behavior/conduct of individuals, group, organization as a whole. Ethics determines what is right or wrong and choosing what is right. Ethics governs the behavior and conduct of individuals/groups in the workplace. Ethics is one of the hallmarks of a well run Company. Ethics can reassure investors/stakeholders about the Company’s approach to its non financial risks. Ethics also help to protect/enhance Corporate/business reputation. Example, corporate image/branding,). To be ethical in the sense of *ethos* is to conform to what is typically done, to obey the conventions and rules of one’s society and religion. Ethics involves a discipline that examines good or bad practices within the context of a moral duty. Moral conduct is behavior that is right or wrong. Business ethics include practices and behaviors that are good or bad. Ethics is defined as ‘a theory or a system of moral values: ‘an ethic of service is at war with a craving for gain’ (Gregg Easterbrook). Ethics may also be defined as ‘the branch of philosophy that tries to determine the good and right thing to do; choices regarding right & wrong, (Dictionary of Business). Ethics (plural, noun): ‘the system of beliefs and rules

used to judge human action’. Example: ‘he is a very honorable person who always acts accordingly to his ethics’ (Macquarie Dictionary, 2006:191). Oxford Advanced Learner’s Dictionary defines the word ‘ethics’ as “moral principle that govern or influence a person’s behavior”. Ethics is thus a benchmark of human behavior. The conduct of human beings is influenced either by the emotions of life or the actions people perform in different situations. The coordination of action and emotions generates ethics.

## 2. Rationale of the Study

In this world of competition and globalization the challenge is to manage the business ethics and ethical values in an appropriate and standardized way. To survive in today’s tough competitive business environment and to introduce sustainability in our business, ethical values and business ethics is mandatory to apply in practical form. Right and wrong defined by different people may manifest diverse thinking, motivated by each individual’s personal values. Within a work environment, the cultural values that drive business decisions are critical to the organization’s credibility with its employees, customers, and shareholders. Today, in business, value is about prioritizing individual and operational values for the workplace and establishing codes of value and codes of conduct that ensures that employee behaviors and the internal systems are aligned with those values which in turn affects the performance of the organization. Key leadership with appropriate values establishes the moral compass that guides the organization through the complexities of what is right and wrong and how management and staff are therefore expected to behave. Critical then, becomes the ability to manage for ethical outcomes—this is values-based management.

Values provide the basis for judgment about what is important for the organization to succeed in its core business. Values are traits or qualities that are considered worthwhile; they represent an individual’s highest priorities and deeply held driving forces. The need of the study arises for the purpose to make an appropriate balance between the ethical values in business with the profits of its concerned institute.

## 3. Objectives of the Study

- To identify reasons why the study of ethics is important.
- To explain the nature and meaning of business ethics.
- To identify the status of business ethics and ethical values.

- To realize the contribution of business ethics and ethical values in sustainable development.
- To create awareness about business ethics and ethical values for the benefit of industry, employees, customers, consumers, shareholders and society.
- To study how business ethics and ethical values standards improve productivity, profitability and quality of an organization.

#### 4. Research Methodology

Research methodology used during the study conducted in this research paper is based upon real data – primary as well as secondary. To conduct this study, exploratory qualitative approach was in practice. Theoretical frame work was developed from the literature, data collected from the multiple sources of evidence in addition to books, news papers, journals, websites and other professional magazines. A survey was conducted, based on refined questionnaire (reviewed by four experts who had years of experience in the sector of business management) with senior managers, CEOs, and managers/officers. Apart from these some support personnel (employees of the organizations) were also contacted to make this paper more real and worthy. In this research paper we have discussed empirical study of Cadbury, Nestle, (Tata, Sail, Maruti, ONGC, Wipro, Reliance, and Infosys).

#### 5. Review of Literature

Research on business ethics is rampant these days due to the latest financial scandals that were attributed to extorted work ethics practiced by the various financial institutions in their actual dealings. Questions have been asked to assess the role of educational institutions in preparing students in the area of business ethics. However, to add clarity to the above mentioned issue, it is necessary to clarify that the term ethics refers to right and wrong conduct within a frame of rules and principles Marcoux (2008, Para. 4) contends that “business ethics is probably as old as trade itself. If law is a rough guide to widely - held moral intuitions, the Code of Hammurabi (1700s B.C.) was civilization’s early attempt to establish the moral boundaries of commercial activity, concerning prices and tariffs and laying down both rules of commerce and harsh penalties for noncompliance. Aristotle’s Politics (300s B.C.) explicitly addresses commercial relations in its discussion of household management. Judeo-Christian morality as expressed in the Talmud (200A.D.) and in the Ten Commandments (Exodus 20:2-17; Deuteronomy 5:6-21) includes moral rules that are applicable to commercial conduct”.

Jones and George (2009) “ethics are the inner guiding moral principles, values, and benefits that people use to analyze and interpret a situation and then decide what is right or the appropriate way to behave”. Whenever the word ethics is found, it is correlated with the word ethical dilemma. Jones and George (2009) manifest that “an ethical dilemma is the quandary people find themselves in when they have to decide if they should act in a way that might help another person or group even though doing so might go against their ownself-interest” (p.141).

Hosmer, (1991) believes that “business ethics is just the broad understanding and appreciation of business life” (Solomon, 1994, p.1). Whereas, Peter Drucker, the guru of management, sees that “Business Ethics” is rapidly becoming the “in” subject that is replacing yesterday’s “Social Responsibility” (Drucker, 1981, p. 18).

Peterson, Rhoads and Vaught (2001) also found that age was a significant predictor of ethical behavior. They report that older people possess higher ethical beliefs, and are less likely to be influenced by people around them at work and at home. This finding is intuitively appealing, and is in line with a number of moral development models such as that proposed by Kohlberg (1969). Other studies, however, such as Cortese (1989), found that age was not significant. Both Dawson (1997) and Peterson et al. (2001) reported an interaction between age and gender. Their findings suggest that ethical attitudes develop at different rates for each gender, with the differences diminishing as age increases.

Merchant (2013), managers who want employees to behave ethically must exhibit ethical decision making practices themselves. “A company’s managers play an important role in establishing company’s ethical tone. If managers behave as if the only thing that matters is profit, employees are likely to act in a like manner. A company’s leaders are responsible for setting standards for what is and is not acceptable employee behavior. It’s vital for managers to play an active role in creating a working environment where employees are encouraged and rewarded for acting in an ethical manner” (Para.15).

#### 6. Factors Impacting Business Ethics

There are various factors that may directly or indirectly have an impact on business ethics, be it gender, age, or cultural values, in addition to those that are business related. According to Perryer & Jordan (2002), there is a body of literature that suggests that men and women differ in the way they perceive and resolve moral and ethical dilemmas. They cited Gilligan (1982) who believed that while men are more likely to consider

rules, rights and fairness, women are more likely to be concerned with relationships, compassion and caring. This difference is generally considered to be the result of gender socialization in early childhood. Traditional girls' games involve indirect competition, and are more concerned with inclusion and turn-taking, while traditional boys' games tend to have more complex and rigid rules, and involve competing against others within the parameters of these rules (Dawson, 1997). However, most of these studies examined gender differences in particular societies, professions or business courses. Perryer & Jordan (2002) found out that until recently, less attention has been given to the possible influence of cultural values on attitudes to ethics, despite the extensive body of literature attesting to cultural difference. This seems to be an important area for research in an era of increasing workplace diversity (p. 370). Moreover, the authors believe that recent studies that have examined the influence of culture have generally found it to be a significant predictor of ethical behaviors or attitudes, and that values acquired at home through gender socialization during childhood, and through moral development in general influence attitudes to ethical issues; in addition to the fact that shared values acquired from organizational life, through company's codes of ethics, socialization and management example, are also likely to influence attitudes to ethical issues (ibid, p. 371). Consequently, any studies that attempt to understand the influence of gender and age on ethical attitudes and behaviors should ensure that the effect of cultural value systems is taken into account.

### **7. Ethical Values and Business Ethics of Cadbury**

Cadbury is one of the world's largest confectionary manufacturers. Cadbury believes that good ethics and good business go together naturally to produce the best long-term results for all the stakeholders. Cadbury's vision is to be the biggest and the best confectionery company in the world. Its success is sustained by understanding and responding to the needs of consumers, customers, suppliers, colleagues and citizens. Its values are based upon performance, quality, respect, integrity and responsibility, honesty, openness and courtesy. This means everyone in Cadbury acts in an ethical way to protect and promote the company and its reputation among the people and communities it does business with. Cadbury maintains ethical sourcing standards and develops sustainable agriculture programmes such as the 'Cadbury Cocoa Partnership'. Cadbury recognizes its environmental responsibilities. It reduces environmental impact, in particular targeting carbon, packaging and water use,

within its broad 'Purple Goes Green' environmental programme.

### **8. Ethical Values and Business Ethics of Nestle**

Nestle is the world's leading nutrition, health and wellness company. With over 276,000 employees, the company has operations in almost every country in the world. The people know more by brands and the portfolio covers practically all food and beverage categories, with market leaders like Nestle, DRUMSTICK, NESCAFE, STOUFFERS, KITKAT, Nestle GOODSTART, Nestle PURE LIFE and PURINA, to name a few. Since its founding, Nestlé's business practices have been governed by integrity, honesty, fair dealings and full compliance with all applicable laws. Nestlé's employees worldwide have upheld and lived this commitment in their everyday responsibilities ever since, and Nestlé's reputation remains one of the Company's most important assets today. The Nestle Corporate Business Principles prescribe certain values and principles which Nestle has remained committed worldwide.

#### **Ethical Values and Business Ethics of (TATA, SAIL, MARUTI, ONGC, WIPRO, RELIANCE, an INFOSYS)**

The Tata Group has always sought to be a value-driven organization. These values continue to direct the Group's growth and businesses. The five core Tata values underpinning the way we do business are: Integrity; Understanding; Excellence; Unity; and Responsibility. SAIL (Steel Authority of India) is to be a respected world Class Corporation and the leader in Indian steel business in quality, productivity, profitability and customer satisfaction. Maruti Udyog: We believe our core values drive us in every endeavor: Customer obsession; flexible and first mover; innovation and creativity; networking and partnership; openness and learning. ONGC: To be a world-class Oil and Gas Company integrated in energy business with dominant Indian leadership and global presence. The Spirit of Wipro is the core of Wipro. Spirit is rooted in current reality, but it also represents what Wipro aspires to be – thus making it future active. The Spirit is an indivisible synthesis of all three statements: Manifesting intensity to win; Acting with sensitivity; and being unyielding on integrity all the time. Reliance Industries: Reliance believes that any business conduct can be ethical only when it rests on the nine core values of: Honesty; Integrity; Respect; Fairness; Purposefulness; Trust; Responsibility; Citizenship; and Caring. Growth is care for good health. For Reliance Industries: Growth is care for safety; Growth is care for the environment; Growth

is conservation; Growth is betting on our people; and Growth is thinking beyond business. Infosys Technologies is a globally respected corporation that provides best-of-breed business solutions, leveraging technology, delivered by best-in-class people and achieves its objectives in an environment of fairness, honesty, and courtesy towards our clients, employees, vendors and society at large. Ethical Values of Infosys Technologies are: Customer Delight; Leadership; Integrity and Transparency; Fairness; and Pursuit of Excellence.

## 9. Survey Results

The survey results of the study are as follows:

- (1) 98 % of the respondents believed ethics and compliance programs are essential to corporate governance.
- (2) 80% of those surveyed had developed codes of ethics beyond those required.
- (3) 90% included statements concerning the company's obligation to its stakeholders.
- (4) Research has shown that consumers give preference to companies that adopt CSR practices.

According to the 2002 Edelman Strategy of Survey of Opinion Leaders, 76% would switch to a company with strong CSR practices, if price and quality are equal to non-CSR competitors. In the same survey, 75% surveyed reported they would give a CSR company the "benefit of the doubt" if the company were subjected to negative publicity.

- (5) 52% of employees observed at least one type of misconduct in the workplace in the past year, with 36% of these observing at least 2 or more violations.
- (6) Types of misconduct most observed by employees include:
  - 21% observed abusive or intimidating behavior towards employees.
  - 19% observed lying to employees, customers, vendors, or the public.
  - 18% observed a situation that places employee interests over organizational interests.
  - 16% observed violations of safety regulations.
  - 16% observed misreporting of actual time worked.
  - 12% observed discrimination on the basis of race, color, gender, age or similar categories.
  - 11% observed stealing or theft.
  - 9% observed sexual harassment.

- (7) 69% of employees report their organizations implement ethics training.
- (8) 65% of employees indicated their organizations have a place they can seek ethics advice.
- (9) 55% of employees who observed misconduct at work reported it to management.
- (10) Reasons Why Employees Do Not Report Observed Misconduct: 18% of the employees do not know – Who to contact; 24% employees do not care they feel – Someone else would inform; 39% of the manpower fear no Anonymity; 46% of the human resources fear Retaliation; and 59% of the employees think there is no corrective action.

## 10. Key Findings

- (1) Ethical Values and Business Ethics help to improve productivity, profitability, quality, public image and brand value of an organization in this world of globalization.
- (2) Ethical Values and Business Ethics are very effective to achieve sustainable development of an organization.
- (3) There is limited attention to ethical values and business ethics in India. Business environment in India is not favorable for business ethics and ethical values. There is utmost need to educate the employees as well as managers and even some of the owners, CEOs and MDs also about business ethics and ethical values.
- (4) Business must maintain the highest standards of behavior for the benefit of industry, employees, customers and society only with the help of ethical values and business ethics. The best way of promoting high standards of business practices is through self regulation through ethical values.

## 11. Suggestions

The real test of these values comes from the resulting action. It takes a concerted, company-wide effort, beyond inserting these words in an employee manual, to make it happen.

- (1) Management must lead by example. Good ethics should be most noticeable at the top. Every employee must be accountable to the same rules.
- (2) A corporate values or ethics initiative must be "sold" and "marketed" aggressively throughout a company. Every forum and medium should be used to spread the good message. Of course, it will only be credible if the company is practicing what it preaches.
- (3) Training must be provided to get everyone on the same page. It's easy to ignore a motivational speech or pass by a poster, but spending time learning about the issues will have a lasting impact.

- (4) Both you and the company must be in it for the long haul. The ethics fervor should extend to the next generation of employees. The longer it lasts, the more ingrained the principles will become. Despite failings of some, there is plenty of room at the table for good ethics and profitable business to reside. Together they can lay the cornerstone for a secure and prosperous society. These ten values you can put in the employee manual and mean it.

## 12. Conclusions

The research presented in this paper provides some timely insights into the elusive dynamics driving board perspectives of the ethical dimensions of corporate life. It identifies some of the obstacles to a more robust engagement with modern day ethical challenges - challenges that arise from the idea that business is essentially asocial institution that is responsible for its social and environmental footprint as well as its economic performance.

Lastly in this paper, we conclude that ethical values and business ethics act as a vital tool for removing unethical practices and various scandals that are occurring frequently in this hi tech world of competition and globalization. . Apprehension is that such practices are creeping into general ways of life which are bound to prove detrimental to our social life. There is great need to educate the employees, managers, administrators, CEOs, MDs and even owners of the business organizations regarding ethical values and business ethics along with technical and corporate trainings so as to make our customer and consumers delighted, thus leading to business sustenance and to survive in today's globalized world.

Corporate crimes and scandals remind us of the fragility of business ethics. Yet boards continue to rely on the personal moral standards of their members rather than treating business ethics as a collective responsibility beyond individual predispositions. Clear statements of and commitments to, ethical business principles can act as a powerful counterweight to the rampant pursuit of individual gain or self-aggrandisement within the corporation. There is little disagreement that it is the board's role to lead this process and set the necessary ethical 'tone'. Boards that step-up to this challenge ensure that the business is driven by a set of shared principles that offset the absence of universal moral principles.

## 13. References

- Joshua Margolis, James Walsh, and Dean Krehmeyer, "Building the Business Case for Ethics," Business
- Roundtable Institute for Corporate Ethics Bridge Paper™ series, 2006; available at: [www.corporateethics.org/publications.html](http://www.corporateethics.org/publications.html).
- Duane Windsor, "A Required Foundation Course for Moral, Legal and Political Education," and Laura Hartman and Edwin Hartman, "How to Teach Ethics: Assumptions and Arguments," Journal of Business Ethics Education, no. 2 (2004).
- Baker, Wallace R. "A Reflection on Business Ethics". A commissioned Paper for the UNESCO Forum on Higher Education, Research and Knowledge. Paris, France Carter McNamara "Complete Guide to Ethics Management: An Ethics Toolkit for Managers",
- Chakra borty, S.K. "Business Ethics in India". Journal: "Journal of Business Ethics". Kluwer Academic Publishers, Netherlands.
- Cragg, Wesley. "Prosperity and Business Ethics – The case for Corporate Social Responsibility in the Americas". Canadian Foundation for the Americas. 1-896301-59-2.
- Habib, Mohsin. "Ethics and Business". University of Massachusetts, Boston.
- Hartman, Laura (2004). "Perspectives in Business Ethics". Burr Ridge, IL: McGraw-Hill.
- Harwood, Sterling (1996). "Business as Ethical and Business as Usual". Belmont, CA: The Thomson Corporation.
- Hooker, John (2003). "Why Business Ethics?" Carnegie Mellon University.
- Knight, Frank (1980). "The Ethics of Competition and Other Essays" university of Chicago Press. ISBN 0-226-44687-5.
- "Making Ethical Decisions". The Josephson Institute of Ethics.
- McMurrian, Robert C. and Matulich, Erika. University of Tampa. "Building Customer Value And Profitability With Business Ethics". Journal: "Journal of Business & Economic Research", vol. 4, Number 11.
- Michael, Michael L. "Business Ethics: The Law of Rules". Harvard University.
- Niles, Nancy J. Concord University. "Business Ethics Education: One Management Educator's Perspective". Journal: "Journal of College Teaching & Learning". Vol. 3, Number 10.

# WTO AND INDIA'S EXPORTS PERFORMANCE

M. A. Beg\*

**Abstract:** The creation of WTO aimed at promotion of the world trade and to achieve it, one of the objectives was to have greater integration of developing countries into global trading system and so directs its activities towards liberalisation of trade through reduction and removal of tariff and non-tariff barriers among member countries. The WTO follows the principle of non-discrimination i.e. not to discriminate between trading partners and adopted Most Favoured Nation and National Treatment that tend to create conducive trade environment for developing countries like India. There are prospects of substantial expansion in India's exports through policy of liberalisation adopted by WTO. The present paper is an attempt to have a cross country analysis of export performance, consisting of India and selected developed and developing countries and also gives detail of the scenario of growth, direction, and structure of India's exports in the post WTO period and finally exhibit the factors and forces underlying India's export performance during the concerned period.

**Keywords:** Cross-Country Analysis, Liberalisation, Composition, Compound Annual Growth Rate

## 1. Introduction

The WTO emerged out of the General Agreement on Tariffs and Trade (GATT) negotiations with a mandate to extend and embed the global marketplace, not least, through the integration of developing countries (Narlikar, 2005). The creation of World Trade Organisation aimed at making global economy more progressive and developed through a medium of international trade. It deals with many trade negotiations and agreement like on agriculture, textile, TRIMS, TRIPS and services that will form a medium for better, smoother and fairer international trade among member countries. Trade liberalisation and greater market access has led to reduction and removal of many tariffs and non-tariffs trade barriers under different level of negotiations held under it. Since WTO has established, there are 161 countries as its member and all of them are bound to accept the rules lay down by WTO and in case of non-consent to any matter by the member country issue are settled down through negotiation and through dispute settlement body. It

recognized the structural and economic challenges faced by developing countries, and provided them with some special and differential treatment.

India being its initial member so is expected to be benefited by this membership. There are prospects of substantial expansion in India's exports through policy of liberalisation adopted by WTO. The present paper is an attempt to assess the impact of WTO on India's export performance under WTO regime. Export of a country depends upon various internal and external factors; however it is difficult to take up all in detail so effort has been made to find how far indicators of India's export strength have undergone perceptible change during the post WTO period.

## 2. Objectives

- To examine the relative export performance of India in the context of few developed and developing countries in the pre and post WTO period.
- To analyse the growth, direction and structure of India's exports during the post WTO period.

---

\* Dr. M. A. Beg, University of Delhi

### 3. Data and Methodology

The present study is based on data compiled from secondary sources. Major data sources are as follow: Monthly Statistics of Foreign Trade, Directorate General of Commercial Intelligence and Statistics (DGCI&S); Economic Surveys, Government of India; Handbook of Statistics on Indian Economy, RBI; WTO, International Trade Statistics. The published works of eminent economists and materials available from websites, libraries, magazines, journal, publications and standard books has also been referred for the present research study.

The direction and composition of exports have been analysed with the use of percentage and ratio methods by taking into account the yearly and over period changes in trade flows. The Compound Annual Growth Rates has been computed by using the semi-log method.

### 4. Global Export Trends With Reference To India's Relative Export Behaviour

Globalisation is the way towards world development as it policies enables the developing countries to improve their competitive strength and stand along with developed nations. The world economic integration during 1990's was the result of policy of WTO which demands trade liberalisation and dismantling of tariff and non-tariff barriers among world nations. The growing technological advancement and emergence of new economies gave further push to global integration process. The freer trade as advocated by WTO has brought robust performance in world trade during past decade. At present, the greater part of international trade is governed by WTO.

The inward-looking policy of international trade adopted in 1970s by most of the developing countries could not help their growing trade deficits and weak economic position. This ultimately led to the adoption of outward looking policy of export promotion which proved successful in promoting their external trade thereby leading to expansion of world trade during 1990's. The proactive development strategies of developed and developing countries along with committed efforts of WTO had led to the expansion and diversification in world trade. Before the establishment of WTO it was the advanced economies of U.S.A., U.K., France, Germany, Japan etc. that dominated the share in world trade because their products enjoyed better competitive strength and had better accessing power in world market. However, even after the creation of WTO the share of above developed countries in world trade is significant but does not enjoys the same figure and position as before due to the emergence of

developing countries of Asia and others which have captured some of their share in the world trade.

### 5. Merchandise Export- A Cross Country Analysis

Ever since the establishment of WTO, there has been significant expansion in world merchandise exports generally, at a rate faster than global output, with more than double the value of export in past 19 years period. The world export has grew at CAGR of 6.8 percent (in 1995-2013) and the value of world exports was US \$ 5164 billion in 1995, US \$ 10495 billion in 2005 and US \$ 18301 billion in 2013. In few years world annual exports has registered a negative growth rate of -1.6 percent, - 4.1 percent and -22 percent in the year 1998, 2001 and 2011 due to crisis in East Asian nations in 1997, terrorist attack in US in 2001 and global recession and financial crisis during 2001 and 2011. Except for few years overall world export performance in post WTO period was satisfactory.

### 6. A Comparison with Export Trends of Developed Nations

In the post WTO period, India's export grew at compound annual growth rate of 12.9 percent which was more compared to U.S.A. (5.3 percent), Germany (5.5 percent), Japan (2.5 percent), U.K. (4.4 percent), France (3.5 percent), Italy (4.2) and Canada (4.6 percent). This performance can be considered as some progress in India's relative export growth rate in post WTO.

India's value of exports in billion dollars and relative share in world exports is substantially low as compared to selected developed countries, which is though obvious due to various constraints faced by India in terms of structure, supply, capital, resources and capacity. India's share in world exports is not remarkable but had crossed 1 percent share in 2006 to reach to 1.7 percent in 2013 from marginal share of 0.6 percent in 1995 (see table 1). Though India's share in world merchandise exports is not substantial but has increased throughout in post-WTO period and of few developed countries it has decelerated due to rise in the share of other countries.

The value of exports in billion dollars was registered highest for US followed by Germany and Japan. From the table 1 it could be observed that though the India's value of exports is quite low compared to that of developed nations but reaching to US \$313 billion in 2013 from the value of US \$31 billion in year 1995 is itself noteworthy. On the other hand, UK's value of exports could reach only US \$ 542 billion in 2013 from US \$ 237 billion in 1995. Likewise was the case with France, Italy and Canada. In terms of year of



year export growth rate, the ASEAN crisis of 1997 led to negative annual export growth rate in selected developed countries in the year 1998 but India's export growth rate remained stable with negligible growth rate at value of US \$ 34 billion. The year 2009 was not conducive for world trade and due to global recession there was fall in value of export of almost all developed nations and India as a result world export growth rate sink to -22 percent. Though this negative growth rate in export was common for all the countries but was less intense for India (-6.6 percent) as the table 1 reveals this was due relative better economic policies and other trade strategy adopted by the Government of India.

Thus, through the analysis of data it is concluded that India's value of exports in billion dollars and relative share in world exports is peripheral compared to given developed countries which is though obvious as India is still on the path of development and not yet fully developed so faces many bottlenecks in production and global capacity. What is noteworthy here is that it has shown an improved year of year export growth rate and compound annual growth rate compared with given few developed countries of the world and so this ascertains that the creation of WTO and better export promotion strategy had affected India's export affirmatively.

**Table 1: Value, Growth Rate and Share of Exports of Developed Countries and India in World in Post WTO Period**

(Value in billion dollars, Growth Rate and Share in percent)

YEAR	U.S.A.			GERMANY			JAPAN			U.K.		
	VALUE	YOY	% SHARE	VALUE	YOY	% SHARE	VALUE	YOY	% SHARE	VALUE	YOY	% SHARE
1995	585	14.0	11.3	523	22.8	10.1	446	12.3	8.6	237	15.6	4.6
1997	687	10.5	12.3	542	18	9.7	420	0.2	7.5	280	-2.0	5.0
1999	693	1.5	12.7	542	0	9.5	418	7.7	7.7	272	-0.7	4.8
2001	729	-6.7	11.9	571	3.6	9.3	403	-15.9	6.6	273	-3.9	4.4
2003	725	4.6	9.6	748	22	10	566	19.9	6.3	305	8.0	4.1
2005	906	10.6	8.7	970	6.0	9.3	595	0	5.7	383	10.7	3.7
2007	1148	12	8.3	1326	20	9.5	713	10	5.1	438	-2	3.1
2009	1056	-18	11.2	1126	-22	9	581	-26	6.2	352	-23	2.8
2011	1480	15.8	8.1	1474	17.1	8.1	822	6.8	4.5	473	16.8	2.6
2013	1580	2	8.6	1453	3	7.9	715	-10	3.9	542	15	3.0
CAGR (1995-2013)	5.3			5.5			2.5			4.4		

Source: Calculation is based on data collected from WTO, International Trade Statistics

**Table 1: Value, Growth Rate and Share of Exports of Developed Countries and India in World in Post WTO Period**

(Value in billion dollars, Growth Rate and Share in percent)

YEAR	FRANCE			ITALY			CANADA			INDIA			WORLD	
	VALUE	YOY	% SHARE	VALUE	YOY	% SHARE	VALUE	YOY	% SHARE	VALUE	YOY	% SHARE	VALUE	YOY
1995	301	17.6	5.8	234	22.5	4.5	192	16.4	3.7	31	24	0.6	5164	19.4
1997	302	-0.9	5.4	246	-2.4	4.4	214	6.5	3.8	34	3	0.6	5591	3.5
1999	325	1.2	5.7	231	-6.1	3	238	11.2	4.2	37	8.8	0.6	5712	3.8
2001	322	-1.5	5.2	241	1.3	3.9	260	-6	4.2	43	2.4	0.7	6191	-4.1
2003	392	18	5.2	292	16	3.9	273	8	3.6	56	14.3	0.8	7586	16.9
2005	463	2	4.4	367	6	3.5	359	14	3.5	95	30	0.8	10495	13.9
2007	559	12.9	4	492	19.7	3.5	419	8	3.0	145	20.8	1.0	14012	15.6
2009	485	-21	3.9	406	-25	3.2	317	-31	3.3	165	-6.6	1.3	12531	-22
2011	597	14.1	3.3	523	17	2.9	452	16.5	2.5	296	32.7	1.6	18217	19.4
2013	580	2	3.2	518	3	2.8	458	1	2.5	313	6	1.7		
CAGR (1995-2013)	3.5			4.2			4.6			12.9			6.8	

Source: Calculation is based on data collected from WTO, International Trade Statistics

**Table 2: Value, Growth Rate and Share of Exports of Selected Developing Countries and India in World Exports in Post-WTO Period**

(Value in billion dollars, Growth Rate and Share in percent)

YEAR	CHINA		HONGKONG, CHINA		MALAYSIA		INDONESIA		THAILAND		SINGAPORE		INDIA		BRAZIL		MEXICO		RUSSIA FEDERATION		KOREA REPUBLIC OF		WORLD	
	Value	YOY	Value	YOY	Value	YOY	Value	YOY	Value	YOY	Value	YOY	Value	YOY	Value	YOY	Value	YOY	Value	YOY	Value	YOY	Value	YOY
1995	149 (2.8)	23	178 (3.4)	17.9	70 (1.4)	18.6	45 (0.8)	13	57 (1.0)	25.6	118 (2.2)	21.6	31 (0.6)	24	46 (0.9)	6.9	79 (1.5)	29.5	81 (1.6)	20.9	125 (2.4)	30.2	5164	
1997	183 (3.2)	21	188 (3.4)	3.9	79 (1.4)	1.3	53 (1.0)	7	58 (1.0)	3.6	125 (2.2)	-0	34 (0.6)	3	53 (0.9)	10.4	110 (1.9)	11.5	88 (1.5)	0	136 (2.4)	5.4	5591	
1999	195 (3.4)	6	174 (3.1)	-0.6	85 (1.4)	15	49 (0.9)	0	58 (1.0)	5.5	115 (2.0)	4.5	37 (0.6)	8.8	48 (0.8)	-6	137 (2.3)	16	73 (1.3)	2.0	144 (2.5)	9	5712	
2001	266 (4.3)	7	191 (3.1)	-5.4	88 (1.4)	-10	56 (0.9)	-9.6	65 (1.0)	-6	122 (1.9)	-11.6	43 (0.7)	2.4	58 (0.9)	5.6	159 (2.5)	-4.2	103 (1.6)	-2	150 (2.4)	-14.6	6191	
2003	438 (5.6)	35	229 (3.0)	13.9	99 (1.3)	7	61 (0.8)	7	81 (1.0)	17.3	144 (2.1)	15.2	56 (0.8)	14.3	73 (0.9)	21.6	165 (2.1)	2.5	134 (1.7)	25	194 (2.5)	19	7586	
2005	762 (7.2)	29	292 (2.8)	9.8	141 (1.3)	11	86 (0.8)	19	110 (1.0)	13.4	230 (2.1)	27.8	95 (0.8)	30	118 (1.1)	21.6	214 (2.0)	13.2	244 (2.3)	33	284 (2.7)	11.8	10495	
2007	1218 (8.6)	26	349 (2.4)	10.1	176 (1.2)	10	118 (0.8)	13.5	153 (1.0)	16.7	299 (2.1)	-8	145 (1.0)	20.8	161 (1.1)	17	272 (1.9)	8.8	355 (2.5)	17	372 (2.6)	36.8	14012	
2009	1202 (9.6)	-16	319 (2.6)	-12	157 (1.2)	-25	119 (0.9)	-14.4	152 (1.2)	-14	270 (2.1)	-20	165 (1.3)	-6.6	153 (1.2)	-22.7	230 (1.8)	-21.2	303 (2.4)	-36	362 (2.8)	-14	12531	
2011	1898 (10.4)	20.3	455 (2.5)	16.7	227 (1.2)	14	201 (1.1)	27.2	229 (1.2)	17.4	409 (2.2)	16.2	296 (1.6)	32.7	256 (1.4)	26.7	350 (1.9)	17.4	522 (2.8)	30.5	555 (3.0)	19	18217	
2013	2209 (12.1)	8	536 (2.8)	9	228 (1.2)	0	183 (1.0)	-3	229 (1.2)	0	410 (2.2)	0	313 (1.7)	6	242 (1.3)	0	380 (2.1)	3	523 (2.8)	-1	560 (3.0)	2		
CAGR (1995-2013)	15.2		5.9		6.4		7.6		7.6		6.7		12.2		9.1		8.6		10.3		8.2		6.8	

Source: Calculation based on data from WTO, International trade statistics

## 7. A Comparison with Export Trends of Developing Nations

In post WTO period, it was observed that India's export grew at CAGR of 12.9 percent which was second highest after China i.e. 15.2 percent, among the given countries. India's share in world merchandise exports reached to 1.7 percent in 2013 from 0.6 percent in 1995 and was better than that of; Malaysia, Indonesia, Thailand and Brazil in 2013 (see table 2). This is definitely a good sign for India's export growth and it can be considered that membership of WTO has opened market share for India. Share of China in world export rise from 2.8 percent in 1995 to 12.1 percent in 2013. However the Share of few countries in world exports was better than that of India.

In absolute figure, India's export was US \$ 31 billion in 1995 which reached to US \$ 313 billion in 2013 which was far behind China's value of export of US \$149 billion in 1995 and US \$ 2209 billion in 2013. However, in last 2-3 years, India's value of exports has grown more than that of Malaysia, Indonesia, Thailand and Brazil as revealed from the table 2 given below.

In terms of year of year export growth rate, India has shown better performance when compared to Hong Kong, Malaysia, Indonesia, Thailand, Singapore and Mexico. Even during the crisis in Asian nations in 1997 when export of many countries fall to negative India's export remained stable and during the global recession of 2008-09 almost all the developing countries export growth rate decline to negative including India but then that decline was minimum for India.

So we have reached to the conclusion that India has performed better than few selected developing countries in recent years both in absolute and relative terms but there are few countries still ahead of India especially China so there is a need for greater self-analysis on part of India. Rules and policies of WTO system had no doubt helped India in gaining share in world export trade but it is quiet behind its potential so need for government to have better negotiation in

matters advantageous to country under WTO forum and should also adopt better export production and promotion strategy.

## 8. Trends in Export Performance of India in the Post WTO Period

WTO's membership has posed both opportunities and challenges for India in international trade. Now it is upon country's potential and strategy that how far it is able to exploit the trade opportunities and meet out the global trade challenges. The opening and liberalisation of economy has enabled India to achieve an increased export orientation of the economy as revealed by the increased ratio of exports to GDP in the post-WTO period compared to the pre-WTO period (table 3).

In the year 1995-96, India's value of exports was US \$ 31797 million with reasonable annual export growth rate of 20.8 percent but however for 3 succeeding years; 1996-97, 1997-98 and 1998-99, the annual export growth rate decline but remained positive for first two years but a negative growth rate of - 5.1 percent in 1998-99. In 1999-00, the annual export growth rate was 10.8. In recent years, India's exports had witnessed a substantial growth rate especially in the respective years. However, in the year 2009-10, growth rate became negative with - 3.5 percent due to global recession. In the year 2013-14, India's export was US \$ 31440 million.

**Table 3: Exports as Percentage of GDP at Market Price**

YEAR	EXPORT as Percentage of GDP
1980-81	4.6
1990-91	5.7
1995-96	8.9
2000-01	9.7
2005-06	12.4
2007-08	13.1
2009-10	12.9
2011-12	16.5
2013-14	41.8

Source: Calculation is based on data taken from RBI, Handbook of Statistics on India Economy

**Table 4: Value, Growth Rate and Share of Exports and Imports of India in Post-WTO Period**

(Value in million dollars, Growth Rate and Share in percent)

YEAR	EXPORTS			IMPORTS			BALANCE OF TRADE
	VALUE	GROWTH RATE	% SHARE	VALUE	GROWTH RATE	% SHARE	
1995-96	31797	20.8	0.6	36678	28.0	0.66	-4881
2000-01	44560	21.0	0.7	50536	17	0.77	-5976
2005-06	103091	23.4	1.0	149166	33.8	1.3	-46075
2007-08	163132	29.0	1.0	251654	35.5	1.6	-88522
2009-10	178751	-3.5	1.3	288373	-5.0	2.0	-109621
2011-12	304623	21.3	1.67	489417	32.3	2.5	-184794
2013-14	314405	4.7	1.7	450200	-8.3	2.5	-135795

Source: Calculated from RBI, Handbook of statistics on Indian Economy

India's share in world merchandise exports reached to 1.7 percent in 2013 and rank to 19<sup>th</sup> from 26<sup>th</sup> in 2007.

### 9. Inferences from the trend

- Immediately after the formation of WTO, India's exports declined and registered a negative growth rate of - 5.1 in 1998-99. The reason being the fall in the growth of world export in 1996 to 3.7 percent from high growth of 19.8 percent in 1995. Then there was crisis in ASEAN countries which share 1/6<sup>th</sup> of India's export, depreciation in foreign currencies too adversely affected price competitiveness of India's export and finally led to decline in country's export. On the other hand, despite of liberalisation policy of WTO developed countries kept on adopting protectionist policy and hampered India's export.
- Domestic factors like infrastructure constraints, high transaction cost, small scale industries reservation, labour inflexibility, quality problems, quantitative ceilings on agricultural export, quota problem, supply constraints, pollution control issues in manufacturing of some items like leather, ceiling on export of iron ore, volatility of agricultural export etc. are also responsible for downturn in India's export performance in 1990's.
- India's export growth became negative again thrice in the study period once in 1998-99, - 5.1 percent, second in 2001-02, -1.6 percent, and lastly in 2009-10, - 3.5 percent. In 2001-02, India faced setback in its exports, at large, due to the semi-recession faced by the US; one of India's biggest trading partners. The terrorist attack on the World Trade Centre caused a net loss of 0.25 percent of US GDP and also had an impact on India's exports. Recent negative growth was due to recessionary tendency in world in 2008, fall in global demand causing fall in world export, growing competition from other developing countries like China and Taiwan, protectionist policy on export of textile by developed countries, failure on part of large industrial houses to boost up exports, excessive use of non-tariff barriers, and anti-dumping duty in EU for grey cloth export from India etc.
- For the rest of the years in study period export growth was satisfactory due to revival of world trade and East Asian countries after crisis, low inflation within the country making our export competitive in international market, rupee depreciation along with further trade liberalisation, reduction in tariff and more openness in foreign investment in export oriented

sectors, and various policy issues undertaken by the Government of India for export promotion.

However, this performance is not fully satiated as India's has further potential to enhance her export and capture more share in world export so need to direct effort towards it. The role of WTO is also debatable here, especially in further reducing tariff and non-tariff barriers faced by Indian exports and also there is need to strengthen up negotiations stance at WTO to resolve various other trade issues.

### 10. Compositional Structure of India's Exports

The creation of WTO in mid-1990 has brought about perceptible change in world trade including member countries composition of export. Under WTO period, India's merchandise exports have witness a shift in commodity composition with significant decline in the share of primary products and increase in the share of manufactured and petroleum products.

The table 5 illustrates that the share of primary products in country's total exports was 22.8 percent in 1995-96 which shrink to 15.5 percent in 2013-14. This decline was due to fall in the share of agriculture and allied from 19.9 percent in 1995-96 to 13.7 percent in 2013-14. The share of manufactured goods was 74.7 percent in 1995-96 which rose to 80.7 percent in 1999-00, and then declined to 63.5 percent in 2013-14. This decline in share in recent years was due to emergence of petroleum products as an important item of export from the country with significant share of 20.62 percent in 2013-14 from 1.4 percent in 1995-96.

### 11. Primary Products (Agricultural and Allied Products and Ores and Minerals)

Among the agricultural products share of almost all the commodities in total exports has declined in the post-WTO. The share of tea, rice, coffee and cashew has declined significantly from 1.1, 4.2, 1.4 and 1.1 percent in 1995-96 to 0.3, 1.6, 0.3 and 0.3 percent in 2013-14, see table 6. Marine products showed better performance in India's exports until 2000 with share fluctuating around 3 to 3.5 percent from 1995-2000. However, its share too declined from 2.8 percent in 2001-02 to 1.6 percent in 2013-14. Products such as spices, oil meals, and vegetables and fruits indicated fall in their share in India's total exports in post-WTO period but were better in share than tea, coffee, tobacco etc. At a more detailed level, meat and meat preparations and sugar and sugar preparations showed rise in their share of exports. Export share of ore and minerals too represented declining trend.

**Table 5: India's Exports by Principal Categories in Post-WTO Period***(Value in million dollars, Growth Rate and Share in percent)*

YEAR	PRIMARY PRODUCTS		MANUFACTURED PRODUCTS		PETROLEUM PRODUCTS		OTHERS		TOTAL EXPORT	
	VALUE	% CHANGE	VALUE	% CHANGE	VALUE	% CHANGE	VALUE	% CHANGE	VALUE	% CHANGE
1995-96	7256 (22.8)	39.2	23747 (74.7)	16.4	453 (1.4)	8.9	583 (1.1)	98.3	31794	20.8
1997-98	7687 (21.9)	-4.3	26546 (75.8)	7.8	352 (1.0)	-26.8	419 (1.3)	23.6	35006	4.6
1999-00	6524 (17.7)	-5.8	29714 (80.7)	15.2	38 (0.1)	-57.3	544 (1.5)	33.0	36822	10.8
2001-02	7163 (16.3)	-0.5	33792 (77.1)	-1.6	2119 (4.8)	13.4	1174 (2.7)	-4.0	43827	-1.6
2003-04	9901 (15.5)	13.7	48492 (75.9)	20.4	3568 (5.6)	38.5	1080 (1.7)	-9.3	63843	21.1
2005-06	16377 (15.9)	20.8	72563 (70.3)	19.6	11639 (11.3)	66.5	2510 (2.4)	10.9	103091	23.4
2007-08	27552 (16.9)	39.9	102979 (63.2)	21.8	28363 (17.4)	52.2	4010 (2.5)	26.3	162904	29.0
2009-10	26397 (14.8)	4.1	115181 (64.4)	-5.9	28192 (16.2)	2.3	8982 (5.0)	32.7	178751	-3.5
2011-12	45574 (14.9)	38.75	186784 (61.3)	18.2	55603 (18.25)	34.0	16661 (5.4)	-11.4	304623	21.3
2013-14	48895 (15.5)	7.28	199648 (63.5)	6.8	64831 (20.62)	16.5	1031 (0.32)	-93.0	314405	3.2
CAGR	10.56		11.85		29.8		3.0		12.8	

Data in Brackets represents share in total export

Source: Calculated from data taken from Government of India, Economic Survey (various issues)

**Table 6: Share and Growth Rate of India's Exports by Principal Categories and Commodities in Post-WTO Period***(In percent)*

COMMODITIES	1995-96	1999-00	2000-01	2005-06	2007-08	2009-10	2011-12	2013-14
<b>I. PRIMARY PRODUCTS</b>	22.8	17.7	16.0	15.9	16.9	14.8	14.9	15.5
<b>A. AGRICULTURAL AND ALLIED PRODUCTS</b>	19.9	15.2	13.5	10.2	9.9	10.1	12.3	13.7
1. Tea	1.1	1.1	1.0	0.4	0.3	0.3	0.3	0.3
2. Coffee	1.4	0.9	0.6	0.3	0.3	0.2	0.3	0.3
3. rice	4.2	1.9	1.4	1.3	1.7	1.3	1.6	
4. unmanufactured tobacco	0.4	0.5	0.3	0.2	0.2	0.4	0.3	0.3
5. spices	0.8	1.1	0.8	0.5	0.6	0.7	0.9	0.8
6. Cashewnuts	1.1	1.5	0.9	0.6	0.3	0.3	0.3	0.3
7. Oil meal	2.2	1.0	1.0	1.1	1.2	0.9	0.8	0.9
8. Fruits&Vegetables	0.8	0.6	0.6	0.6	0.5	0.7	0.4	0.6
9. Marine Product	3.2	3.2	3.1	1.7	1.1	1.2	1.1	1.6
10. raw cotton	0.2	.04	0.1	0.6	1.3	1.1	1.5	1.2
11. Sugar and Molasses	0.5	0.0	0.2	0.1	0.8	0.1	0.6	-
12. Meat and Meat preparations	0.6	0.5	0.5	0.6	0.6	0.7	0.9	-
<b>B. ORES and MINERALS</b>		2.5	2.6	5.2	5.5	4.9	2.6	1.8
I. Iron Ore	1.6	0.7	0.8	3.7	3.6	3.4	1.4	0.5
<b>II.MANUFACTURED GOODS</b>	74.7	80.7	77.0	70.3	63.2	64.4	61.3	63.5
A. LEATHER AND MANUFACTURE	5.2	2.6	2.9	1.7	2.1	1.2	1.5	1.8

B. CHEMICAL AND RELATED PRODUCTS	10.7	12.7	13.2	14.3	13.0	12.8	12.2	-
C. ENGINEERING GOODS	13.8	13.9	15.3	21.0	22.9	21.4	22.0	-
1. Manufacture of metals	2.5	3.3	3.6	4.1	4.3	3.1	3.1	4.4
2. Machinery & instrument	2.6	3.2	3.7	4.7	5.6	5.4	4.7	5.2
3. Transport equipment	2.9	2.2	2.4	4.2	4.3	5.5	6.8	6.4
4. Electronic goods	2.1	1.8	2.4	2.1	2.1	3.1	2.9	2.3
D. TEXTILE AND TEXTILE PRODUCTS	25.2	26.6	25.3	15.9	11.9	11.1	9.2	-
1. Cotton Yarn ,Fabric	8.1	8.4	7.9	3.8	2.9	2.1	2.2	3.1
2. Readymade garments	11.5	12.9	12.5	8.3	5.9	6.0	4.5	4.8
3. Jute manufactures	0.5	0.3	0.3	0.2	0.2	0.1	0.1	
E. GEMS & JEWELLERY	16.6	20.4	16.6	15.1	12.1	16.3	18.2	13.2
F. HANDICRAFT	1.3	1.4	1.2	0.3	0.3	0.1	0.07	0.5
<b>III. PETROLEUM PRODUCTS</b>	<b>1.4</b>	<b>0.1</b>	<b>4.2</b>	<b>11.5</b>	<b>17.8</b>	<b>16.2</b>	<b>18.2</b>	<b>20.61</b>
<b>IV. OTHERS</b>	<b>1.1</b>	<b>1.5</b>	<b>1.7</b>	<b>1.1</b>	<b>2.5</b>	<b>1.5</b>	<b>5.4</b>	<b>0.3</b>

Source: Calculated from data taken from Government of India, Economic Survey and RBI Bulletin (various issues).

## 12. Manufactured Goods

In manufactured goods, share of chemicals, machinery, transport equipment, and electronic goods increased in total exports. However, the share of manufactures of metals declined in country's total exports but enhanced in world exports. In the post-WTO period, most important concern is the declining share of textiles; its share has fallen to less than 10 percent of total exports. This signifies that phasing of MFA arrangement in 2005 as per the WTO agreements could not benefit much to Indian textile exports. To a lesser extent similar is the case with the gems and jewellery. The product composition has changed to some extent from 2000-01 to 2013-14 (see table 6), the erstwhile competitive export sectors, especially like textiles, clothing, garments, leather and leather products, etc. have been witnessing shrinking share and in turn leading to erosion of over-all share of manufactured goods sector. In the manufactured category, the traditional goods exports were making the way for new products. The structural change was relatively minor in the first five years of the establishment of WTO but noteworthy changes occurred in the second decade with engineering products and chemicals leading the way.

The annual export growth rate of almost all the manufactured goods remained positive except for the year 1998-99 and 2009-10, the fall was maximum in case of leather products and minimum for readymade garments. This decline was due to fall in global demand owing to recession. The annual growth rate was high for engineering goods in most of the year then followed by chemical and allied and gems and jewellery. However, the leather and textile products did not showed high growth performance in post-WTO and in case of handicrafts in some years performance was decent and in some years not pleasing.

## 13. Petroleum Products

The petroleum products became an important segment of exports with the share of 20.62 percent in 2013-14 and have become the leading export item from India. In 1995-96, it has marginal share of 1.0 percent which rose to 8.5 percent in 2004-05. India has become one of the leading petroleum refining centres in Asia. In near future India is likely to emerge as a global hub of petroleum refining due to its proximity to the Gulf countries.

## 14. Destination of India's Exports

At the time of independence, India's major export was to U.K. and U.S.A. as it could not explore the possibilities of developing trade relations with other countries but as the country set on the path of development with its political and diplomatic contacts advancing with other countries its trading relationship with other countries emerged up leading to fall in the share of above two countries in India's total exports and a rise in the share of other developing countries of Asia and OPEC region. In last two decades, India has achieved greater export market diversification.

During the first five years of the establishment of WTO, the trend in India's exports destination did not changed much but a drastic shift was observed in last decade as could be observed from the table 7. In the year 1995-96, the share of OECD countries in India's total exports was 55.7 percent which rose to 35.21 percent in 2014-15. The U.S.A. was the principal export destination with the share of 13.66 percent in 2014-15. The share of Japan constantly declined and reached to 1.72 percent in 2014-15 while that of Australia remained stagnant.

The share of OPEC countries in India's exports was 9.7 percent in 1995 and 18.14 percent in 2014-15. Among

**Table 7: India's Major Export Markets in Post- WTO Period (Percentage share)**

GROUP/ COUNTRY	1995-96	2000-01	2005-06	2007-08	2009-10	2012-13	2014-15
<b>I.OECD</b>	<b>55.7</b>	<b>52.7</b>	<b>44.5</b>	<b>39.5</b>	<b>35.9</b>	<b>34.24</b>	<b>35.21</b>
<b>A.EU</b>	<b>26.5</b>	<b>22.7</b>	<b>21.7</b>	<b>21.2</b>	<b>20.1</b>	<b>16.83</b>	<b>15.94</b>
1.BELGIUM	3.5	3.3	2.8	2.6	2.1	1.83	1.77
2.FRANCE	2.4	2.3	2.0	1.6	2.1	1.65	1.59
3.GERMANY	6.2	4.3	3.5	3.1	3.0	2.41	2.42
4.ITALY	3.2	2.9	2.4	2.4	1.9	1.45	1.63
5.U.K.	6.5	5.2	4.9	4.1	3.5	2.88	3.01
<b>B.NORTH AMERICA</b>	<b>18.3</b>	<b>22.4</b>	<b>17.8</b>	<b>13.5</b>	<b>11.5</b>	<b>12.7</b>	<b>14.37</b>
1.CANADA	1.0	1.5	1.0	0.8	0.6	0.67	0.70
2.U.S.A.	17.3	20.9	16.8	12.7	10.9	12.0	13.66
<b>C.ASIA AND OCEANIA</b>	<b>8.3</b>	<b>5.1</b>	<b>3.3</b>	<b>3.2</b>	<b>2.9</b>	<b>2.91</b>	<b>2.7</b>
1.AUSTRALIA	1.2	0.9	0.8	0.7	0.8	0.78	0.89
2.JAPAN	7.0	4.0	2.4	2.4	2.0	2.03	1.72
<b>D.OTHER OECD COUNTRIES</b>	<b>1.6</b>	<b>1.9</b>	<b>1.6</b>	<b>1.6</b>	<b>1.3</b>	<b>1.77</b>	<b>2.16</b>
<b>II.OPEC</b>	<b>9.7</b>	<b>10.9</b>	<b>14.8</b>	<b>16.6</b>	<b>21.1</b>	<b>19.16</b>	<b>18.14</b>
1.IRAN	0.5	0.5	1.2	1.2	1.0	1.11	1.34
2.IRAQ	0.0	0.2	0.2	0.2	0.3	0.42	0.26
3.SAUDI ARABIA	1.5	1.8	1.8	2.3	2.2	3.25	3.58
4.U.A.E.	4.5	5.8	8.3	9.6	13.4	12.1	10.63
<b>III.EASTERN EUROPE</b>	<b>3.8</b>	<b>2.4</b>	<b>1.9</b>	<b>1.1</b>	<b>1.0</b>	<b>1.25</b>	<b>1.10</b>
1.RUSSIA		2.0	0.7	0.6	0.5	0.76	0.67
<b>IV.DEVELOPING COUNTRIES</b>	<b>25.7</b>	<b>26.7</b>	<b>38.5</b>	<b>42.5</b>	<b>39.2</b>	<b>43.42</b>	<b>43.93</b>
<b>A.ASIA</b>	<b>21.3</b>	<b>21.4</b>	<b>30.1</b>	<b>31.6</b>	<b>29.8</b>	<b>30.42</b>	<b>30.22</b>
a.SAARC	5.4	4.3	5.4	5.9	4.7	5.02	6.59
b.OTHER ASIAN DEVELOPING COUNTRIES	17.6	18.2	24.7	25.7	25.1	25.39	23.62
1.CHINA		1.9	6.6	6.6	6.5	-	-
2.HONKONG, CHINA	5.7	5.9	4.3	3.9	4.4	4.09	4.37
3.SINGAPORE	2.8	2.0	5.3	4.5	4.2	4.52	3.15
<b>B.AFRICA</b>	<b>3.4</b>	<b>3.2</b>	<b>5.5</b>	<b>7.5</b>	<b>5.8</b>	<b>8.12</b>	<b>9.03</b>
<b>C.LATIN AMERICA</b>	<b>1.1</b>	<b>2.1</b>	<b>3.0</b>	<b>3.4</b>	<b>3.6</b>	<b>4.87</b>	<b>4.67</b>
<b>V.OTHERS</b>	<b>5.1</b>	<b>7.3</b>	<b>0.3</b>	<b>0.4</b>	<b>2.8</b>	<b>0.14</b>	<b>0.29</b>
<b>TOTAL EXPORT</b>	<b>31794.9</b>	<b>44560.3</b>	<b>103090.5</b>	<b>162904.2</b>	<b>178751.4</b>		

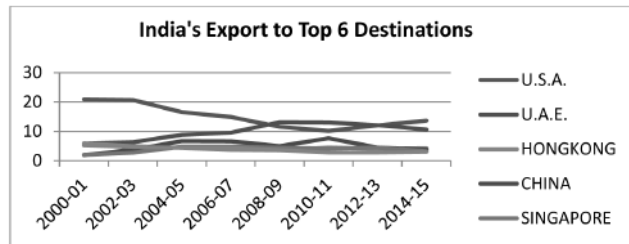
Source: Government of India, Economic Survey (Various issues), RBI Bulletin (various issues).

**Figure 1**

OPEC countries share of UAE was highest. The share of Eastern Europe remained almost stagnant. The share of developing countries in India's exports has risen from 25.7 percent in 1995-96 to 43.93 percent in 2014-15. The Hong Kong, China emerged as an important trading partner of India during five years' time. However, the share of Latin America and Africa has increased. Other countries share in total exports was very marginal.



Figure 2



## 15. Inferences of the trend

- In the post-WTO period, the share of primary exports has significantly declined and of manufactured goods, it increased first but in recent years it has declined due to increase in share of petroleum products, this itself reveals that certain diversification in India's export basket was achieved.
- Declining agricultural exports shows that Agreement on Agriculture under WTO did not benefitted much to India. It was basically due to failure in reduction of subsidies in developed countries and difficulty in market accessibility for Indian agricultural products.
- The share of manufactured products in the export basket was affected in recent years due to the slowing down of exports in two major sectors, that is, textiles and clothing and gems and jewellery. Gems and jewellery, which has been a leading item in India's export basket, sustained a reverse because of the decision of the US Government to withdraw the GSP benefit, whereby Indian exports have lost the preferential tariff advantage over some of the competing supplying countries that were not receiving the benefits earlier.
- The elimination of MFA by 2005 in phased manner as per WTO agreements under textile has not proved gainful for India's textile export as its share has declined significantly in recent years.
- In terms of annual export growth rate almost all the commodities represented negative growth rate in 1998-99 due to Asian crisis of 1997 leading to fall in demand in Asian countries and in 2009-10 due to global recession and hence fall in global demand.
- The export of petroleum products has shown the robust performance with share of 20.61 percent in 2013-14 and has become the leading export item of country in FY2015.
- In the pre WTO period, there was not much exports market diversification but in the post WTO period greater market diversification was obtained as the share of traditional export trading partner of India has declined and market of newly emerging developing countries of Asia and OPEC countries have become more significant.
- Most striking feature is the growing importance of Asian countries as an export destination. Asian share in total exports has increased by substantial proportion and it is nearly 30.2 percent in 2014-15. This is due to India's "Look East Policy" and sustained effort to develop strong relations with China and the ASEAN.
- The reason attributed to decline in share of OECD countries in India's exports was sluggish and depressed demand in EU and Japan. Global depression in the year 2008 lead to decline in USA share in country's exports and also snatch away its top rank in export destination.
- Existence of tariffs and NTMs in U.S.A. and EU countries and use of protectionist measures are also the important cause for their decline in India's market share. This refutes the efficiency of WTO.
- The share of Eastern European countries basically of Russia declined due to political disturbances in these countries.
- During some years the share of East Asian countries declined due to economic crisis in these countries but recovered soon and regains their position in country's export destination.
- Share of developing and OPEC countries in India's exports have increased drastically in the last decade due to growing regional trade agreements between them and liberalization of economies in Asia and Africa and impact of WTO commitments on trade policies of member countries.
- The share of African and Latin American countries have also increased in recent years due to adoption of policy of focus Africa and Latin America markets.
- WTO was established with the aim of liberalising trade so as to enable least developed and developing nations to have greater access to the market of developed countries but the study of trends in India's direction of exports reveals that the share of developed countries in country's exports is continuously weakening which definitely creates a doubt about the success of liberal market policy of WTO.



## 16. Conclusions

It could be concluded that the World Trade Organisation was established to make conducive market for global trade with special consideration given to the least developed and developing countries. India being the founder member of WTO was expected to have substantial gain in its exports through greater export opportunities provided by the WTO. But the creation of WTO has not bestowed that gain as expected initially. However, one cannot fully discard the role of WTO in India's export trade as the recent trade developments and diversification achieved in exports market and basket is the result of liberalised trade policy of WTO system. In the present study India's export performance was compared with that of selected developed and developing nations where the performance of India was not satisfactory during late 90's, which reflects countries internal policy flaws and other domestic factors and also the weak role of WTO in stimulating country's exports but in recent years India has performed better than few developing countries like Indonesia, Malaysia, Thailand and Brazil. In terms of year of year growth rate, there was better performance than many developed and developing countries except for few like China. The share of India's merchandise exports in world export was 0.6 percent in 1995-96 which increased to 1.7 percent in 2013. In the first three years after the establishment of WTO, India's exports declined but in recent years there was an impressive growth in export in dollar terms due to both external and domestic factors. Improved global growth and recovery in world trade after the recession in 2007-08 aided the strengthening of Indian exports, firming up of domestic economic activity especially in the manufacturing sector also provided a supporting base for strong sector specific exports. The opening up of the economy since the creation of WTO and corporate restructuring have enhanced the competitiveness of Indian industry. Various policy initiatives for export promotion and various regional arrangements with other countries and strong negotiation position at WTO forum too have contributed to this growth. In spite of gain in export trade in recent years, India's trade deficit could not be controlled as there is lack of consistency in expansion of export growth as observed in few years. It is believed that India's is still under performing in terms of export and has got much potential. Along with domestic bottlenecks like supply constraints, lack of infrastructure, flaws in export promotion strategy and policies, external factors too has contributed to this deficit.

In recent years, significant decline in export of textile products has posted qualm on gain of agreement on textile under WTO for India. However the robust

export of engineering goods in recent also signifies that reduction of tariff in developed countries and others brought by WTO has proved lucrative. It was the petroleum products that shown robust export performance in post-WTO period causing decline in the share of both primary and manufactured goods in total export of the country.

The study of time-series data on India's direction of export have revealed the declined share of developed countries of EU and North America in India's export which shows that the formation of WTO has not opened up market of EU for India. Non-tariff barriers, antidumping and countervailing duties have become important barriers to market access in developed countries to the export from developing countries like India, apart from above the rules regarding environments, health and labour standards are also challenging issues for India. However, the share of other developing countries in India's export has increased which is more due to country's individual efforts and role of WTO was marginal.

To make Indian product more competitive in international market there is need to remove bottlenecks such as to provide information about potential markets, develop export infrastructure, eliminate bureaucratic hurdles in making of export policy, and allow flow of FDI and also to have better negotiation under WTO forum.

## 17. References

- Narlikar, Amrita (2005). *The World Trade Organization: A Very Short Introduction*, Oxford: Oxford University Press, July 2005.
- Government of India, Economic Survey (various issues), New Delhi: Ministry of Finance, Government of India.
- Leela, P.(2007). WTO and the Emerging Pattern of India's Foreign Trade, in 'WTO and India', edited by Thakur Anil Kumar and Sharma, Deep and Deep Publication, New Delhi, pp.4-14
- Mathur, Vibha (2005). *WTO and India Development Agenda for 21st Century*, New Century Publication, New Delhi
- Athukorala, P.C. (2008). Export Performance in the Reform Era: Has India Regained the Lost Ground? ASARC Working paper 2008/03.
- Chakraborty, Debashis and Chakraborty, Pavel (2005). India's Exports in Post WTO Phase: Some Exploratory Results and Future Concerns, *Foreign Trade Review*, Vol. XL, No. 1, April-June, pp. 3-26.

# AN EMPIRICAL STUDY ON UNDERSTANDING THE POTENTIAL OF PRIVATE LIFE INSURANCE SECTOR IN INDIA USING SERVQUAL

Nitin Goel\*  
Nidhi Gupta\*\*  
Manish Madan\*\*\*

**Abstract:** The aim of this study is to evaluate the service quality in Private life insurance sector in India using dimensions of SERVQUAL model. The service quality stands at the soul of the insurance services for the customers. It defines how much and how well the customers understand the products and services offered and the degree to which their understanding achieves the range of their personal, family and financial goals. The main objectives of this study are to explore the services offered by private life insurers, finding the perception and expectation of the customers and find the gap between them. In an attempt to improve the quality of services offered by the private life insurers several recommendations and conclusions are highlighted and which can be used for further research work. Exploratory research has been applied; an action research approach was adopted for this line of investigation. The researchers have used primary data through in depth personal interviews with the managers of the private life insurance companies as well as customers. The secondary data was obtained from web sites, journals etc. The final instrument consisted of three constituent parts which contained 19 statements related to customer's expectations & perception & the GAP between them. Seven point likert scales was used throughout, denoted by 1 - Strongly Disagree through to 7 ± Strongly Agree.

**Keywords:** SERVQUAL, Life Insurance Services, Service Quality, Insurance.

## INTRODUCTION

Services sector is the largest sector of India. Gross Value Added (GVA) at current prices for Services sector is estimated at 73.79 lakh crore INR in 2016-17. Services sector accounts for 53.66% of total India's GVA of 137.51 lakh crore Indian rupees. With GVA of Rs. 39.90 lakh crore, Industry sector contributes 29.02%. While, Agriculture and allied sector shares 17.32% and GVA is around of 23.82 lakh crore INR (<http://statisticstimes.com/economy/sectorwise-gdp-contribution-of-india.php>)

The service sector since playing an important role in GDP performance of the economy, it would be important to see the financial and insurance sector as major sector to contribute in same.

Life insurance is one of the most important sector as the contribution in this is relatively for a long run in comparison to other service sector. At present in India there are in totality 24 Life Insurance Companies, including 1 Government i.e LIC of India and 23 remaining Private life insurance companies. LIC of India since the oldest of all holds largest number of policies and customer base in India.

In 1993 the report of the Malhotra Committee stated that only 22% of Indians were insured and LIC alone could not achieve the coverage of the entire population. In the year 1999 private insurance companies were permitted to reenter into the business of insurance in India with a maximum of 26 per cent of foreign holding (World Bank Economic Review 2000). Later on The State Bank of India proposed bank assurance.

---

\*Mr. Nitin Goel, Research Scholar, Jins University, Jaipur

\*\*Dr. Nidhi Gupta, Professor & HOD-BBA, Rukmini Devi Institute of Advanced Studies Delhi

\*\*\*Dr. Manish Madan, Associate Professor, Rukmini Devi Institute of Advanced Studies Delhi

The Insurance Regulatory and Development Authority (IRDA) bill was passed on July 14, 2000 for the protection of the interest of the policyholders from private and foreign players. People's attitude and perception towards insurance also changed from just a tax saving instrument to a risk hedging tool in India. The emergence of a range of new insurance products from the private players facilitated the so called change.

Now with the greater choice and increasing awareness the customer expectation and perception keeps on increasing and there demand for better service quality is also increasing day by day. To sustain in the current competitive scenario, private insurers need to understand what the customer perceive and what they actually expect and these companies before doing the Gap analysis should try to find out the correlation between the two dimensions i.e. Customer Perception and Customer Expectation. The purpose of the present study is to find out the relationship between Customer Perception and Customer Expectation with Private life insurance Companies in India. It is to be noted here that the study will not focus on LIC of India as it is not facing any major problem in the mind of customer being leader in the industry.

### Private life insurance companies

Since year 2000 Indian insurance industry has undergone transformational changes. With a one player market i.e. of LIC of India to a market of 23 private players in 16 years, the industry has witnessed phases of rapid growth with intensifying competition and growth moderation.

Based on the needs of the consumer, there has been number of products and operational innovations and has also increased competition among the players.

There was exponential growth in the first ten years of the insurance industry liberalization. The life insurance industry took a boost with the innovative products and aggressive expansion of distribution over first decade.

Regulatory changes over last three years made private insurers to adopt many new customer centric practices. Product related changes in ULIPS and now in traditional products, will have the biggest impact on the industry.

## REVIEW OF LITERATURE

### SERVICE QUALITY IN LIFE INSURANCE SECTOR

Wisniewski (2001) Suggests that SERVQUAL can be applied across a broad range of service organizations

coming from different sectors, since it employs psychometric testing and trials. Indeed, since its introduction, SERVQUAL scale has been tested and used in various contents.

**Ham and Hayduk (2003)** Delineate that the dimensions of SERVQUAL may be intrinsically linked to the overall quality of service as well as customer satisfaction.

**Sahu, Jaiswal & Pandey (2009)** concluded that the major factors playing the role in developing consumer's perception towards Life Insurance Policies are Consumer Loyalty, Service Quality, Ease of Procedures, Satisfaction Level, Company Image and Company-Client Relationship.

**Siddiqui & Sharma (2010)** showed that service quality dimensions influences customer satisfaction with agents, functional services and with company, which, in turn, has an impact on overall satisfaction.

**Dhanabhakym & kavitha (2011)** concluded that the private life insurance company should have a clear vision and mission that should be known to all the stakeholders like employees, agents, customers and business associates.

**Sandhu & Bala (2011)** refined the five-factor structure model as proposed by Suresh chandar et al. (2001) in to seven-factor construct representing Proficiency; Media and presentations; Physical and ethical excellence; Service delivery process and purpose; Security and dynamic operations; Credibility; and Functionality. Among these factors, three viz., Proficiency; Physical and ethical excellence; and Functionality have significant impact on the overall service quality of Insurers in India. The researchers also found a need for research into the dimensionality of service quality, bearing in mind the contextual circumstances – the specific industry and the specific service setting.

**Shah (2011)** concluded and suggested that the investors should invest in insurance for safety and prefer money back policies. Also they should consider safety as the most important factor. The researcher found that 89% of the consumers are satisfied with the present insurance companies and 64% of the consumers prefer public sector insurance companies.

**Jain & Saini (2012)** found that the demographical factor has the major effect in the purchase decision of the customer and the leadership lies not in getting the maximum policy sold but in understanding the demography of the customer and targeting them in their way.

**Bodla & Choudhary (2012)** found high negative service quality gap in private insurer which is certainly not a good sign for the company's ambitions.

**Gautam & kumar (2012)** concluded that socio demographic and economic variables have significant impact on Indian consumers' towards insurance services. All the nine variables mentioned in the study namely age, gender, marital status, level of education, household monthly income, mode of employment, professional inclination, mortgage property ownership, and insurance policy ownership were found to be significant in order to measure attitude with varying degrees.

**Yadav & Tiwari (2012)** concluded that demographic factors of the people play a major and pivotal role in deciding the purchase of life insurance policies.

**Christopher (2012)** concluded that future protection like children's education, future savings and children's marriage are the major reasons to buy an insurance cover, followed by investment plan and secured income for future. Also the investors expect guaranteed money, good service back up, promises to be delivered.

**Borah (2012)** concludes that customers are satisfied with this company. This research explicitly indicates that Tangible, Accessibility and Understanding factor have the maximum impact on customer satisfaction.

**Gulati, kumar & Ravi (2012)** The researchers concluded that there exists a significant perceptual difference among customers regarding overall service quality with their respective insurance companies. With regard to gap analysis of customers' expectations and perceptions, the dimension of responsiveness accounted for highest gap score followed by Reliability and Tangibility which depicts that insurance employees are less responsive to customers' needs. So, it is clear from current study that the customers are less satisfied with the services provided by insurance companies. The gap between desirability and availability is an alarming bell for some insurance companies.

**Srineevas and Anand (2012)** concluded that Insurer should Practice the highest levels of transparency and corporate governance to increase customer confidence. Life insurance companies with their investment management expertise and their actuarial skills are best positioned to ride this turmoil. Pensions will be a critical growth area for the insurance industry

**Vazifehdust & Farokhian (2013)** conducted a descriptive research on "Factors influencing customer satisfaction with the success factors identified in the insurance industry". The researchers concluded that insurers must continually examine customer satisfaction to identify the factors that are important from a customer perspective and thus to prioritize the most important factors in the success of the insurance industry.

**Bawa & Chattha (2013)** evaluated that public sector player LIC has sound liquidity position among all life insurers. As far as private players are concerned Companies like Future General, IDBI, Sahara, Shri Ram and SBI life have sound liquidity position. In case of solvency position, life insurers like Aviva, Bajaj Allianz, IDBI, Max Life, Sahara and SBI life insurance have higher solvency ratio as compared to others.

**Nena (2013)** conducted a study on "Performance Evaluation of Life Insurance Corporation (LIC) of India". The researcher concluded that LIC has been successfully able to create value for its policyholders. The performance evaluation shows consistent increase in its business.

**Singh (2014)** concluded that there has been rapid change over the traditional buying by the investors and the time has come for the companies to understand the advantages of the customer Relationship Management.

**Narender & Sampath (2014)** revealed that the customer major financial need in future is their children's education and marriage expenses. Hence the company should adopt some good and beneficial policy for their future estimates, which will really helpful for the customer.

**Pratibha (2014)** observed from the study and examines the relationship between perceived service quality dimensions and customer overall satisfaction. The research model proposed in the study postulates that service quality dimensions influence on overall customer satisfaction directly.

**Sai & Kapoor (2014)** revealed that Maximum number of people could recall the content of the advertisement of the insurances company which again signifies that the content of any advertisement have a lasting impact on the consumer's mind which can determine his buying behavior with respect to the policy.

**Chaudhary et. al. (2014)** concluded that customer of LIC of India has very high service quality expectations and to meet these expectations, certainly required more improved customer service quality strategies.

#### OBJECTIVES OF STUDY

The main objectives of this study are:

1. To identify the services offered by Private life insurance companies.
2. To develop a better understanding of customer's perceptions & expectations of service quality in Private life insurance companies
3. To determine the gap if any in the expectations and perception of customers.

## RESEARCH METHODOLOGY

An in depth personal interview using a structured questionnaire was conducted with the managers of the top private life insurance companies which were selected randomly.

Two focus group discussions were also performed at this stage. The first took place with managers of the insurance companies, who have responsibility for the daily operations and take care of their clients.

The second was conducted with existing customers of private life insurance companies. Such exploratory research methods can prove beneficial for generating ideas and obtaining further insights in order to build on the literature. After each interview and focus group, various modifications were made to the instrument based upon the recommendations offered. The framework was then later tested with a

small sample of clients. The entire procedure proved invaluable in helping to develop, test and refine an instrument designed to measure service quality among policyholders and thereby provided a significant input into the overall research process. The final instrument consisted of three constituent parts. The first section outlined nineteen statements that were modified from the original SERVQUAL instrument, and this part was used to measure policyholders' expectations prior to buying the insurance policy with the private insurer. Two subsequent dimensions were added, and these were labeled 'Insurer' items referring to the facilities that the insurance company provides) and 'Guidance' (items referring to the counseling and support elements provided). (Similar statements were later used in the second section to obtain the customers' perceptions. This part also contained series of questions relating to the service

## RESULTS

Table 1a: Mean Scores for the SERVQUAL Expectations and Perceptions

S.N	DIMENSIONS	PERCEPTION (P)	EXPECTATION (E)	P – E
I	Responsiveness			
1	Prompt services by insurer to client	4.81	5.77	- 0.96
2	Sales staff willing to help clients	5.24	6.00	- 0.76
3	Prompt response to query of customers by employees	4.65	5.49	- 0.84
	<b>TOTAL</b>	<b>14.7</b>	<b>17.26</b>	<b>-2.56</b>
	<b>AVERAGE TOTAL</b>	<b>4.9</b>	<b>5.75</b>	<b>- 0.85</b>
II	Assurance			
4	Instill confidence	4.76	5.57	- 0.81
4	To be courteous	5.01	5.52	- 0.51
6	Have knowledge	5.24	6.08	- 0.84
	<b>TOTAL</b>	<b>15.01</b>	<b>17.17</b>	<b>- 2.16</b>
	<b>AVERAGE TOTAL</b>	<b>5.00</b>	<b>5.72</b>	<b>0.72</b>
III	Empathy			
7	Sales staff provide individual attention to client	4.08	5.28	- 1.2
8	Support staff provide individual attention to clients	4.04	5.31	- 1.27
9	Employees of insurer understand needs of customers	3.95	5.37	- 1.42
10	Employees of insure have best interests at heart	4.18	5.23	- 1.05
11	companies have convenient hours to deal	4.07	6.16	- 2.09
12	Insurers' office has convenient hours	4.18	5.78	- 1.6
	<b>TOTAL</b>	<b>24.5</b>	<b>33.13</b>	<b>- 8.63</b>
	<b>AVERAGE TOTAL</b>	<b>4.08</b>	<b>5.52</b>	<b>- 1.44</b>
IV	Tangibles			
13	Insurers have modern technical backup	5.29	5.46	- 0.17
14	The employees are neat and clean.	5.34	5.81	- 0.47
15	Materials of the insurer is appropriate	5.03	5.58	- 0.55
	<b>TOTAL</b>	<b>15.66</b>	<b>16.85</b>	<b>- 1.19</b>
	<b>AVERAGE TOTAL</b>	<b>5.22</b>	<b>5.61</b>	<b>- 0.39</b>
V	Reliability			
16	Employees of Insurer deliver services as on time	5.19	6.06	- 0.87
17	Employees of Insurers are ready to solve problems if any	4.63	5.84	- 1.21
18	Employees of Insurer deliver right the very first time	4.86	5.77	- 0.91
19	Employees inform of all events and services	5.04	5.87	- 0.83
	<b>TOTAL</b>	<b>19.72</b>	<b>23.54</b>	<b>- 3.82</b>

S.N	DIMENSIONS	PERCEPTION (P)	EXPECTATION (E)	P – E
	AVERAGE TOTAL	4.93	5.88	- 0.95
	SERVQUAL TOTALS	89.59	107.95	- 18.36
	SERVQUAL AVERAGE	4.826	5.696	- 0.87

Table IIb: Mean Scores for the Insurer and Guidance Dimensions

	DIMENSIONS	PERCEPTION (P)	EXPECTATION(E)	P – E
<b>VI</b>	<b>Insurer</b>			
20	Adequate technical and manual support	4.22	5.54	- 1.32
21	Location of branches is suitable	5.45	5.73	- 0.28
22	Layout of branch is suitable	5.15	5.42	- 0.27
23	Online payment facilities are suitable	5.71	6.52	- 0.81
24	Adequate handouts of information are available	4.83	6.22	- 1.39
25	Customer care provisions are adequate in the company	4.64	5.50	- 0.86
26	Financial guidance are adequate	3.92	5.21	- 1.29
27	Branch sizes for employees are suitable	4.22	5.87	- 1.65
28	Appropriate level / difficulty of product	4.85	5.89	- 1.04
29	Customer load is adequate per manager	4.85	5.56	- 0.71
30	Policyholders are treated as a family	4.44	4.87	- 0.43
31	Convenient seating arrangement for clients in office	4.84	6.24	- 1.4
32	Sufficient online facilities	5.41	6.17	- 0.76
33	Adequate meeting areas	4.48	5.87	- 1.39
34	Adequate media support	4.49	5.95	- 1.46
35	Refreshment areas are suitable and comfortable	4.07	5.38	- 1.31
36	Reasonably priced policies are available	3.47	5.84	- 2.37
	<b>TOTAL</b>	<b>79.04</b>	<b>97.78</b>	<b>- 18.74</b>
	<b>AVERAGE TOTAL</b>	<b>4.65</b>	<b>5.75</b>	<b>- 1.10</b>
<b>VII</b>	<b>Guidance</b>			
37	Suitable financial guidance provided	4.66	5.84	- 1.18
38	Suitable personal goal guidance	5.12	6.08	- 0.96
39	Guidance on Personal and Financial Need	4.15	5.09	- 0.94
40	Guidance on any myths about insurance	4.26	5.22	- 0.96
41	Suitable welcome as new client	4.45	5.48	- 1.03
	<b>TOTAL</b>	<b>22.64</b>	<b>27.71</b>	<b>- 5.07</b>
	<b>AVERAGE TOTAL</b>	<b>4.528</b>	<b>5.542</b>	<b>- 1.014</b>
	<b>SERVQUAL TOTALS</b>	<b>101.68</b>	<b>125.49</b>	<b>- 23.81</b>
	<b>SERVQUAL AVERAGE</b>	<b>4.589</b>	<b>5.646</b>	<b>- 1.057</b>

measures that were earlier highlighted. In an attempt to avoid respondent confusion, seven item likert scales were used throughout, anchored by 1 - Strongly Disagree through to 7 ± Strongly Agree.

For each of the statements mean values of Perception (P) and Expectation (E) are calculated whereas the third column in the table 1a and 1b represents the gap between the expectation and perception of customers towards the private life insurance companies. i.e. Gap = P – E (Parasuraman et al., 1988). The three columns in the table 1a and 1b given the mean scores of summarized results of the perception, expectation and gap scores. However total mean scores and dimension wise average is also shown so that in order to deep understanding of the dimensions required

for improving the quality of services in the higher education. The expectation and perception items were measured using a seven point scale, from 1 = strongly disagree, to 7 = strongly agree with four serving as a midpoint / neutral opinion on the scale. Mean scores greater than four identify a tendency for respondents to agree with a particular statement, whereas means of less than four indicate disagreement.

Service Quality gaps (P – E) is being shown in the third column of the table 1a and 1b. It is being observed that all the values in this column are negative, which shows that customers expect more from the insurance company. It shows services are falling short of customers' expectations.

**Table II: Paired Sample T-Test Statistics**

S.No	DIMENSIONS	t-value	p-value
<b>I</b>	<b>Responsiveness</b>		
1	Prompt services by insurer to client	6.87	.000
2	Sales staff willing to help clients	6.45	.000
3	Prompt response to query of customers by employees	5.08	.000
<b>II</b>	<b>Assurance</b>		
4	Instill confidence	6.37	.000
5	To be courteous	5.05	.000
6	Have knowledge	6.39	.000
<b>III</b>	<b>Empathy</b>		
7	Sales staff provide individual attention to client	7.24	.000
8	Support staff provide individual attention to clients	6.84	.000
9	Employees of insurer understand needs of customers	7.94	.000
10	Employees of insurer have best interests at heart	5.81	.000
11	Companies have convenient hours to deal	9.55	.000
12	Insurers' office has convenient hours	8.58	.000
<b>IV</b>	<b>Tangibles</b>		
13	Insurers have modern technical backup	2.24	.027*
14	The employees are neat and clean.	2.18	.031*
15	Materials of the insurer is appropriate	4.52	.000
<b>V</b>	<b>Reliability</b>		
16	Employees of Insurer deliver services as on time	6.54	.000
17	Employees of Insurers are ready to solve problems if any	7.95	.000
18	Employees of Insurer deliver right the very first time	7.51	.000
19	Employees inform of events and services	5.49	.000
<b>VI</b>	<b>Institution (Insurance Company)</b>		
20	Adequate technical and manual support	7.55	.000
21	Location of branches is suitable	2.68	.007
22	Layout of branch is suitable	3.51	.001
23	Online payment facilities are suitable	5.84	.000
24	Adequate handouts of information are available	8.24	.000
25	Customer care provisions are adequate in the company	6.54	.000
26	Financial guidance are adequate	8.12	.000
27	Branch sizes for employees are suitable	8.44	.000
28	Appropriate level / difficulty of product	5.44	.000
29	Customer load is adequate per manager	4.21	.000
30	Policyholders are treated as a family	2.54	.006
31	Convenient seating arrangement for clients in office	8.75	.000
32	Sufficient online facilities	5.46	.000
33	Adequate meeting areas	7.48	.000
34	Adequate media support	7.86	.000
35	Refreshment areas are suitable and comfortable	6.33	.000
36	Reasonably priced policies are available	9.24	.000

S.No	DIMENSIONS	t-value	p-value
<b>VII</b>	<b>Guidance</b>		
37	Suitable financial guidance provided	6.48	.000
38	Suitable personal goal guidance	6.21	.000
39	Guidance on Personal and Financial Need	5.42	.000
40	Guidance on any myths about insurance	8.78	.000
41	Suitable welcome as new client	7.21	.000

Above table II represent the significant difference between the perception and expectation of services on all the dimensions and forty one statements. Two of the paired items under the tangibles dimension – modern looking equipment and neat employees were found to be significant at  $p < .05$ . It can be concluded here that there is a significant difference between the customers expectations and perceptions at the 95 per cent confidence level.

### Regression Analysis

In order to analyze and generalize the results regression analysis is being done to find the relationship between certain dimensions and variables. All the five factors i.e. Tangibility, Reliability, Responsiveness, Assurance and Empathy are taken as the independent variables while other factors i.e. value for premium paid, satisfaction with the experience and willingness to recommend are serving as the dependent variables. The data is being represented below. All the dimensions i.e. Tangibility, Reliability, Responsiveness, Assurance and Empathy are regressed against one another to check the problem of multi collinearity. In all cases, no significant multi collinearity exists between the dimensions.

**Table-IIIa: The Correlates of Customer Value (in terms of premium paid)**

DIMENSIONS	Beta	T	Sig
Responsiveness	0.87	0.766	0.439
Assurance	0.07	0.101	0.912
Empathy	0.370	2.883	0.000
Tangibles	0.034	0.388	0.691
Reliability	0.064	0.562	0.568
R Square	0.254		
R Square (Adj)	0.249		

### ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	51.11	5	10.222	6.681	.000
Residual	147.02	96	1.53		
Total	198.13	101			

The above table IIIa illustrates the correlation of customer value in terms of premium paid in which it is seen that the value of R Square is 0.254 having anova F as 6.681 and  $p = .001$  significance. The beta factor is higher in case of Empathy that is 0.370 having  $p = .005$  significance.

**Table IIIb: The Correlates of Customer Satisfaction with the Experience**

DIMENSIONS	Beta	t	Sig
Responsiveness	0.117	0.943	0.348
Assurance	0.062	0.516	0.605
Empathy	0.173	1.270	0.207
Tangibles	-0.057	-0.559	0.576
Reliability	0.149	1.170	0.245
R Square	0.159		
R Square (Adj)	0.115		

#### ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	19.54	5	3.908	3.591	0.003
Residual	104.50	96	1.088		
Total	124.04	101			

The above table IIIb illustrates the correlation of customer satisfaction with the experience in which it is seen that the value of R Square is 0.159 having anova F as 3.591 and  $p = .004$  significance. None of the five factors demonstrated statistical significance for satisfaction.

**Table IIIc: The Correlates of the Customers' Willingness to Recommend**

DIMENSIONS	Beta	t	Sig
Responsiveness	0.094	0.692	0.491
Assurance	0.069	0.513	0.609
Empathy	0.061	0.409	0.684
Tangibles	-0.034	-0.324	0.747
Reliability	0.165	1.203	0.234
R Square	0.087		
R Square (Adj)	0.042		

#### ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	13.98	5	2.796	1.967	0.091
Residual	136.47	96	1.421		
Total	150.45	101			

The above table IIIc illustrates the correlation of Customers' Willingness to Recommend in which it is seen that the value of R Square is 0.087 having anova F as 1.967 and  $p = .097$  significance. None of the five factors demonstrated statistical significance for satisfaction.

The findings demonstrate that collectively the SERVQUAL factors serve as a statistically significant contributor in terms of value for fees, satisfaction, and a willingness to recommend. Later this was raised with the respondents during the qualitative followup.

## CONCLUSIONS

As per the various dimensions of SERVQUAL model it is found that the private life insurer is performing reasonably well. The negative gap score is contended in terms of customers' lack of experience and knowledge to judge certain aspects. Therefore, to some extent the gaps may be expected, and the issue of 'experience' comes into the equation, which has been previously raised as one of SERVQUAL 's limitations (c.f. Buttle, 1996). As each of the dimensions of the SERVQUAL model containing forty one statements tested significantly the institution could adopt a corporate policy drive to improve quality across the functioning. The Most important areas as perceived by the policyholders need more attention. From the data collected, it was revealed that the Reliability and Insurers dimensions seemed to be the two most relatively important issues. Their relative percentage scores were a few percent higher than the Responsiveness, Tangibles, Empathy, Assurance, and Guidance dimensions.

## REFERENCES

- Bawa, K., and Chattha, S. (2013). Financial Performance of Life Insurers in Indian Insurance Industry. Pacific Business Review International, 6(5), 44-52.
- Berry, L. L., Parasuraman, A. and Zeithaml, V. A. (1988). The service-quality puzzle, Business Horizons, September/October.
- Bodla, S., and Chaudhary, K. (2012). A Study of Service Quality Expected and Perceived by the Customers of ICICI Prudential Life Insurance Company. International Journal of Computing and Business Research, 2(3), 1-21.
- Borah, S. (2012). Customer Satisfaction on Products of Private Sector Insurance Companies - A Study with Reference to Kotak Mahindra Life Insurance Company Limited, Jorhat Branch. Indian Journal of Research, 1(11), 85-89.



- Bordley R. (2001). Integrating Gap Analysis and utility theory in service research, *Journal of Service Research* 3, 4.
- Buttle F (Ed.), 1996, *Relationship Marketing: Theory and Practice*, Paul Chapman Publishing, London
- Chaudhary, K., Singla, J., and Chaudhary, N. (2014). Examining Expected and Perceived Service Quality in Life Insurance Corporation of India. *International Journal of Application or Innovation in Engineering & Management*, 3(1), 274-282.
- Christopher, S. (2012). Changing Perceptual Value of Consumer on Insurance Products and Services – A Challenge to Reach the Unreached. *Asian Journal of Management Research*, 3(1), 24-44.
- Dhanabhakyaam, M., and Kavitha, M. (2011). Clients Satisfaction Towards Private Life Insurance Companies. *International Journal of Research in Commerce and Management*, 1(4), 101-104.
- Fick, G.R. and Ritchie, J.R.B. (1991). "Measuring service quality in the travel and tourism industry", *Journal of Travel Research*, 30(2), Autumn, 2-9.
- Ford, J. B., Joseph, M. and Joseph, B. (1999). Importance-Performance Analysis as a Strategic Tool for Service Marketers: The Case of Service Quality Perceptions of Business Customers in New Zealand and the USA, *The Journal of Services Marketing*, 13(2), 171-181.
- Fornell, C. (1992). A national Customer Satisfaction Barometer: The Swedish Experience. *Journal of Marketing*, 56(1), 621.
- Gautam, V., and Kumar M. (2012). A Study on Attitudes of Indian Consumers Towards Insurance Services Management. *Management Research and Practice*, 4(1), 51-62.
- Gulati, K., Kumar, A., and Ravi, V. (2012). E-CRM and Customer Satisfaction in Indian Insurance Industry. *Asian Journal of Business and Economics*, 2(2), 1-13.
- Gould-Williams J (1999) The impact of employee performance cues on guest loyalty, perceived.
- Gronroos (1984). A Service Quality Model and its Marketing Implications, *European Journal of Marketing*, 18(4), 73-82.
- Harrop, A. and Douglas, (1996). Do Staff and Customers see Eye to Eye?, *New Academic*, 5, 8-9.
- Jain, V., and Saini, B. (2012). Indian Consumer Demeanor for Life Insurance. *International Journal of Research in Finance & Marketing*, 2(11), 29-35.
- Juran, J. M. and Gryna, F. M. (1988). *Juran's Quality Control Handbook*. Jr (Eds.) McGraw-Hill, New York, NY.
- Lau, L. K. (2003). Institutional Factors Affecting Customer Retention, *Education*, 124(1), 126-136.
- Narender, S., and Sampath, L., (2014). Consumer awareness Towards Life Insurance Sector in India. *Abhinav International Monthly Refereed Journal of Research in Management & Technology*, 3(3), 45-51.
- Nyeck, S., Morales, M., Ladhari, R., & Pons, F. (2002). "10 years of service quality measurement: reviewing the use of the SERVQUAL instrument." *Cuadernos de Diffusion*, 7(13), 101-107. Retrieved July 8, 2007, from EBSCO host database.
- O'Neill, M. (2003). The influence of time on customers' perceptions of service quality: The need for longitudinal measures, *Journal of Educational Administration*, 41(3), 310-325.
- Parasuraman, A., Zeithaml, V. and Berry, L.L. (1993), "Research note: more on improving service quality measurement", *Journal of Retailing*, 69(1), Spring, 140-147.
- Parasuraman, A., Zeithaml, V. and Berry, L.L. (1994). "Reassessment of expectations as a comparison standard in measuring service quality: implications for future research", *Journal of Marketing*, 49, 41-50.
- Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1985). A Conceptual Model of Service Quality and Its Implications for Future Research°, *Journal of Marketing*, 49, 41-50.
- Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1988). SERVQUAL: A Multiple Item Scale for Measuring Service Quality°, *Journal of Retailing*, 64(1), Spring, 12-40.
- Partibhan, V.N. (2014). A Study on Service Quality Perceptions and Customer Satisfaction in Private Sector Life Insurance Companies: A Study with Special Reference to Chennai City. *International Journal on Recent and Innovation Trends in Computing and Communication*, 2(10), 30-33.
- Petruzzellis, L., D'Uggento, M. A. and Romanazzi, S. (2006). Students' satisfaction and quality of service in Italian universities, *Managing Service Quality*, 16(4), 349-364.

## TECNIA JOURNAL OF MANAGEMENT STUDIES ...

**T**ecnia Journal of Management Studies is a bi-annual, double blind peer-reviewed Journal published by Tecnia Institute of Advanced Studies. The journal focuses on publishing scholarly articles from the area of management sciences.

TJMS provides a platform to the Academicians, Research Scholars, Corporate Executives and Management Students to sharpen their knowledge in their respective areas of specialization in Management Studies. Through peer-review process, the professional development of scholars, practitioners, and doctoral students are enhanced.

TJMS seeks original manuscripts that identify, extend, unify, test or apply scientific and multi-disciplinary knowledge concerning management field.

The following types of papers are considered for publication :

- Original research works in the field of management.
- Surveys, opinions, abstracts and essays related to the research based Management issues.
- Few Book review papers may also be considered for publication, if the author has done considerable professional work in that area.
- Case studies related to management domain.

More specifically, TJMS publishes papers that :

- Address the interface between theoretical insight and practical application.
- Enhance the teaching of management, especially through the use of experiential pedagogies.
- Represent the early stages of theorizing about management and organizing in unique and perceptive ways.
- Serve as a resource for our readers' professional development.

### **Policies and ethics**

#### **Policies for authors**

The publication of an article in a peer-reviewed journal is an important building block in the development of a coherent and respected network of knowledge. It is a direct reflection of the quality of work of the author and the institutions that support them. Peer-reviewed

articles support and embody the scientific method. It is therefore important to agree upon standards of projected ethical behavior.

Following is the Information for authors about how to publish ethically :-

Ethics topics to consider when publishing:

- Authorship of the paper: Authorship should be limited to those who have made a significant contribution to the conception, design, execution, or interpretation of the reported study.
- Originality and plagiarism: The authors should ensure that they have written entirely original works, and if the authors have used the work and/or words of others that this has been appropriately cited or quoted.
- Data access and retention: Authors may be asked to provide the raw data in connection with a paper for editorial review, and should be prepared to provide public access to such data.
- Multiple, redundant or concurrent publication: An author should not in general publish manuscripts describing essentially the same research in more than one journal or primary publication. TJMS does not view the following uses of a work as prior publication: publication in the form of an abstract; publication as an academic thesis; publication as an electronic preprint.
- Acknowledgement of sources: Proper acknowledgment.
- Disclosure and conflicts of interest: All submissions must include disclosure of all relationships that could be viewed as presenting a potential conflict of interest.
- Fundamental errors in published works: When an author discovers a significant error or inaccuracy in his/her own published work, it is the author's obligation to promptly notify the journal editor or publisher and cooperate with the editor to retract or correct the paper.
- Reporting standards: Authors of reports of original research should present an accurate account of the work performed as well as an objective discussion of its significance.
- Hazards and human or animal subjects: Statements

of compliance are required if the work involves chemicals, procedures or equipment that have any unusual hazards inherent in their use, or if it involves the use of animal or human subjects.

- Use of patient images or case details: Studies on patients or volunteers require ethics committee approval and informed consent, which should be documented in the paper.

#### Research Paper Submission ...

All manuscripts must be submitted by email to the editor at journals@tecnica.in. The attached file should be named according to the title of your article and mention the journal name while submitting for review.

Before submitting your manuscripts please make sure that you have gone through the Guidelines for Author section. Also ensure that your article confirms to the terms and conditions specified. After receiving your research article, we will send the acknowledgement email with a manuscript number within 1-2 days. And for any future correspondence with us, please mention your manuscript number.

#### Review Process ...

The objective of review process is to ensure that high quality and original scientific studies are published. The research paper/articles submitted by the authors' undergo following processes before publication.

- After receiving the manuscript, an acknowledgement is sent to the author. All manuscripts submitted for publication are initially viewed by minimum two members of the editorial board. The author(s) are fully responsible for the originality of the articles contributed.
- After initial screening process, the manuscripts are sent to two referees for double blind review. The referees are chosen according to their expertise in the field. They evaluate the manuscript based on the reviewers guideline and recommend for publication/rejection. For articles that are not accepted for publication, authors are informed accordingly.
- After favorable opinion from referees, the editorial board will take the final decision for publication of the article in particular volume of the journal, dependent upon the pendency in hand. At this stage, an acceptance letter is sent to the author, confirming the tentative time frame for the publication of the article. Along with the confirmation, a performa on "confirmation of the originality and exclusiveness of the submission" is sent to the author. This performa duly filled in and signed by the author is to be sent back to the

institute within one week of its receipt.

- An effort is made to complete the above listed review process within time span of three months of the receipt of the article, subject to absolute adherence to the Institute guidelines and completeness in all respects.

Conditions apply : The editorial board of the journal reserves the right to make suitable amendments in the final draft of the articles to suit the journal's standard and other requirements.

#### Guidelines for Authors ...

Authors can submit the manuscript provided it contains original work and not published either in any print or online journal or book. Also it must not be under consideration for publication elsewhere. Authors are expected to meet the following guidelines :

**Copyright :** The copyright for articles published in journal are retained by the authors with first publications right granted to the journal. The journal or editors are not responsible for any successive use of the author(s) work. It is the author's responsibility to take any infringement action, if so desired by the author.

**General Instructions :** The manuscripts should be error free to the maximum extent possible. Along with the manuscript, author(s) should provide declaration that the article is the original work of the author(s) and that it has not been published or submitted for publication anywhere else. Authors are requested to submit the manuscript (hardcopy) along with a softcopy (CD-ROM) using MS Word processing package. The soft copy of the manuscript may also be sent through e-mail\* with attachment. The selection of papers for publication will be based on their originality, relevance and clarity, the extent to which they advance knowledge, understanding and application and their likely contribution towards inspiring further research and development.

The articles will be sent to the evaluation board for approval and only the selected articles will be published. Authors may be asked to revise and resubmit the manuscript based on the referees' comments. Unaccepted papers will not be sent back. Copyright of all accepted papers will vest with the journal.

**Guidelines :** The copyright for articles published in journal are retained by the authors with first publications right granted to the journal. The journal or editors are not responsible for any successive use of the author(s) work. It is the author's responsibility to take any infringement action, if so desired by the author.

Based on American Psychological Association (APA)

## Style Manual :

1. Manuscripts must be typed on one side of the page in 12-point font on A-4 size paper in double-space, with the margins of 1.5 inches on all sides to facilitate editing and styling. All text, including abstract, quotations, notes and references should be typed in double-space.
2. The page number must be on all pages of the paper, including the title page. Use Arabic numerals and position the page number one inch from the right hand edge of the paper, in the space between the top edge of the paper and the first line of text.
3. The title of the paper must be typed in upper and lower case letters, and is centered between the left and right margins and positioned in the upper half of the page. If the title is two or more lines in length, double-space between the lines.
4. The manuscript must include a reference list at the end, which list the articles, books, etc. cite in the paper. The reference list must be double-spaced, and in alphabetical order.
5. The manuscript should be sent along with a cover page containing article title, author's name, designation, official address, contact address, phones, fax numbers, and e-mail address. Details of the author's name and other information should not appear elsewhere in the manuscript.
6. The cover letter should indicate the title, the names, addresses, phone, fax numbers and e-mail addresses of two or three relevant reviewers for your paper. These may or may not be considered by the Editorial Advisory Board.
7. Manuscripts should be in English language (British version) only. There should not be any grammatical and sentence composition errors. Articles should not ordinarily exceed 5000 words exclusive of charts, tables and other graphics. Present each figure and table on a separate sheet of paper, gathering them together at the end of the article. Use short and crisp titles and headings in tables and figures. Include a mention of each figure or table in the text itself in the margin where the figure or table should go.
8. Abstract (between 150-200 words) outlining the purpose, scope and conclusions of the paper. No abstracts are required for review essays or case studies.
9. Quotes should be cited accurately from the original source, should not be edited and should give the page numbers of the original publication.
10. Notes should be numbered serially and presented at the end of the article.
11. No stop after abbreviations (ISO, USA, BBS, MBA

etc.) Use stop after initials (B.P. Singh).

12. Only those book reviews will be accepted that pertain to Business Management or allied disciplines. The book review must contain the title of the book, author's name, publisher's name, year of publication, price, ISBN etc. The review should not normally exceed 2000 words.

**13(A). Rules for citing the books on the reference list.**

- a) Use the author's surname and initial(s) only. Do not use first names, degrees, and the like.
- b) Cite all authors listed for the book in the order they are listed.
- c) Follow the author's name with the year of publication. Year of publication will be in parentheses.
- d) The title of the book is next and it is italicized. Only the first word in the title or any proper name should be in upper case.
- e) The place of publication follows.
- f) The publisher of the book is listed last followed by a period ( . ).
- g) Space must be after periods that separate the parts of the citation and after the periods of the initials in personal names.
- h) Often, no single example from the manual will fit your citation exactly; in that case follow the closest example possible or combine appropriate elements from two examples.

**References : Books (Citation)**

Zeithaml, V.A., Parasuraman, A. & Berry, L.L. (1990). *Delivering Quality Service: Balancing Customer Perceptions and Expectations*: p.18. New York: The Free Press.

**Edited Book**

Harrington, D.M. (1990). *The Ecology of Human Creativity: A psychological perspective*. In Runco, M.A., & Albert, R.S., (Eds). *Theories of creativity* (pp. 143-169). Newbury Park, CA: Sage.

**Book by a Corporate Author**

Committee of Public Finance. (1979). *Public finance*. New York: Pitman.

**13(B). Rules for citing the periodical articles on the reference list.**

The Reference section appears at the end of the paper and lists all the research materials, which have been used.

- a) Use the author's surname and initial(s) only. Do not use first names, degrees, and the like.
- b) Cite all authors in the Reference list in the order they are listed with the source.

- c) Following the author information, give the date of publication in parentheses.
- d) For weekly and daily periodical/magazines such as newspapers and popular magazines, cite the year, month and day.  
 For monthly article/magazine, cite the year and the month.  
 For the professional journals, cite only the year.
- e) The title of the article follows. Only the first letter of the first word of the title or subtitle or any proper name appearing in the title should be in upper case.
- f) The title of the journal (in italic) comes next, followed by the volume number, and if appropriate, the issue number. If the journal uses continuous pagination, i.e., it runs page numbers throughout a year or volume; no reference to an issue number is needed. In that case, the title of the journal is italicized, as well as the volume number.
- g) If the journal is re-paged issue by issue, i.e., each issue has a page number 1, then the issue number must follow the volume number. The issue number is in parentheses but is not italicized.

**References : Articles (Citation)**

**Weekly Magazine/Article :**

Singh, N. and Srinivasan T.N. (2005, May 21-27). Foreign Capital, Deficits and Growth. Economic and Political Weekly, XL, (21), 2196-2197.

**Monthly Magazine/Article :**

Gupta, K. (2005, May). Durables: On a Fast Track. Pitch 11(8), 42-50.

**Professional Journal (continuous pagination)**

Taylor, M.A. & Callahan, J.L. (2005). Bringing creativity into being: Underlying assumptions that influence methods of studying organizational creativity. *Advances in Developing Human Resources*, 7, 247-270.

**(Re-paged issue)**

Prasad, T. (2005). Mandi: A Field Sales Campaign for Teaching Personal Selling Skills through Experiential Approach. *IIMB Management Review Advances in Developing Human Resources*, 17(1), 87-94.

**13(C). Other References (Citation)**

**Newspaper Article**

Maira, A. (2005, February 25). Putting humanity into capitalism. *The Economic Times*. P.16.

**Computer Software**

Soldan, T.J. & Spain J.D. (1984). Population growth [Computer software]. City, state (2 letters): Conduit.

**Electronic Database**

U.S. Department of Labor (1991). What work requires of schools. Retrieved August 15, 24, from <http://wdr.doleta.gov/SCANS/whatwork/whatwork.pdf>

**Paper Presentation**

McCollum, E.E. & Callahan, L.L. (22, November). The narrative assessment interview: The use of a psychoanalytic tool to evaluate a leadership development program. Paper presented at the American Evaluation Association Conference, Washington, DC.

**Ph.D Thesis**

Antony, D. (2005) "Human Resource Development Practices and their impact on Organizational Effectiveness (A Study of Selected Industrial Organizations)", Ph.D. Thesis, University of Delhi, Delhi.

**Call for Papers ...**

TJMS invites scholars, researchers, professionals and academicians to publish their research papers in the journal. The author(s) can submit their manuscript covering any of the following areas of business and management.

All the manuscript should be submitted in soft-copies to [journal.tecniaindia@gmail.com](mailto:journal.tecniaindia@gmail.com).

Author(s) must ensure that the manuscript is a original work and is not submitted for publication elsewhere. Please see author guidelines.

- The research paper submitted by the authors' will undergo a review process to ensure publication of high quality work. Please see the review process.
- A sample research paper is available on the journal site. This can be used as a template by the author(s) for developing manuscript.

Accounting and Finance	International Business	Research Methodology	IT Management
General Management	Entrepreneurship	Hospitality Management	Retail Management
Human Resource Management	Operations Management	Project Management	Real Estate Management
Marketing Management	Organizational Behavior	Strategic Management	Supply Chain & Logistic



# TECNIA INSTITUTE OF ADVANCED STUDIES

Approved by AICTE, Ministry of HRD, Govt. of India Affiliated To GGSIP University, Recognized under Sec 2(f) of UGC ACT 1956  
INSTITUTIONAL AREA, MADHUBAN CHOWK, ROHINI, DELHI- 110085  
Tel: 91-11-27555121-24, Fax No: 91-11-27555120,  
E-Mail: directortias@tecnia.in; Website: www.tiaspg.tecnia.in



## *Tecnia Journal of Management Studies* (A Bi-annual Publication)

### SUBSCRIPTION RATES (in Rs.)

Category	1 year (2 Issues)	2 years (4 Issues)	3 years (6 Issues)
Companies	Rs. 1200	Rs. 2200	Rs. 3200
Academic Institutions	Rs. 1000	Rs. 2000	Rs. 3000
Individuals	Rs. 800	Rs. 1600	Rs. 2400
Aluminous & Students	Rs. 400	Rs. 800	Rs. 1200

### Subscription Order Form

I wish to subscribe **TECNIA JOURNAL OF MANAGEMENT STUDIES**, for 1 / 2 / 3 year(s).

A Draft bearing No. \_\_\_\_\_ dated \_\_\_\_\_ for Rs. \_\_\_\_\_  
drawn in favour of “**Tecnia Institute of Advanced Studies, Delhi**” is enclosed.

### Subscriber's Details

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Organization: \_\_\_\_\_

Mailing Address : \_\_\_\_\_

\_\_\_\_\_ PIN \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

Email \_\_\_\_\_

Date \_\_\_\_\_ Place \_\_\_\_\_ Signature and Seal: \_\_\_\_\_

Post the duly filled form along with your draft to:

Tecnia Journal of Management Studies, Tecnia Institute of Advanced Studies, 3 PSP, Institutional Area, Madhuban Chowk,,Rohini, Delhi-85

Ph: 011-27555121-122-123-124 Fax: 011-27555120, Email: journaltias@tecnia.in.



# TECNIA INSTITUTE OF ADVANCED STUDIES

Approved by AICTE, Ministry of HRD, Govt. of India. Affiliated To GGSIP University, Recognized under Sec 2(f) of UGC ACT 1956  
INSTITUTIONAL AREA, MADHUBAN CHOWK, ROHINI, DELHI-110085  
Tel: 011-27555121-24 • Fax No: 011-27555120 • E-Mail: directortias@tecnia.in • Website: www.tecnia.in



Tecnia Institute of Advanced Studies (TIAS) India's Premier ISO 9001:2008 Certified Institute was established in 1998 and is connected with Metro at Madhuban Chowk, Rohini, Delhi., Recognized under Section 2(f) of UGC Act 1956 by UGC. Rated as "A" Category by SFRC, Govt. of NCT of Delhi; A++ Category-Best Business School by AIMA; include in Top 100B & IT Schools by reputed publication. Institute has Ultra Modern Infrastructure and imparts Value Based Quality Education, conducts Training, Research & Consultancy; Member of AIMA, PHD Chamber of Commerce and Industry, DELNET & J-Gate.

## SEAT INTAKE FOR ACADEMIC SESSION 2015-16 OF PROGRAMMES

<b>Master of Business Administration</b>	-	<b>(Full Time)</b>	<b>1<sup>st</sup> Shift</b>	<b>2<sup>nd</sup> Shift</b>	<b>120 + 120</b>
<b>Master of Computer Applications</b>	-	<b>(Full Time)</b>	<b>1<sup>st</sup> Shift</b>	<b>2<sup>nd</sup> Shift</b>	<b>60 + 60</b>
<b>Bachelor of Business Administration</b>	-	<b>(Full Time)</b>	<b>1<sup>st</sup> Shift</b>	<b>2<sup>nd</sup> Shift</b>	<b>120 + 120</b>
<b>Bachelor of Journalism &amp; Mass Communication</b>	-	<b>(Full Time)</b>	<b>1<sup>st</sup> Shift</b>	<b>2<sup>nd</sup> Shift</b>	<b>120 + 120</b>
<b>Master of Business Administration</b>	-	<b>(Part Time)</b>			<b>60</b>

## HIGHLIGHTS



Ms. Datinder Kaur (MBA) receives Gold Medal from Delhi's Lt. Governor Sh. Tejendra Khanna for topping the merit list of University.



Felicitating Chief Guest Prof. K. Kanan Former VC, Nagaland Univ. by Sh. R. K. Gupta, Chairman Tecnia Group and Prof. M. P. Satija, Founder, SRFLISIndia at International Conference on Content To Connectivity.



Felicitating Ms. Sonam Kapoor, Film Actress by Sh. Ram Kailash Gupta, Chairman Tecnia Group of Institutions.

## • MBA (2 Div.) • MCA • BBA • BJMC (1st Shift / 2nd Shift) / • MBA (PT)

### Why TIAS

- Features in 25 Top-of-The-Mind Institutes.
- Prime Location at Madhuban Chowk, Rohini.
- Well connected with Metro, Local and NCR Bus Service.
- 24hrs Wi-Fi with 2Mbps leased line; 1:1 Contention Ratio.
- EDUSAT-Network for Video-Conferencing, NPTEL connectivity.
- NPTEL, Sakshat, J-Gate, Delnet, e-journal packages.
- Regular Corporate Interactions with CEOs, MDs, Consultant etc.

**Infrastructure:** Institute comprises of State-of-the-Art fully AC Conference Hall, Class Rooms, Tutorial Rooms with Audio Visual Aids, Lifts and Ramps, Multi-Cuisine Cafeteria, Bank & ATM including...

**Labs:** 03 Computer Labs equipped with 270 Nos. of Core2.3/C2D/P-IV systems, Laptop, Printer, Scanner, Multimedia Peripherals & Microsoft Campus Software Agreement and 01 Media Production Lab.

**Library:** Meticulously selected collection of more than 42,000 books, 6175 Indian & International Journals alongwith subscription of e-resources. Library Automation through LIBSYS software with Bar-Code facility.

**Auditorium:** Fully AC with State-of-the-Art Audio-Visual facility with 500 seating capacity.

**Faculty:** Faculty with rich experience drawn from Industry and Academia alike, viz., FMS, Main University Campuses, IITs, MNCs, PSUs, having Ph.D, M.Tech, M.Phil., NET/GATE qualifications.

**Pedagogy:** Bridge Classes, SLM, Multimedia Approach in Lectures, Assignments, Presentations, Case Studies, Project Report, Workshops, Tutorial Counseling, Concept Classes, Guest Lectures.

**Value Added Courses:** Soft & Technical Skills Training with certifications e.g. Lamp PHP, ASP.net, Tally-ERP, Foreign Language etc. to enhance Employability.

**Tecnia Mega Job Fair:** 50 companies participated, 1300 candidates registered from 7 Universities and 21 Institutes, 290 Candidates placed in a single session.

**Industry Specific Research:** Summer Training, Project Report, Internships, Business Plan Presentations are powered with Online data-bases CMIE Prowess.

**National & International Conferences:** Only Institute to conduct one International & three National Conferences every year on Contemporary Issues.

**Extra-curricular Activities:** Academic Fests (Endeavour, Varchasva, Technovision), Cultural Fest (Saras), Alumni Meet, Convocation, Sports Meet, Excursion Tours & Industrial Visit/Tours.

**Publications:** Tecnia Journal of Management Studies - Bi-Annual Double Blind Peer Reviewed Refereed Journal, Tecnia Times - The News Letter, Youngster - a bilingual monthly Newspaper, Conference Proceedings.

#### Professional Clubs Membership:

**BJMC Deptt.:** Photography Club; Radio Club; Press & Media Club; Online Video and Film Club; Advertising Club.

**MCA Deptt.:** Live Projects Club; Software Testing Club; Web Technologies Development Club; Software Engineering Club; IT Security Club; Database Mgt. Club; Networking Club; Multi Media Club; Operating System Club; SEO Club; CMS & ERP Club.

**Management Deptt.:** Corporate Governance Club; Business Econometrics Club; Project Viability Club; Family Business Club; Venture Development Club; Public Speaking and Negotiation Skills Club; HR Development Club; Industrial Relations & Labour Law Club; Advertising Club; Publication Cell; Entrepreneurship Development Club; Soft Skill Development Club; Social Responsibility Club.

**Corporate Resource Center:** Corporate Interaction, Book Bank, Subsidized copy of Business Newspaper.

**Tecnia Internal Quality Assurance Cell (TIQAC):** Assured quality teaching through technology for achieving new benchmarks.

**FDPs:** To keep abreast with contemporary Knowledge, regular FDPs are being conducted for faculty members.

**Summer Training & Placement Cell:** IBM, Wipro, HCL, J&J, ACC, Asian Paints, India Bulls, HDFC, Aircel, Dainik Bhaskar, Tech Solution, ICICI, I-Gate, NIIT, Trident, Genpact, IBN-7, Tech Mahindra.



*Where Dreams are Chiselled into Reality*



## **TECNIA INSTITUTE OF ADVANCED STUDIES**

(Approved by AICTE, Ministry of HRD, Govt. of India and affiliated to GGSIP University, Recognized under Sec 2(f) of UGC Act 1956)

Madhuban Chowk, Rohini, Delhi-110 085

Ph.: 011-27555121-124, Fax: 011-27555120

E-Mail: [journaltias@tecnia.in](mailto:journaltias@tecnia.in), Website: [www.tiaspg.tecnia.in](http://www.tiaspg.tecnia.in)



ISO 9001  
International Standards  
Certifications

ISO 9001:2008