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Editor's Desk

The recent Saradha group financial scandal was a bash on the regulatory system of our country. It was caused by the collapse of a Ponzi scheme run by Saradha group, a consortium of Indian companies which was believed to be running a wide variety of collective investment schemes (popularly but incorrectly referred to as chit fund) in eastern India. A Ponzi scheme is a fraudulent investment operation that pays returns to its investors from their own money or the money paid by subsequent investors, rather than from profits earned by the individual or organization running the operations. The group collapsed in April 2013, causing an estimated loss of INR 200–300 billion (US\$4–6 billion) and in the aftermath of the financial scandal, the State government of West Bengal set up an inquiry commission to investigate the collapse.

The West Bengal protection of interest of depositors in financial establishments bill, 2013, has been passed in a two-day special session of the West Bengal legislative assembly, having provisions for retrospective effect, search and seizure, enhanced penalties, establishment of special courts and confiscation of property. The Union Government has also set up an inter-ministerial group with members from corporate affairs ministry, SEBI, Reserve Bank of India and officers from the department of financial services. The group is supposed to unify the regulations of investment schemes by NBFCs, banks and companies, which at present are governed by different laws and regulations leading to regulatory loopholes etc.

In spite of all the steps taken by various regulatory authorities in India (RBI, SEBI, Central & State Governments), such Ponzi schemes pop up one after the other as there exists asymmetry in the financial sector. In such a kind of environment, it is advisable that the investors on their own and as part of self regulation on their part are very careful before investing their surplus money in any such schemes. They must collect in-depth information about the fundamentals of the company, the profile of the promoters, kind of business operations. In short, because of the continuous failure of the regulators to stop these Ponzi schemes, it becomes essential for the retail investors to be on their guard and save themselves from being a victim of such Ponzi schemes in future.

(Ravi K. Dhar)

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A STUDY OF BOTTLENECKS PERTAINING TO RURAL MARKETING

P. Prialatha★ K. Malar Mathi★★

Rural India has more than 70% population in 6.27 lakh villages, which has a huge market for FMCG brands. The entire income group purchases FMCG items, but their brands differ from each other. There are a number of problems faced by Indian marketers, including physical distribution, logistics, and deployment of sales force across huge geographical area, transportation and warehousing, and marketing communication as well as spurious products. Rural markets face the critical issues of distribution, understanding the rural consumer, communication and poor infrastructure. The study intends to understand the challenges pertaining to rural marketing with respect to villages of Coimbatore district and to analyze the variation in the effect of challenges across male and female respondents of rural areas. The study was conducted in rural areas of Coimbatore district, using a structured interview schedule. Factor analysis technique was used to identify the main bottlenecks prevailing in rural markets. The study calls for rural marketers to strengthen their direct marketing efforts and have a rethink on their rural marketing strategies, so as to emerge with feasible and innovative promotional & distribution programs to cover the vast stretched rural markets.

Rural markets remain untapped because of three Ds-“Distance, Diversity and Dispersion”, according to D.K. Bose, Vice President, O&M Rural. Though the rural market offers a big attraction to the marketers, it is not easy to enter the market and take a sizeable share in a short time Dogra & Ghuman (2008), Kaur & Agarwal (2006) pointed out that Hindustan Lever Limited comes to the picture as the undisputed king as far as penetrating the rural market is concerned. They further added that corporate companies who have made a successful foray into rural market include Amul, Coca Cola, Colgate, LG, Eveready batteries, Britannia, Phillips, BSNL, LIC, Cavinkare and Hero. However, one thing that is common in their strategies is their understanding of the psyche of the rural consumer. They provided the right mix in terms of price, packaging, distribution and moreover, communication in the regional/local language and style of the target audience for their easy understanding and acceptance of the brand.

There are a number of problems faced by Indian marketers, including physical distribution, logistics, deployment of sales force across huge geographical area, transportation, warehousing, and marketing communication as well as spurious products. Rural markets face the critical issues of distribution, understanding the rural consumer, communication and poor infrastructure. The marketer has to strengthen the distribution and pricing strategies. The rural consumer expects value for money and has unsteady and meager status of weekly income; increasing the

household income and improving distribution are the viable strategies that have to be adapted to tap the immense potential of the market. A major problem faced by the marketers is duplicate products or similar brand names with inferior quality are a plenty in the market. The transportation and warehousing in far-flung areas is another bottleneck that needs to be taken care of. The marketing communication has to be in the local regional language in order to be more effective. The diverse cultures and nearly 300 languages spoken across India make it a herculean task to advertise the product, its features, price and value addition. The rural consumer is extremely value conscious.

The media and telecommunication revolution has also touched the lives of villagers in India. The satellite television and FM radios are a great help in marketing communication. Despite all the above mentioned problems, the rural market offers a plethora of opportunities for the marketers. According to NCAER, the low penetration rates can be attributed to three major factors: low income levels, inadequate infrastructure facilities and different lifestyles. But income levels are going up, infrastructure is improving

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and lifestyles are changing (Dodrajka, 2009). Changes in lifestyle, rising incomes and a focus on value, are pushing up growth for different product categories in the rural areas. Indications of larger disposable income and a perceptible shift in consumption priority in the rural sector also appear to be favoring the FMCG organizations. But, in order to be successful, organizations need to develop business models and marketing mix strategies that are developed in accordance with the changed scenario in the rural markets of India (Sukhmani & Hundal, 2011).

I. Review of Literature

Rural marketing is not about reaching markets but reaching consumers. Corporates may be able to set up distribution outlets and be adept in managing the supply chain, but what is more crucial is to access and understand the real rural consumer. The medium to market the message is more important but what is even more important is to achieve interaction with the target segment. Likewise achieving contact with the consumer may be important but it is all the more important to impact the behavior of the end consumer in terms of getting the consumer to buy the products and services offered by the company (Sehgal, 2005). India is a developing country, and so most of the people are living in rural areas. The rural consumers earn low income; have low level of literacy, low level of brand awareness, communication and transportation facilities. The consumers were having problems in selecting non-durable goods for their consumption. It was found that the factor 'nearness to selling point' acts as a significant influencer in the rural consumer's purchase of non-durables (Selvaraj, 2007). Jain & Raju (2005) observed that one of the major issues for distribution in rural market is the need for large number of tiers. These multiple tiers and scattered location increase distribution cost to a great extent and also make this task complicated for the companies. It was found that most of the promotional offers given by companies never reach rural consumers. The retailers sell most of the promotional items separately. They suggest that the rural consumers must be made more aware about the various options available to them. The companies have to design proper communication and marketing strategies to prevent imitation and counterfeiting of their products. The need of the hour is right consumer profiling of the rural market and detailed study of rural buying behavior and purchasing patterns in rural markets.

Rural India has more than 70% population in 6.27 lakh villages, which is a huge market for FMCG brands. The entire income group purchase FMCG items, but their brands differ from each other. The place of purchase, preferred

by the rural consumer, is the weekly market. Hence it is a good channel of distribution for FMCGs. Moreover, the youth who visit the towns and cities are influenced by the city culture and it is reflected in their purchasing decision. Overall, the marketer should understand the customer before taking the road to the rural market (Shinde, 2007). Balaji (2007) conducted a study in three districts of Uttar Pradesh viz, Allahabad, Bhadobi and Morababad covering a cross section of villages. The objective of the study was to understand the unique mindset of the rural consumer and how that knowledge could help in developing appropriate strategy. In conclusion, it is clear, that along with a good comprehension of the market dynamics, a clear understanding of rural customs, beliefs, perceptions and aspirations particularly with regard to the product category in question, is an absolute necessity. The study concludes that only when communicator is aware of the emotional triggers of various stimuli, could any truly effective communications strategy be developed. Vedpuriswar (2006) points out that understanding the needs of rural consumers is a huge issue. This argument is especially applicable to companies marketing consumer goods. But serving rural markets requires plenty of commitment in terms of understanding customer needs, developing products from the ground up and putting in place the necessary infrastructure especially distribution. He further added that the company that has taken the rural markets seriously is Coca Cola India Limited. In the rural areas, Coca Cola has used a three-tier hub-and-spoke distribution model to ensure deeper penetration. Kameswara Rao (2006) states that the rural marketer is faced with an entirely different set of conditions and problems while marketing in rural areas is compared to urban areas. These problems are compounded by the insufficient and improper logistics, which form a barrier to rural market. He concluded that in the rural area, FMCG market penetration is currently less than 1% in general as against its total growth rate of about 6.2%, indicating poor logistics and supply chain management by the Indian companies.

Bhattacharyya & Mazumdar (2009) surveyed 150 respondents of Kolkata and found that the advertisement made by the manufacturer will not have much impact with the consumer unless the product is able to satisfy their innate needs. The message content of an advertisement should be strong enough to communicate that the needs of the consumer match with the attributes of the product. In case of FMCG products, there are some unique attributes, which play a key role in helping the consumer make a purchase decision from among the competitive range of products offered by different manufacturers. The

study shows that majority of consumers preferred a particular flavor and gel type of dental care products, especially in toothpaste. Perception of consumers about a product/brand is important and a marketer should try to highlight the core product features of a toothpaste brand, along with a value addition keeping in mind the need of the consumer. Agarwal (2007) states that four types of piracy prevail in rural market. They are (i) Packaging Piracy – whereby spurious products are sold using the containers, packets, wrappers that resemble the original product. (ii) Symbol Piracy – where look-alikes sport the color scheme of a popular brand, but with a different brand name. (iii) Name Piracy which is a spell-alike and finally (iv) Product Piracy which are exact duplicates, carrying the name and address of the genuine company, but the product is spurious. All product categories are affected by their counterfeits. Be it Watches, Soap, Shampoo, Footwears, Apparels, Television & CD players, Fans & Air Coolers, Kitchen Wares, Cosmetics, Gents Toiletries and Ready Made Garments, all these have fakes or counterfeits present widely in rural market. It is found that the biggest problem is the illiteracy of the rural customer. Venkatesakumar et al (2008) through their perceptual maps on toilet soap brands gave a clear insight about how various brands are positioned in the Indian subcontinent. One of the major aspects to be considered with attention is that in the price-quality-satisfaction relationships, the marketers are yet to clearly create any measures in quality dimensions. The consumers perceive higher satisfaction to come with higher price. It also gives a suggestion for the marketers in creating suitable communication mix in crafting quality aspect as a predominant positioning strategy in the long term, rural market. One of the key findings of the research work is lack of perceived positioning of various toilet soap brands by the rural consumers, particularly in quality factor and nearly one third of the consumers are not satisfied with quality aspects. Price wars, 2+1 bundle offer, etc force the rural consumers to switch the brands more often and for the firm, it would ultimately lower the profitability. Thus, there is a definite need to create quality positioning for the brands as a long-term strategy.

In rural India, there is a concept of 'Brand Stickiness'. If a consumer in rural India is satisfied with the brand he uses, then he is reluctant to change that brand. And because of lack of education, rural consumers are unable to differentiate between brands. Moreover, rural consumers are still deriving the core benefits and not the peripheral benefits of the brand. He also says that rural youth are driving brands as much as urban youth. Rural youth who were earlier dropping out from school are now finishing

college and are more aware than earlier. They are the ones who are exposed to outdoor communication and hence have information about the brand. They also go and purchase the brands that they see and give them the best deal Kashyap (2009). Makarnad Upadhaya et al (2007) concluded that rural consumers are a combination of rural sensitivities and urban aspirations. They wanted to try out products, which were earlier considered to be the prerogative of the urban populace, but price proved to be a major constraint. Driving rural consumption was much more difficult than lowering prices and increasing volumes. It entails product innovation and developing indigenous products to cater to rural demands. Practical demonstration of the efficiency and efficacy of the products before a gathering of the village folks could go a long way in changing the existing habits and lifestyles of rural people and escalating the sale of various product brands in the rural markets.

Research Objectives

- ◆ To understand the challenges pertaining to rural marketing with respect to villages of Coimbatore district.
- ◆ To analyze the variation in the effect of challenges across male and female respondents of rural areas.

II. Research Methodology

The study was conducted in rural areas of Coimbatore district during July to September, 2011. The simple random sampling method was used and six villages namely, Divansapudur, Billichi, Jameen Kottampatti, Valukuparai, Thondamuthur and Myleripalayam were selected, followed by 49 respondents from each of these villages. Thus a sample size of 294 respondents, were enquired using a structured interview schedule. The schedule contained 19 statements representing challenges faced by rural consumers while purchasing personal care brands. The Likert 5 point scale was used for the statements. Initially a pilot study was conducted with a sample of 35 respondents and the statements were modified accordingly. The reliability of the scale was measured using Cronbach's Alpha method. In the present study, the Cronbach's Alpha value is found to be .861 for the 19 items, thus ensuring the reliability of the scale. After testing the reliability of the scale, the factor analysis technique and t-tests were used to analyze the data.

III. Results & Discussion

In the present study, Exploratory Factor Analysis has been applied. The 19 statements used to identify the challenges

faced by rural consumers with regard to buying personal care items are listed in table 1. Five point likert scale, where 1 stands for Strongly Disagree and 5 stands for Strongly Agree, was used to get the response of rural consumers against each statement.

The adequacy of the data for factor analysis was then tested using the KMO and Bartlett's Test (Table 2). The Kaiser-Meyer-Olkin measure of sampling adequacy represents the ratio of the squared correlation between variables to the squared partial correlation between variables. The KMO statistic varies between 0 and 1. A value close to 1 indicates that patterns of correlations are relatively compact and so factor analysis should yield distinct and reliable factors. The KMO test result for the present study is therefore very good and the factor analysis can be considered appropriate. Further, Bartlett's Test of Sphericity tests the null hypothesis that the original correlation matrix is an identity matrix. For factor analysis to work we need some relationships between variables and if the R-matrix were an identity matrix then all correlation coefficients would be zero. Therefore, we want this test to be significant. A significant test tells us that the R-matrix is not an identity matrix; therefore, there are some relationships between the variables included in the analysis (Field, 2009). Bartlett's test for the present study is highly significant ($p < .001$) and therefore factor analysis is appropriate.

Principal Component Analysis (PCA) is used for extraction of factors and the number of factors to be retained is on the basis of latent root criterion (Eigen value criterion). Eigen value translates approximately to the 'variance explained' concept of regression analysis. The higher the Eigen value of a factor, the higher is the amount of variance explained by the factor. Since the objective is to reduce the variables to a fewer number of factors, factors with Eigen value of 1 or more, are retained (Nargundkar, 2008). Six components were found to have Eigen values more than 1 and total variance accounted for by these factors is 73.293 percent (Table 3). Then the principal factors are orthogonally rotated using the Varimax rotation method. The factor loadings are greater than 0.5 and the communality values are also above 0.5, in the present study, which makes the grouping of variables adequate.

Variables X10, X11, X12, X13 and X14 loaded on factor 1, variables X3, X17 and X19 loaded on factor 2, variables X4, X5, X7, X8 and X18 loaded on factor 3, variables X15 and X16 loaded on factor 4, variables X1, X2 and X6 loaded on factor 5, while variable X9 stands out separately as factor 6. The variables loaded against each factor are

grouped together due to their high correlation against each of the factors. The factors are then named on the basis of the aspect they represent. In the present study the 6 factors are named as in Table 4 and they represent various dimensions of challenges pertaining to rural marketing.

Lack of Adaptability (F1): Table 3 reveals that it is the most important factor with 32.967 percent of total variance explained. Five variables are loaded in this factor and it represents the main challenge faced by rural marketers in capturing the mind space of rural consumers. The rural consumers often stick to the personal care item they feel comfortable with – be it natural unbranded items or pioneer brands like Lifebuoy, Clinic plus and Colgate in various categories. Thus the rural marketer find it difficult to shake their fixed mentality and make them try out latest brands in various categories of personal care brands. The respondents express fear over changing their accustomed branded or unbranded item and even avoid paying attention to know about other personal care brands and their benefits.

Communication Gap (F2): This is the second important challenge, where the solution mainly lies in the hands of the marketer. The rural respondents either do not receive the brand message clearly, or do not receive any message at all. Hence they are unaware of their choices and simply compromise with what ever branded/unbranded personal care item purchased in their homes or given by the retailer.

Low Level of Literacy Issues (F3): The second challenge is compounded by this factor, which acts as the third challenge in rural marketing. Due to low levels of literacy among rural consumers (Fig 3), they have difficulty in asking for and identifying the personal care brands. Their inability to identify the brands, favors the growth of fakes in the rural market. The respondents also state that more number and language/slang of advertisements in TV, often confuse them on the benefits of different brands.

Distribution Gap (F4): The fourth challenge pertains to distribution to the interior regions of the rural markets. Personal care brands come under convenience goods and are purchased on a daily or weekly basis by rural consumers as their income is often seasonal and in the form of daily wages. 17.3% of respondents are laborers. The rural consumers often buy from local retailers due to convenience and have to compromise with the limited variety available there.

Infrastructure Issues (F5): The infrastructural facility in the villages of Coimbatore is improving, but is still in the infancy. The roads other than the national highways passing through these villages need to be developed and more public

transport must be provided to improve connectivity to the village interiors. This problem compounds the distribution gap existing in rural markets.

Group Decision Making (F6): The final factor is explained by a single variable which indicates the importance given to family acceptance, while purchasing personal care items. The marketers thus have the huge task of making their brands appeal to the family as a whole, rather than individual consumer segments. This explains the success of Hamam, Lifebuoy Fair & Lovely, etc which are widely popular. In case of hair oil, the rural consumers use unbranded coconut oil which is naturally available and is the common preference of rural households, rather than branded hair oils.

H0: There is no significant difference in the mean effect of challenges between male and female respondents of rural areas of Coimbatore district.

H0 is rejected for cases where T Value is significant.

The extent of challenges faced by male and female respondents remain unchanged in case of adaptability issues and communication gap, while challenges pertaining to low level of literacy issue, distribution effect and influence due to group decision making were significantly higher among men than women (Table 5). The problem of infrastructure mainly affected women respondents more than men, who had personal modes of transport.

IV. Conclusion

The study clearly indicates the various bottlenecks to be overcome by rural marketers while penetrating the hinterland. As Kashyap pointed out the prevalence of 'brand stickiness', the present study, also supports the concept. The rural consumers fear to change their personal care item of long time usage. The main challenge of marketers is to break this ice and move the rural consumers from their comfort zone. This requires effective communication of the brand message. The benefits of the brand must not stop with mere functional purpose, but should extend to additional benefits, especially in case of hair oil category, where majority of rural consumers stick to natural coconut oil from their own locality. The brand message must be communicated in local slang and the brand names must be printed in regional languages additionally. This enables the rural consumer to better identify the brands and push them to try and adopt new brands. Direct marketing efforts must be strengthened further and the FMCG companies must rethink their rural marketing strategies, so as to emerge with feasible and innovative promotional & distribution

programs to cover the vast stretched rural markets.

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Table 1: Statements regarding the Bottlenecks Pertaining to Rural Marketing

S. No	Statements regarding the Bottlenecks Pertaining to Rural Marketing
1	My village has poor road condition
2	Distance is a problem for me to buy branded personal care items
3	I don't have enough exposure to information on personal care brands
4	Most personal care brand names are difficult to pronounce
5	I recognize personal care brands mainly by looking at the color and design of package
6	I don't have sufficient transport facility
7	Brand names must be printed in local languages additionally
8	I am not sure about the spelling of personal care brand names
9	Opinion of Family members is often sought before purchase of personal care products
10	I have been using the same personal care items for more than 5 years
11	I feel that changing to another personal care brand may not suit my body
12	I prefer personal care items that are made from natural ingredients
13	I am not interested in knowing about personal care brands available in the market
14	I don't compare much about the benefits of various personal care brands
15	The store from where personal care items are purchased for my family, has limited variety
16	Personal care items for my family are often bought from nearby stores
17	I think all the personal care brands in each category serves same purpose and it is merely different brand names
18	More number of personal care advertisements create confusion about brands and their usage
19	I simply ask for any of the personal care item in each category rather than specify a brand name

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.824
Bartlett's Test of Sphericity	Approx. Chi-Square	3.263E3
	df	171
	Sig.	.000

Table 3: Varimax Rotated Factor Loading Matrix

Variables	Components						Communality
	1	2	3	4	5	6	
Variable1	-.024	-.097	-.054	.059	.827	.086	.708
Variable2	-.060	.036	.055	-.293	.786	.081	.719
Variable3	.092	.762	.216	.008	.115	.165	.677
Variable4	.233	.579	.635	.117	.030	.052	.809
Variable5	.106	.523	.622	.172	.029	-.066	.707
Variable6	.103	.126	.052	.209	.737	-.181	.649
Variable7	.127	-.055	.769	.028	.069	.226	.668
Variable8	.186	.354	.777	.090	.024	.179	.803
Variable9	.173	.052	.244	.110	.011	.816	.771
Variable10	.808	.075	.172	.102	.009	.182	.732
Variable11	.863	.094	.215	.039	-.007	.071	.807
Variable12	.704	-.208	.189	-.051	.071	-.309	.678
Variable13	.706	.481	.161	.014	-.042	.134	.775
Variable14	.720	.446	.027	.067	.013	.174	.753
Variable15	.046	.166	.116	.952	.008	.060	.952
Variable16	.057	.148	.103	.924	.010	.063	.946
Variable17	.352	.533	.136	.273	-.077	.130	.524
Variable18	.375	.256	.621	.089	-.115	-.083	.619
Variable19	.030	.743	.141	.184	-.028	-.146	.629
Eigen Values	6.264	2.117	1.914	1.457	1.170	1.003	13.926
Percent of Variation	32.967	11.144	10.074	8.196	6.159	4.753	
Cumulative Variation	32.967	44.111	54.185	62.381	68.540	73.293	

Table 4: Factors representing variable loadings

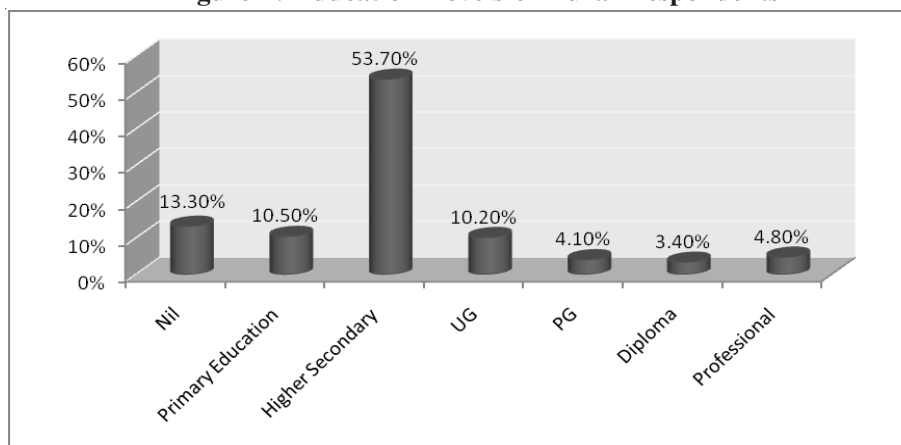
Factors	Loadings	Statements included in the Factor
Lack of Adaptability (F1)	.808	I have been using the same personal care items for more than 5 years (X10)
	.863	I feel that changing to another personal care brand may not suit my body (X11)
	.704	I prefer personal care items that are made from natural ingredients (X12)
	.706	I am not interested in knowing about personal care brands available in the market (X13)
	.720	I don't compare much about the benefits of various personal care brands (X14)
Communication Gap (F2)	.762	I don't have enough exposure to information on personal care brands (X3)
	.533	I think all the personal care brands in each category serves same purpose and it is merely different brand names (X17)
	.743	I simply ask for any of the personal care item in each category rather than specify a brand name (X19)
Low Level of Literacy Issues (F3)	.635	Most personal care brand names are difficult to pronounce (X4)
	.622	I recognize personal care brands mainly by looking at the color and design of package (X5)
	.769	Brand names must be printed in local languages additionally (X7)
	.777	I am not sure about the spelling of personal care brand names (X8)
	.621	More number of personal care advertisements create confusion about brands and their usage (X18)
Distribution Gap (F4)	.952	The store from where personal care items are purchased for my family, has limited variety (X15)
	.924	Personal care items for my family are often bought from nearby stores (X16)
Infrastructure Issues (F5)	.827	My village has poor road condition (X1)
	.786	Distance is a problem for me to buy branded personal care items (X2)
	.737	I don't have sufficient transport facility (X6)
Group Decision Making (F6)	.816	Opinion of Family members is often sought before purchase of personal care products (X9)

Table 5: Summary of T - Test for Gender of Respondents * Challenges pertaining to Rural Markets

Challenges in Rural Markets	Gender of the Respondents	N	Mean	T Value	Sig (2-tailed)
Lack of Adaptability	Male	136	15.9412	.960	.338
	Female	158	15.4620		
Communication Gap	Male	136	8.2500	.704	.482
	Female	158	8.0823		
Low level of Literacy Issues	Male	136	16.9191	2.867**	.004
	Female	158	15.5063		
Distribution Gap	Male	136	6.0515	3.392**	.001
	Female	158	5.1329		
Infrastructure Issues	Male	136	7.7941	-3.379**	.001
	Female	158	8.6835		
Group decision Making	Male	136	3.68	2.736**	.007
	Female	158	3.35		

****Significant at 0.01 level**

Figure 1: Education Levels of Rural Respondents



THE PYRAMID OF CORPORATE SOCIAL RESPONSIBILITY MODEL: EMPIRICAL EVIDENCE FROM INDIA

Sunita Pachar★ Rajbir Singh★★

There has been an increasing interest in corporate social responsibility (CSR) worldwide. Many CSR concepts have been proposed based on the premise that the business institutions are part of the society. A set of CSR concepts as proposed by Carroll (1991), is utilized by this study. This concept which is known as the Pyramid of CSR suggests that CSR is basically presented by four dimensions namely economic, legal, ethical and philanthropic in their respective order of importance. This concept is widely tested in the literature and most of them are examined from the western countries' perspectives. Despite the extensiveness of empirical research on CSR this concept was not tested in India. Therefore, this study provides empirical evidence from Indian stakeholders' perspectives on CSR concept proposed by Carroll (1991). The study surveys a sample of 300 respondents. The result shows that ranking of dimensions by the Indian stakeholder was totally different from the idealized model suggesting cultural factor as contributing to the differences. The study also highlighted whether demographic variable contributes to the differences in perception.

There is no single, commonly accepted definition of the notion of corporate social responsibility and the concept is often used interchangeably with other terms including corporate citizenship, corporate accountability, business ethics, corporate responsibility and sustainability. Debates over Corporate Social Responsibility (CSR) concepts have entered into public domain over the past three decades, or so. CSR generally means company's obligation to contribute to the well being of society (Jones, 1980; Epstein, 1989; and Kok et. Al, 2001). In general, CSR is taken to denote corporate activities, beyond profit making, which include protecting the environment, caring for employees, being ethical in trading, and getting involved in the local community. Some of the main issues are: promoting human rights, community involvement, human resource management, socially responsible investing and social reporting.

The definitions vary in different cultural and national settings. In the United States, for example, CSR has traditionally been defined in more of a philanthropic way. Under the American model companies make profits and donate a certain share of these profits to charitable causes. Gaining organizational benefit from such donations is seen as tainting the act of giving. By comparison the European model is much more focused on operating the core business in a way that is regarded as socially responsible, and which is complemented by investing in communities in ways that simultaneously yield business benefits. CSR experience in Asian countries has also been mixed. Firms in Singapore and Bangladesh have limited CSR, but CSR of firms in Thailand matches that of the developed nations.

I. Literature Review

In the context of India, CSR studies were few and limited. Singh and Ahuja (1983), conducted the first study in India on CSR of 40 Indian public sector companies for the years 1975/1976 and found that 40 percent of the companies disclosed more than 30 percent of total disclosure items included in their survey. Hegde, Bloom, & Fuglister (1997), conducted a case study of the Steel Authority of India (SAIL), a public sector company. They found that SAIL published a Social Income Statement and a Social Balance Sheet to measure the social benefits to employees, public and the community and the cost involved. These reports showed the efforts made by SAIL in fulfilling its social objectives and responsibilities. The latest study of CSR practices in India was conducted by Raman (2006). Raman used content analysis technique to examine the chairman's message section in the annual reports of the top 50 companies in India to identify the extent and nature of social reporting. This study concluded that the Indian companies placed emphasis on product improvements and development of human resources. Community development issues were given relatively less space in the chairman's messages.

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Despite the intensive debate which has been taking place among academics, consultants and corporate executives on CSR, the concept remains open to various definitions and understanding. One of the most quoted conceptualization of CSR is the model proposed by Carroll (1991), which is famously known as the Pyramid of CSR. Many studies have provided empirical evidence on people's perception and understanding of CSR based on Carroll's Pyramid of CSR.

Pyramid of Corporate Social Responsibility Model

In a more comprehensive approach, Carroll (1991), attempted to integrate previous conceptualizations by introducing a four-part definition of CSR: economic, legal, ethical and philanthropic. It has also been amongst the most quoted definition in the CSR literature. Many conceptual and empirical studies have used Carroll's classification to further examine and develop the concept of CSR. Some of the reasons for this could be that:

1. The model is simple, easy to understand and has an intuitively appealing logic.
2. Over the 25 years since Carroll first proposed the model, it has been frequently reproduced in top management and CSR journals, mostly by Carroll himself (Carroll, 1979; 1983; 1991; 1994; 1998; 2000 and 2004).
4. The model has been empirically tested and largely supported by the findings Aupperle, Carroll, & Hatfield (1985), Pinkston & Carroll (1994).
5. The model incorporates and gives top priority to the economic dimension as an aspect of CSR, which may endear it to business scholars and practitioners. In fact Carroll (1991) goes so far as to point out how little his definition of CSR differs from Friedman's (1970), view of the responsibilities of the firm. Please see figure 1.

Economic Dimension- The pyramid of CSR begins with the economic responsibilities as the foundation. The economic dimension is the most important dimensions which must be achieved before the company could embark on any social programs, such as charity and sponsorships. The business organizations are part of the basic economic system in society. It provides goods and services at fair prices that are needed by the society and consequently, make reasonable profits to sustain the business existence. The economic achievements are important for the company to maintain sustainability in the market; however, this is not the only responsibility. Although the business is expected to operate with profit, they must ensure that their operation is in line with legal requirement by the federal, state and

local government.

Legal Dimension - The next most important dimension after the economic dimension is the legal dimension. Carroll (1991), stressed that it is important for the business to perform in a manner consistent with expectations of government and law, to be a law-abiding corporate citizen and to define a successful firm as one that fulfills its legal obligations.

Ethical Dimension- business has to ensure that their actions and transactions are done ethically. Although ethical responsibilities may not be coded into law, the business still has to operate ethically and avoid actions that are prohibited by the society. The society has expectations of the business to have ethical conduct and manner. This especially relate to consumers, employees, stakeholders and the community that expect the business to respect their rights. Ethical dimension is the most difficult category for the business to handle as different societies may have different sets of ethical rules on what are ethical and what are not.

Philanthropic Dimension - Businesses should be involved in philanthropic activities as part of their role to be good corporate citizens. They give donations, sponsor social programs, initiate awareness campaigns and set up community's facilities, such as bus stops, which are examples of their voluntary contributions. As these activities are very much appreciated by the society, they do not regard the business as being unethical if the business do not provide them. Besides, it is voluntary in nature and is not required by the law. Generally Carroll (1991), suggests that the company performs in a manner consistent with the philanthropic and charitable expectations of society encourage employees and managers to participate in voluntary and charitable activities within their local community and to provide assistance to projects that enhance a community's quality of life.

Ojectives of the study

Many studies have shown that different countries have different perception and understanding of CSR concept (Ibrahim and Parsa, 2005; Kusku and Fraser, 2004; and Maignan and Ferrell, 2003). These might be due to cultural elements that influence the perception on the CSR conceptualization. A country, such as India has strong cultural elements but as the economic is rapidly increasing under the free market policy, the people's mindsets might be different from the past where culture is not that important anymore. Therefore, the present study attempts to gauge the understanding of CSR concept from the view

of Indian stakeholders based on the pyramid of CSR model proposed by Carroll. Specifically, the study sets out following research objectives:

- 1) To elicit stakeholders' perceptions towards Carroll's conceptualization of CSR.
- 2) To identify whether respondents are homogeneous in terms of demographic variables about CSR Carroll's model.

II. Research Methodology

Questionnaire Design and Data Collection

This study is based on Primary data gathered with the help of questionnaire. To identify the four dimension of CSR based on Carroll's conceptualizations a questionnaire was designed, according to the scale for CSR, it includes four responsibilities expected from Indian organizations which are economic (F1), legal, (F2), ethical (F3) and philanthropic responsibilities (F4). Data was collected from 300 respondents.

Item Selection and Reliability Test.

29 items were selected to extract 4 factors, which were factors of economic responsibility (F1), legal responsibility (F2), ethical responsibility (F3) and philanthropic responsibility (F4). These 29 statements were converted to questions using Likert- scale. The mean score of each dimension was calculated by averaging the total points given by the respondents on each statement that represent the CSR dimension. Economic responsibility which contained nine statements, its overall mean (3.37) is taken, legal responsibility which included ten statements, its overall mean (3.69) is taken, ethical responsibility which included six statements, its overall mean (3.75) is taken and philanthropic responsibility which contained four statement, its overall mean (3.71) is taken for the study .Reliability of the data collected was calculated by applying Cronbach Alpha.Cronbach's coefficient alpha is commonly used to measure the reliability for a set of two or more constructed indicators .Alpha value of the scale of 29 items was calculated that was found .860 , it shows that alpha value is high from minimum criteria ($\alpha > .600$) (Nunnally, 1978).

The data gathered was coded into SPSS and then the data from the questionnaire entered into the database and analyzed with the help of statistical tools like Mean, Standard Deviation (S.D), F-test and T- test was applied to find out the relationship between demographic variables and CSR practices dimensions.

III. Results & Discussion

The researcher collected demographic details of the respondents comprising gender, marital status, age and profession status. According to gender category respondents comprised of 51 % male, 49% respondents were female and according to marital status 52% respondents were married and 48 % respondents were unmarried. According to age 41 % respondents belonged to the age group of below 30 years, 36 % respondents belonged to the age group of 31-40, 18% respondents belonged to the age group of 41-50 and 5% respondents belonged to age group of above 50 years. According to profession wise 25% respondents belonged to Company employees, 25% belonged to customers , 25 % belonged to shareholders and 25% respondents belonged to community or other stakeholder (see table 1).

Stakeholders' Perception on the CSR Conceptualization

As mentioned earlier, the study intends to identify the ranking of CSR dimensions by the Indian stakeholders as a whole on the concept proposed by Carroll (1979; 1991). The concept has proposed that the economic dimension is the most important and followed by legal, ethical and philanthropic. But the results based on Indian stakeholders survey Table -2 shows that the Indian stakeholder ranked the ethical dimension as the most important dimension as its mean score (3.75) was found highest, followed by philanthropic (3.71), legal (3.69) and economic dimension (3.37), .

However, this result does not show how each dimension was different from each other. Therefore, test was done by running the paired samples t-test. This test needed a set of matched pairs. With four dimensions to be paired each other, there were six pairs to be tested for differences. The six pair - wise comparison t-test samples shows whether there is a significant difference in the mean allocated for each pairs.

Table 3 findings shows that each pairs related ethical, legal and philanthropic appeared to be insignificant on statistical level of significance at any level except economic dimension. Only Economic dimension was found statistically significant at 0.05 level of significance with legal ,ethical and philanthropic dimension (table 3).Economic dimension with all dimensions showing its least importance as its mean score (3.37), got minimum score than ethical (3.75), legal (3.69) and philanthropic dimension (3.71) . The result of the test showed that the Indian stakeholders did not assign value equally to all CSR dimensions. The ranking of

dimensions from Indian perspective appears to be totally different from the original Carroll's conceptualization of CSR. The economic dimension which was perceived as most important by Carroll is not consistent with the respondent's proposition. Therefore, it seems that Indian stakeholder understand that the company should be based on value system rather than profit maximization approach. More emphasis should be on values rather than profits alone because in order to be successful, the managers have to work within the acceptable values with commitments.

The demographic features that affect the Stakeholders' perceptions

The study investigated whether demographic features such as gender, marital status, age and profession has made a difference in shaping the CSR perception. These features also can facilitate comparison with other research.

Gender

Table -4 depicts the independent samples t-test to see whether there was a different perception of CSR in term of the four dimensions between male and female. This test required not less than two categories of variables. The result shows that there were no significant differences on four dimensions of CSR between male and female (Table 4). It showed that male and female perception did not differ regarding CSR dimensions, their results more or less are same. Furthermore, results showed that male and female had given their first preference to ethical dimension (F3) as both mean score (3.75) has been found highest on this dimension. Furthermore, on economic dimension (F1), when mean was checked, it was found that economic dimension has been given lowest mean score by both male (3.35) and female (3.40). Gender wise results showed that company should give first preference to ethical issues (F3) and least preference to economic dimension (F1), (Table 4).

The implication of this finding toward the future CSR is profound. In terms of CSR implementation, the company may segment it according to gender. Therefore, the CSR program can be designed in such a way that it focuses more on females than on males as females were found to be more concerned about CSR. Overall, gender can be an explanatory factor towards the differences in perception of CSR.

Marital Status

The result from Table 5 shows that the comparison of CSR Dimensions between married and unmarried respondents does not differ at any level of statistical

significance. The mean value has been found highest on ethical dimension (F3) for both married & unmarried respondents i.e. 3.85 and 3.64, lowest on economic dimension (F1) for both married and unmarried i.e. 3.45 and 3.29. Data showed that married respondents has given more score to every dimension compared to unmarried respondents. Thus it can be concluded from the table that according to marital status married people want that organizations should give more preference to ethical dimension (F3) and least focus on economic dimension (F1).

Age

While comparing CSR Dimensions according to age categories, Table 6 shows that age wise data was not found significant at any level of statistical significance for economic, legal and ethical dimension only philanthropic dimension has been found statistically significant at 0.05 level of significance. Furthermore, data showed that category below thirty years has given their first preference to legal dimension (F2) as its mean score (3.66) has been found highest, age category between 31-40 year has given their preference to ethical dimension (F3) as its mean score (3.82) was found highest, age category 41-50 year has given their preference to philanthropic (F4) as mean score (3.99) was found highest on this dimension and age category above fifty years showed their preference to ethical (F2) as mean score (3.85) was found highest. It can be glimpsed that out of 300 respondents results about economic dimension has not been found any difference, the mean score for all age categories has been found lowest on economic dimension (F1). It can be concluded that according to age category people preference is not same for ethical, legal and philanthropic dimension but all has same view about economic dimension that this should be given least focus by company (table 6).

Profession

Next, the test on whether the Profession could bring in different perceptions was conducted. ANNOVA was applied to see the results variation in Profession wise analysis i.e. Company Employees, Customer, Shareholder and Community or other stakeholder. As Profession wise analysis showed that data has been found differ significantly at .05 and .01 level of significance on two dimension of CSR practices (see table 7). Therefore it can be concluded that there is significant difference between Profession wise respondents regarding economic dimension (F1) as f-value (3.856) has been found significant at .01 level of significance and philanthropic dimension (F4) where f-value (2.930) has been found significant at .05 level of

significance. It shows that respondents have different -2 opinion regarding these two dimensions .Other two dimensions legal (F2) and ethical (F3), was not found statistical significant at any level of significance.

Furthermore data showed that for the companies most important dimension should be ethical dimension (F3) as company employees, customer, shareholder have given this dimensions high mean score i.e. 3.69, 3.72, and 3.96. Only community has given legal dimension (F2) to the highest score as mean value was 3.75. Organizations should least focus on Economic dimension as its mean score was found lowest for all stakeholder groups i.e. company employees; customer; shareholder; community or other stakeholder i.e. 3.34; 3.30; 3.58 and 3.58.

This study provides further evidence that profession has an important influence in shaping the individual's perception of CSR in India.

IV. Conclusion

This paper provides evidence that CSR is seen as important and relevant from the view of Indian stakeholders. This concept which is famously known as the Pyramid of CSR identify CSR is basically presented by four dimensions namely, economic, legal, ethical and philanthropic dimensions in their respective order of importance. However, the ranking of dimensions by the Indian stakeholders was different from the ranking in Pyramid of CSR. Suggesting cultural factors contributing to the differences. The study found that the Indian stakeholders ranked first the ethical dimension followed by philanthropic, legal and economic dimensions. Despite increasing economic development, India has a strong uphold of traditions and respect for customs and social values and this may have contributed to the differences of CSR dimension ranking. While Indian stakeholders do not deny the importance of good economic achievement for a company, they also perceive that a company must respect the sensitivity of the society, comply with the law and take part in social contributions. CSR also can be seen as one of the business opportunities as to maintain successful business operation. The study also highlighted the demographic features that shaped the perception of stakeholders to the concept of CSR. Based on the findings, female, married, age above fifty and company employees, shareholder or customer had been found more positive attitudes toward the CSR concept.

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Figure 1 : Pyramid of CSR proposed by Carroll (1979, 1991)

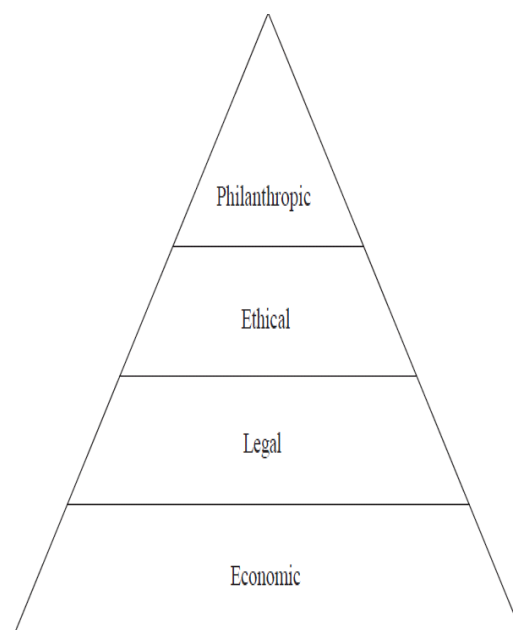


Table 1: Respondents Profiles

N=300

Variable	Classification	Frequency	Percentage
Gender	Male	154	51
	Female	146	49
TOTAL		300	100
Marital status	Married	155	52
	Unmarried	145	48
TOTAL		300	100
Age	Below	124	41
	31-40	109	36
	41-50	53	18
	Above 50	14	5
TOTAL		300	100
QUALIFICATION	Undergraduate	18	6
	Graduate	85	28
	Postgraduate	180	60
	Doctoral	17	6
TOTAL		300	100
Occupation	Service	138	46.0
	Business	96	32.0
	Unemployed	66	22.0
TOTAL		300	100
Profession	Company Employee	75	25
	Customer	75	25
	Shareholder	75	25
	Community or other stakeholder	75	25
TOTAL		300	100

Source: Field Survey

Table 2: Mean score of the four dimensions

DIMENSION OF CSR	Mean Score	Rank
Economic Dimension	3.3778	4
Legal Dimension	3.6973	3
Ethical Dimension	3.7556	1
CSR Philanthropic Dimension	3.7100	2

Table 3: The Paired-sample T-test of each dimension

DIMENSION OF CSR	MEAN	S.D.	T VALUE
Economic vs. Legal	3.3778 3.6973	.62081 .69402	-8.279*
Economic vs. Ethical	3.3778 3.7556	.62081 .81790	-7.822*
Economic vs. Philanthropic	3.3778 3.7100	.62081 .84777	-6.183*
Legal vs. Ethical	3.6973 3.7556	.69402 .81790	-1.363=NS
Legal vs. Philanthropic	3.6973 3.7100	.69402 .84777	-.289=NS
Ethical vs. Philanthropic	3.7556 3.7100	.81790 .84777	.941=NS

*p<0.05 and NS=Not Significant

Table No. 4 Gender wise analysis of CSR practices

N=300

DIMENSION OF CSR	MALES=155		FEMALES=145		T - value	Significant Value
	MEAN	S.D.	MEAN	S.D.		
Economic (F1)	3.35	.60	3.40	.63	.746	.388=NS
Legal (F2)	3.62	.72	3.77	.65	.052	.820=NS
Ethical (F3)	3.75	.93	3.75	.66	1.769	.185=NS
Philanthropic (F4)	3.70	.85	3.71	.84	.047	.828=NS

NS=Not Significant

Table No. 5 Marital status –wise analysis of CSR practices

N=300

DIMENSION OF CSR	MARRIED=155		Unmarried=145		T - value	Significant Value
	MEAN	S.D.	MEAN	S.D.		
Economic (F1)	3.45	.62	3.29	.60	1.508	.220=NS
Legal (F2)	3.74	.73	3.64	.63	1.252	.264=NS
Ethical (F3)	3.85	.74	3.64	.87	.004	.948=NS
Philanthropic (F4)	3.80	.88	3.61	.80	.165	.685=NS

NS=Not Significant

Table No.6 Age wise analysis of CSR practices

A1= d” 30 yrs. , A2= 31-40 yrs., A3= 41-50 yrs. And A4= >50 yrs.

DIMENSION OF CSR	A1=124		A2=109		A3=53		A4=14		F- value	Significant Value
	MEAN	S.D.	MEAN	S.D.	MEAN	S.D.	MEAN	S.D.		
Economic (F1)	3.32	.63	3.42	.58	3.37	.60	3.47	.76	.613	.607=NS
Legal (F2)	3.66	.75	3.64	.62	3.85	.61	3.80	.88	1.300	.275=NS
Ethical (F3)	3.61	.76	3.82	.93	3.91	.62	3.85	.86	2.238	.084=NS
Philanthropic (F4)	3.63	.84	3.68	.85	3.99	.74	3.48	.97	2.651	.049*

*Significant at 0.05 level and NS=Not Significant

Table 7: Profession Wise Analyses of CSR Practices

N=300

DIMENSION OF CSR	Company Employee=75		Customer=75		Shareholder=75		Community or other stakeholder=75		F value	Significant Value
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.		
Economic (F1)	3.34	.62	3.30	.56	3.58	.60	3.28	.65	3.856	.010**
Legal (F2)	3.62	.80	3.66	.56	3.74	.69	3.75	.69	.675	.568=NS
Ethical (F3)	3.69	.81	3.72	.68	3.96	1.01	3.63	.68	2.398S	.068=NS
Philanthropic (F4)	3.64	.87	3.66	.77	3.95	.76	3.58	.92	2.930	.034*

*Significant at 0.05 level, ** Significant at .01 level and NS=Not Significant

SUCCESS FACTORS FOR TOTAL QUALITY MANAGEMENT: A COMPARATIVE STUDY OF MANUFACTURING AND SERVICE SECTORS

N. Malati★ Ritika Maheshwari★★

Total Quality Management is an integrative management philosophy aimed at continuously improving the performance of products, processes and services to achieve and surpass customer expectations. It is very essential for the service as well as manufacturing based organizations to identify key critical success factors, which could be given special attention for ensuring successful implementation of TQM program, in this dynamic competitive environment. Critical Success Factors (CSFs) may be internal or external factors that can seriously affect the firm for better or worse. They provide an early warning system for management so that both the opportunities and threats prevalent in the environment can be taken adequate care of by the organizations. The paper attempts to understand the concept of TQM in both industry sectors (manufacturing and services) and deals with identifying the significant differences (if any) in TQM practices in Indian service and manufacturing organizations based on critical success factors. Seven critical factors (Customer focus, Continuous Improvement, Team work and Involvement, Top management Commitment and Recognition, Training and Development, Communication in Company, Measurement and feedback) that influence the TQM success in industry are determined with the help of extensive literature review. The paper supports that there is a significant difference in the ranking of critical factors of TQM in manufacturing and service industries. Further, the manufacturing sector associates higher importance to the critical factors while the service sector provides higher importance to customer consideration and satisfaction parameters.

Indian companies, in the past had enjoyed a protected market with little competition. The globalization and liberalization era threw open new avenues and challenges to companies in India. The new policy resulted in global corporate players entering the Indian markets, and threatening the domestic manufacturers and suppliers, using the tool of quality. This compelled the managers of domestic companies to innovate and improve both the technique and tools to maintain and improve their market positions. The organizations have been using Total Quality Management (TQM) as a potent tool for initiating change in the organizations.

TQM is a comprehensive and long-term transformational process aimed at enhancing an organization in a progressive way. The organization also learns how to change, improve, and evolve continuously, through focusing on people first — in particular, on customers, employees, and the community. It involves the mutual cooperation of everyone in an organization and associated business processes, to produce products and services which meet and hopefully exceed the needs and expectations of customers, (Dale, 1999). TQM fosters continuous improvement in an organization. This philosophy stresses a systematic, integrated, consistent, organization-wide perspective

involving everyone and everything. It focuses primarily on total satisfaction for both internal and external customers within a management environment. Continuous improvements can be achieved through internal and external quality improvements. Internal improvements include the employment of resources and prevention of defects/ problems in the product and process. Gradually, this results in the effective control and reduction of production cost which in turn yields in higher profits. Similarly, external quality improvements emphasize on the design quality of the product, thereby helping organizations earn higher profits. This can be done through the ability of companies to respond quickly to the demands of their customer and offering them with a better value added services. The importance of TQM has increased in both the manufacturing and services sectors.

I. Literature Review

Total quality management is the culture of an organization committed to customer satisfaction through continuous improvement. This culture varies both from one country

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to another and between different industries, but has certain essential principles which can be implemented to secure greater market share, increased profits, and reduced costs (Kanji & Wallace, 2000). Management awareness of total quality management, alongside business process reengineering and other continuous improvement techniques were stimulated by the benchmarking movement to seek, study, implement and improve on best practices (Zairi & Youssef, 1995). The commitment to continuous improvement historically originated in manufacturing firms; but spread quickly to the service sector (e.g. teller transactions in banks, order processing in catalog firms, etc.). 95% of manufacturing companies and 70% of service companies have used one form or other of quality improvement programs and 55% of American executives and 70% of Japanese executives use quality improvement information at least monthly (Olion & Rynes, 1991), (Rigby, 1998).

An international survey of over 4000 managers in 15 countries indicated TQM usage by approximately 60% in 1997 (Rigby, 1998). A Survey of TQM and continuous improvement programs indicates 12 common aspects: Committed leadership, adoption and communication of TQM, closer customer relationships, benchmarking, increased training, open organization, employee empowerment, zero defects mentality, flexible manufacturing, process improvement, and measurement (Powel, 1995).

Furthermore, to determine critical factors of total quality management, various studies have been carried out and different instruments were developed by individual researchers and institutions. Based on these studies, a wide range of management issues, techniques, approaches, and systematic empirical investigation have been generated. Accordingly, Saraph, Benson & Schroder, (1989) developed 78 items, which were classified into eight critical factors to measure the performance of total quality management in an organization. These critical factors are: Role of divisional top management and quality policy, role of the quality department, training, product and service design, supplier quality management, process management, quality data and reporting, and employee relations. Flynn, Schroeder & Sakakibara, (1994) developed another instrument to determine critical factors of total quality management. Flynn et al. identified seven quality factors. These are top management support, quality information, process management, product design, workforce management, supplier involvement, and customer involvement. As it is seen, this instrument is very similar

to the preceding instrument that was developed by Saraph et al., (1989). (Flynn, Schroder & Sakakibara, 1995) measured the impact of total quality practices on quality performance and competitive advantage. In another noteworthy study, Anderson, Rungtusanatham & Schroeder, (1994) developed the theoretical foundation of quality management practice by examining Deming's 14 points. They reduced the number of concepts from 37 to 7 using the Delphi Method. These are visionary leadership, internal and external cooperation, learning, process management, continuous improvement, employee fulfilment, and customer satisfaction.

Research Objectives

A study has been carried out to compare the success factors for Total Quality Management followed in manufacturing and service organizations in India. The following objectives have been set aside-

- ◆ To identify the success factors of Total Quality Management on which manufacturing organizations fall short.
- ◆ To find out the success factors of Total Quality Management on which service organisations fall short.
- ◆ To determine the significant difference (if any) with respect to each of the success factors for Total Quality Management in manufacturing and service organisations.

II. Research Design & Methods

The study is exploratory in nature as it investigates the area and provides insights into understanding the problem. The questionnaire was employed to collect the responses of Top Executives of fifteen ISO Certified Service Organizations, namely, Axis Bank, ICICI Bank, HDFC Bank, APPOLO Hospital, Ganga Ram Hospital, FORTIS Hospital, Reliance Mobile, AIRTEL, Vodaphone, BIG BAZAR, Reliance Fresh, Spencer, Infosys, HCL & WIPRO and fourteen ISO Certified Manufacturing Organizations, namely, Tata steels, Jindal Steels, Binani cements, Shree cements, JK Cements, Ranbaxy, Albert David Limited, Asian Paints, Narolac, Dabur, Parle-G, Britannia, Samsung & LG were undertaken for the study. Convenience sampling technique was employed to collect the data. A sample of 50 respondents was taken from Manufacturing and Service driven organizations.

Success factors for Total Quality management

In order to gain an insight into the parameters that affect

TQM, literature review was employed and seven prominent success factors on TQM were outlined. They are Customer Focus, Continuous Improvement, Teamwork & Involvement, Top Management Commitment Recognition, Training & Development, Communication in Company, Measurement & Feedback. Each of these major areas had a number of item statements and each respondent was asked to indicate the degree of importance on each of the item statement on a five point Likert's scale. With the opinion indicated as 'most important' has been assigned a weight of 5.

Hypothesis:

- H1: There is no significant difference in importance of Customer Focus for manufacturing and service industry.
- H2: There is no significant difference in importance of Continuous Improvement for manufacturing and service industry.
- H3: There is no significant difference in importance of Teamwork and Involvement for manufacturing and service industry.
- H4: There is no significant difference in importance of Top Management Commitment and Recognition for manufacturing and service industry.
- H5: There is no significant difference in importance of Training and Development for manufacturing and service industry.
- H6: There is no significant difference in importance of Communication in the Company for manufacturing and service industry.
- H7: There is no significant difference in importance of Measurement and Feedback for manufacturing and service industry.

III. Data Analysis & Results

Ranking of factors according to the value of means

In case of manufacturing organizations continuous improvement has been accorded the first rank and in case of service organizations customer focus holds the first position. Communication in company in Indian manufacturing has been ranked last while in the service industries it is ranked third.

Customer Focus

Value of p is .024, thus the null hypothesis is rejected

and the result is said to be statistically significant thereby showing that there is difference in the importance associated to CUSTOMER FOCUS in service and manufacturing industries. The mean score of service industries for this particular factor is more compared to manufacturing which shows that customer focus is more important in service organizations as the customer directly interacts with the service provider.

Continuous Improvement

Value of p is .000 with the null hypothesis being rejected, the result is said to be statistically significant thereby depicting that there is difference in the importance of CONTINUOUS IMPROVEMENT factor in the service and manufacturing sectors. The value of mean for manufacturing industries is greater than that of service, depicting that this factor is more significant for manufacturing organizations. Manufacturing firms focus more on production and use of machines, and thereby focus more on reducing the errors.

Teamwork and involvement

Value of p is .003, the null hypothesis has been rejected and the result is statistically significant, hence there exists a significant difference in the importance of TEAMWORK AND INVOLVEMENT factor in service and manufacturing industries. Teamwork and involvement is considered more important in manufacturing than in service industries. All the activities in a manufacturing organization are interlinked, from production to delivery. All departments need to be interconnected.

Top management commitment and recognition

Value of p is .046 with the null hypothesis being rejected; there exists a significant difference in the importance of TOP MANAGEMENT COMMITMENT AND RECOGNITION factor in service and manufacturing industries. A Service organization involves direct interaction with the customer and the top management needs to regulate all processes so that best could be delivered on the spot. More of hierarchy in organizations often defeats this objective. Thus a smart check is required all the time.

Training and development

Value of p is .808, the null hypothesis has been accepted and there is no significant difference in the importance of TRAINING AND DEVELOPMENT in the service and manufacturing sector. For every new technology or any new practice being incorporated in an

organization, training must be provided so that employee gets encouraged to work ahead in both the sectors.

Communication in the company

Value of p is .000 the null hypothesis has been rejected and there exists a significant difference in the importance of COMMUNICATION in service and manufacturing industries. It is considered more important in service industries than manufacturing industries as per the value of means because direct interaction with customer takes place and the internal customer also needs to work with each other.

Measurement and feedback

Value of p is .150, null hypothesis is accepted and there is no significant difference in the importance of MEASUREMENT AND FEEDBACK factor in service and manufacturing industries. Both the types of companies require time for inspection and measurement of performances of employees to provide them with adequate feedback.

IV. Conclusion

TQM primarily focuses on the production of quality goods and services and the delivery of excellent customer service; however, its success increases when it is extended to the all the departments of an organizations. Consequently, effective use of TQM is a valuable asset in a company's resource portfolio – one that can produce important competitive capabilities and be a source of competitive advantage. Thus it can be concluded that both manufacturing and service industry must learn from each other. Manufacturing industry must learn to pay more focus on customer satisfaction and service industry should lay more stress on continuously improving the processes and delivering the best. A reorientation in the corporate culture and penetration of neo business philosophy into every facet of the organization helps them to surge ahead into the future.

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Table 1: Manufacturing Industry

S.No	FACTOR	MEAN	RANK
1	Customer Focus	3.627	2
2	Continuous improvement	3.880	1
3	Teamwork and Involvement	3.512	3
4	Top management commitment Recognition	3.476	4
5	Training and development	3.412	5
6	Communication In the company	3.220	7
7	Measurement and Feedback	3.412	6

Table 2: Service Industry

S.No	FACTOR	MEAN	RANK
1	Customer Focus	3.744	1
2	Continuous improvement	3.464	4
3	Teamwork and Involvement	3.200	7
4	Top management commitment Recognition	3.592	2
5	Training and development	3.396	5
6	Communication In the company	3.584	3
7	Measurement and Feedback	3.336	6

Table 3: Independent T-Test for employee perceptions between Manufacturing and Service Organisations

Group Statistics	Sector	N	Mean	Std. Deviation	Sig. (2-tailed)
Customer Focus	Manufacturing	50	3.600	.3232	.024
	Services	50	3.744	.3052	
Continuous Improvement	Manufacturing	50	3.888	.2067	.000
	Services	50	3.464	.2841	
Teamwork and Involvement	Manufacturing	50	3.512	.3900	.003
	Services	50	3.200	.2857	
Top Management Commitment and Recognition	Manufacturing	50	3.476	.2552	.046
	Services	50	3.592	.3155	
Training and Development	Manufacturing	50	3.412	.3438	.808
	Services	50	3.396	.3117	
Communication in the Company	Manufacturing	50	3.220	.2563	.000
	Services	50	3.584	.2824	
Measurement and Feedback	Manufacturing	50	3.412	.2569	.150
	Services	50	3.336	.2663	

ANALYSIS OF FACTORS INFLUENCING EMPLOYEE TURNOVER FOR EFFECTIVE SUCCESSION PLANNING

Rupa Gunaseelan★ S. Dhana Bagiyam★★

Succession planning concerns selection of talented employees inside the organization to replace senior manager/s, who leave the organization due to retirements or reassignment. The researcher has made an effort to understand and develop an insight into present succession planning system in banking industry of India. The researchers intention includes the assessment of factors, which influences the employee to leave the present organization. Hence, this research in banking sector caters to the future developments in succession planning by analysing factors, which are highly influencing. So, as to give the succession planning a visibility to the aspiring young talented employees in the organization. A survey research have been done among the bank employees in the Coimbatore district and the implication of the research brought out some of the factors like Respect & Career growth, Better Benefits & Autonomy that are highly influencing factors for employee's turnover. This research would help employees to give some specific visibility (or) opportunities to the aspiring employees to determine their succession choices.

Succession planning systems identify, prepare, and track high potential employees for promotion and advancement. It is the creation of a pool of high potential employees who receive specific training and developmental opportunities, with the intention of promotion. Organizations that follow succession planning have a lot of significant benefits. This benefit helps senior management with global visibility about the talent pipeline and makes overall bench strength by leveraging dynamic talent pools. Advanced analytics processes, practices across the organization discover talent, high performers, which ensure proper retention strategies.

Drive engagement by providing career paths for all employees, not just senior management. Retain high performers; infuse fresh ideas into the organization by promoting talent mobility. Evaluate overall talent readiness and establish learning and training plans for bench strength.

Integrate succession planning to broader HR:

By integrating the system to broader HR talent functions for maximum effectiveness, to enhance already prevalent leadership crisis, also the baby boomer era is approaching retirement age and is leaving jobs at unprecedented rates. With their departure, they leave with skills, knowledge and life's experience, leaving a vacuum of critical positions to fill. Every level of public, private and governmental organization are equally threatened by the failure of this generation to ensure their successors.

Background of the study:

In many organizations especially public service, the concern of leadership loss is becoming more noticeable as

younger employees are elevated in organization, to assume leadership roles due to many of the previous noted organizational and world crises. Many organizations are scrambling to shore up their leadership foundation.

Compounding the concerns over leadership loss is the shrinking of the existing leadership pool. Through out industry and the private sector, doing more with less has become the trend. Organizations are constantly "Flattening" the structure of management. With less to offer in the leadership pool, employees may tend to rise faster on the ladder.

Public sector organizations are not immune from the adverse affect of this lack of organizational leadership, especially local government. The culture and values of well-managed organizations within municipalities who have yet impacted must be preserved. Changing the culture of the organization from the traditional replacement-planning mode to succession planning mode will be the focus.

Statement of the Problem:

According to the Talent acquisition and management by Chakrabathy, DG, RBI report currently in the public sector banks, as per estimates, close to 1, 00,000 employees of

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public sector banks will be retiring by 2015, These are seasoned, experienced people of whom around 7% would be in executive grade. Replenishment at leadership positions is also a major requirement. We need large pool of leaders to work as General Managers, Executive Directors and CMDs of Banks. Banks also need to consider succession planning, direct Induction/recruitment at senior level from unconventional talent pools.

The loss of employees provides two significant problems, they leave less information about what they accomplished and they have less information about what they should accomplish. As employees change jobs and organizations more frequently than ever, a greater focus on organizational continuity is needed.

I. Review of literature

The Hagberg Consulting Group (1998) defines Succession planning as dynamic, on-going process to systematically identifying, assessing, and developing leadership talent for future strategic tasks. In executive leadership text, The National Fire Academy defines succession planning as an organized and systematic way to ensure that employees in a particular organization are capable, competent and willing to replace and succeed to strategic rules within the organization. (NTFA Executive leadership)

Beeson (2000) explains succession planning has been a part of the business and leadership worlds for as long there have been the worlds of business and leadership. It just went by another name "grooming". The author provides a prototypical view of what succession planning has looked like, and probably still looks like, in many organizations. First organization leader identifies younger member of the organization having the right stuff. The chosen one would be ready to assume their position in their hierarchy of the organization. The mentor would be trusted member of the organization who not only knew the technical aspects of the job, but was also well-versed in the informal aspects of the organization.

Rothwell (1994) published a significant work on the subject of succession planning entitled "Effective succession planning: ensuring leadership continuity and building talent, from within the organization". He wrote that succession planning is any effort designed to ensure the continued effective performance of an organization division, department or work group. He further provides the definition of identifying critical management position starting at the levels of project manager and supervisor and extending up to the highest position in the organization.

Fema (2000) uses a case study of succession planning for all organization. Succession planning is not just for family business but also for continuing success of all endeavors. It is one of the most critical components of an organization's strategy as continued success is the ability, which continuously provide new leaders for the organization, succession planning is an organized and systematic way to ensure that employees in a particular organization are capable, competent, and willing to replace and/or succeed to strategic roles within the organization.

Dutton (1996) casts succession planning into four basic categories, simple replacement, full replacement, talent pool & extended talent pool. Simple replacement identifies two or three people who could step into the next higher slot on an organizational chart. Full replacement takes simple replacement several steps lower on the organizational chart. A talent pool simply identifies internal and external candidates, who are farthest along in career development. An extended talent pool includes internal and external candidates, which defines what is expected of them and identifies a structured path they will be required to follow as part of an extended talent pool.

Crockett (1999) found diversity a vital aspect of succession planning. In examining the succession planning that allstate corporation practices, she found that it not only insures diversity at all levels in the company, but also has helped profits. Allstate contends that diversity in the workplace has nothing to do with political mandates and everything to do with unlocking the potential of everyone in the organization. They also feel that an organization's people should mirror that they serve. Allstate's employees spend in excess of 540,000 hours annually in a classroom setting. Allstate has been ranked by fortune magazine as one of the 50 best companies for Asians, Blacks, and Hispanics, 40 percent of the executives at Allstate are women and 21 percent are minorities, due in large part to an ongoing commitment of leadership development that starts upon employment.

Caudron (1996) views succession planning as an ongoing process that focuses on leadership development, not executive development, advocates maintaining a pool of leaders, which can meet an organization's needs, regardless of what that need might be. Leadership continuity is identified as the most important component of a succession planning process. Good succession planning involves identifying gaps in current and future capabilities, analyzing skills that may be needed in the future, and maximizing and diversifying the pool of executive candidates. Caudron emphasizes that succession planning is not a one-time event,

but an ongoing process that should become part of an organization's corporate culture.

Coleman (1992) talks specifically about planning for the succession of a fire chief from within the ranks, He insists that subordinates be challenged, be involved in key decision making processes, and practice what he calls the one push rule. Challenging subordinates by forcing them outside their comfort zone, getting them to think outside the box are ways to develop leadership skills. Involving them in decision-making processes helps develop upper level management skills and allows them to see firsthand rationale behind important decision.

Coleman (1998) wrote an article about the efforts of the office of the state fire Marsha to develop a Fire chief certification program in California. Beginning in the early 1990's the Career Development Guide (CDG) for the programme lists 38 separate tasks identifies or competencies.

Toth (1999) concluded his series by writing about the importance of mastering supervisory skills at each level before advancing, feels there are three skills that need to be mastered technical, human and conceptual. Technical skills are learned early in a person's career. Then, as the person moves up, human and conceptual skills, become more important.

Byham (1999) wrote "For decades organization have used succession planning to find their next generation of leaders. Succession planning focused on defining successors for specific jobs, the author makes the case that in today's rapidly changing work environment such rigid planning is not practical, whereas it may have been when jobs were more static and employees, who typically stayed with the organization for their entire carrier, moved along defined career paths. Byham uses the phrase "Succession management" to highlight the need for organization to create pools of talented personnel from which it can fill specific leadership position.

Boyatzis (1985) identified performance appraisals as another critical component of a succession planning. Performance appraisal should include two components, assessment of recent performance and assessment of development needs.

Friedman (1986) explained the organizational strategy must drive how the organization approaches managing talent and the succession process. For example, an organization that is strategically attempting to double in size over the next 10 years will need to plan for the accelerated development and back filling of positions as employees move to these

newly created positions. In contrast, an organization more intent on maintaining its position in the market place, will need to plan for succession from the standpoint of normal attrition and retirements of key position holders. As with many organizational initiatives, senior leadership support is crucial.

Objectives of the study

This research is among the top management of bank officials. To ascertain and understand employees plans and behaviour, as they relate to working in banking sector. The scope of the research efforts includes employees nearing and contemplating retirement, employees at risk of leaving for reason other than retirement.

Due to aging of the government employees and the unique energy-driven market expansion, currently the ongoing research may undergo in employee succession planning. It has become a substantial concern in terms of both the scope of the challenge and what can realistically be done about it.

1. To find out the factors influencing employees to leave the organization as perceived by managers.
2. To find out the factors influencing employees to leave the organization as perceived by subordinates.

II. Research Methodology

The study has a descriptive research design. Area of the study includes public, private, globalized bank in Coimbatore district, a finite population. The population size in the top management level is 1050. 35 banks have been selected using simple random sampling. The size of the sample is 117 top and middle level officers in the banks of Coimbatore.

Sampling Frame

From the Public, Private and Globalized Bank , using simple random sampling 35 banks has been selected. From each bank through quota sampling method 1 top level manager and 3 middle level managers totalling 35 managers and 82 subordinates were selected. Finally a sample size of 117 has been arrived.

Tools used for study

1. Factor Analysis

III. Analysis of data

Factor Analysis is a tool used to reduce the complexity of data, when there are so many independent variables it is

difficult to find out one or two important variables that influence the dependent variable or to be used in further analysis. In this situation to reduce the complexity of data factor analysis is used.

In this study also many items are taken to find out at point of time or which factor will make them to leave the present organization and to reduce these items and to consider only few factors that indicates, when employees will leave the organization: factor analysis is applied. KMO and Bartlett's Test ensure the validity of FA

Grouping of Variables

The Principal Component Analysis by factor extraction method and varimax rotation method, have been used to group the factors and find out which influences the managers and subordinates to leave the present organization.

Factor analysis for managers:

Please see Table 1 for KMO and Bartlett's Test (a). Community means the variance extracted by all the factors from each item. From Table 2 all the factors contribute above 50% of variance for the extraction of the factors, hence Table 3 factors has been extracted.

Twelve factors has been reduced to three factors. Out of the twelve, namely better staffing, more respect, opportunities for advance, flexible scheduling, more recognition contribute to the first factor named as 'Respect & Career Growth'. The factors namely More Personnel Interest, More Autonomy, Different Location, Quality of work, contribute to the second factor named as 'Autonomy'. The factors namely Higher Wages, Better Benefits, Training opportunities contribute to the third factor named as Better Benefits.

Factor analysis for subordinates

Please see Table 4 for KMO and Bartlett's Test (a). Community means the variance extracted by all the factors from each item. From Table 5 all the factors contribute above 50% of variance for the extraction of the factors, hence Table 6 factors has been extracted

Twelve factors have been reduced to three factors. Out of the twelve factors Higher Wages, training opportunities, flexible scheduling contributes to the first factor are named as better benefits. The factor namely more respect, better staffing, more recognition contribute to the second factor is named as recognition & staffing, the factors namely more personnel interest, more autonomy, different location contribute to the third factor is named as autonomy.

Please see Table 7 for comparison of factor loadings for managers and subordinates.

Implication of the study

The study implies from the factor analysis, the factors for managers are grouped as respect & career growth, autonomy and better benefits. The factors for subordinates are grouped as better benefits, recognition & staffing and autonomy. In case of manager & subordinate the grouping of the factor are same. Hence, these factors namely (respect & career growth, autonomy and better benefits) are highly influencing both the manager & subordinate to leave the organisation.

IV. Findings & Suggestions

1. In case of the managers, the factors which are highly contributing are extracted from the twelve factors namely higher wages, better benefits, training opportunities, flexible scheduling, more recognition, more respect, better staffing, opportunities for advance, more autonomy, more personal interest, different location, quality of work.
2. According to grouping of variables, which contribute above 50% of variance are grouped.
3. The three factors are named as follows respect & career growth, autonomy and better benefits.
4. These three factors influences the employees (i.e.) managers to leave the organization.
5. In case of the subordinates, the factors which are highly contributing are extracted from the twelve factors namely higher wages & better benefits, training opportunities, flexible scheduling, more recognition, more respect better staffing, opportunities for advance, more autonomy, more personal interest, different location, quality of work.
6. According to the grouping of variables, which contribute above 50% of variance, are grouped.
7. These three factors are named as follows better benefits, recognition & staffing and autonomy.
8. These three factors influences the employees (i.e.) subordinate to leave the organization.

There is no difference in opinion among managers and subordinates for the factors extracted. Hence, from the above findings for managers and subordinates suggested that the organization could develop career management system, providing more autonomy and better benefits for

retaining the employees.

V. Conclusion

From the factor analysis, the purpose of the problem has been solved. Factors extracted are same in case of the managers and subordinates. These factors have high influence for succession planning system and ensure a flexible and fluid solution for succession planning process. By avoiding their apparent designation, and frequently updating the lists of high potentials, based on project-based performance and basic succession decision. A diverse pool of candidates, ensure active manager Participation in the organizations by the method of identifying and codifying high potential employees. Through the results, the banking sector can enrich the factors better benefits, recognition & staffing and autonomy for the retention of bank employees.

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Table 1: KMO and Bartlett's Test (a)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.69
Bartlett's Test of Sphericity	Approx. Chi-square
	df
	Sig
	981.70
	66.00
	0.00

Table 2: Communalities

	Initial	Extraction
Higher Wages	1.00	0.63
Better benefits	1.00	0.52
Training oppurtunities	1.00	0.61
Flexible scheduling	1.00	0.51
More Reconginition	1.00	0.46
More Respect	1.00	0.61
Better Staffing	1.00	0.71
Oppurtunities for advance	1.00	0.57
More autonomy	1.00	0.60
More personal interest	1.00	0.63
Different location	1.00	0.56
Quality of work	1.00	0.53

Table 3: Rotated Component Matrix (a,b)

	Component		
	F1	F2	F3
Higher Wages	0.74	0.05	-0.04
More Respect	0.77	0.04	0.09
Opportunities for advance	0.74	0.14	-0.01
Flexible Scheduling	0.63	0.03	0.34
More Recognition	0.60	0.07	0.30
More Personal interest	0.05	0.79	-0.10
More autonomy	0.25	0.72	-0.15
Different location	0.06	0.71	0.23
Quality of work	-0.02	0.70	0.20
Higher Wages	0.19	0.06	0.76
Better benefits	0.00	0.13	0.71
Training oppurtunities	0.50	-0.19	0.57

Table 4: KMO and Bartlett's Test (a)

Kaiser-Meyer-Olkin Measure of sampling Adequacy.	0.61
Bartlett's Test of Sphericity	Approx Chi-Square
	df
	Sig
	921.63
	66.00
	0.00

Table 5: Communalities (a)

	Initial	Extraction
Higher Wages	1.00	0.55
Better benefits	1.00	0.46
Training Oppurtunities	1.00	0.55
Flexible scheduling	1.00	0.41
More Recognition	1.00	0.53
More Respect	1.00	0.73
Better Staffing	1.00	0.63
Oppurtunities for advance	1.00	0.72
More autonomy	1.00	0.63
More Personal interest	1.00	0.72
Different location	1.00	0.54
Quality of work	1.00	0.21

Table 6: Rotated Component Matrix (a, b)

	Component		
	1.00	2.00	3.00
Higher wages	0.74	0.05	-0.03
Training Oppurtunities	0.74	0.02	0.09
Better benefits	0.65	0.06	0.18
Flexible Scheduling	0.59	0.24	-0.02
More respect	0.06	0.85	-0.01
Better staffing	-0.06	0.79	0.08
More Recognition	0.35	0.64	-0.04
More personal interest	-0.07	0.10	0.84
More autonomy	-0.03	0.24	0.76
Different location	0.21	0.05	0.70
Quality of Work	0.09	-0.15	0.42

Table 7: Comparison of factor loadings for managers and subordinates

Factors	Managers		Subordinates	
	Variables	FactorLoadings	Variables	FactorLoadings
Factor 1 Recognition & Staffing (or) Respect & Career Growth	Better Staffing	0.83	More Respect	0.85
	More Respect	0.77	Better Staffing	0.79
	Oppurtunities advance	0.74	More Recognition	0.64
	Flexible Scheduling	0.63		
Factor 2 Better Benefits	More Recognition	0.60		
	Higher Wages	0.76	Higher Wages	0.74
	Better Benefits	0.71	Training Oppurtunities	0.74
	Training Oppurtunities	0.57	Better Benefits	0.65
Factor 3 Autonomy			Flexible Scheduling	0.59
	More Personal Interest	0.79	More Personal Interest	0.84
	More Autonomy	0.72	More Autonomy	0.76
	Different Location	0.71	Different Location	0.70
	Quality of Work	0.70		

MEASUREMENT OF SERVICE DELIVERY IN SELECTED PUBLIC, PRIVATE & FOREIGN BANKS AN EMPIRICAL STUDY

Biranchi Narayan Swar★

Without a sound and effective banking system, India cannot have a healthy economy. The need of the hour in the Indian banking sector is to build up competitiveness through enhanced service quality, thus making the banks more market oriented and customer friendly. Today, meeting customers' expectations is the major challenge faced by the employees of banking services in India. This is why service delivery improvement is a vital concern for banking services. Quality of service delivery is increasingly being seen as a key strategic differentiator within the financial services sector. Thus, the present study focuses on the service delivery gap measurement among public, private & foreign banks in Odisha. As the optimum mix of technology and people in the service delivery process decides the competitive advantage of an organization. For this study, human element & systemization element is taken as the dimension of service delivery. A sample of 524 useable questionnaires of customers and 105 useable questionnaires of employees have been analyzed. To assess the service delivery gap, SERVQUAL instrument is administered.

The Indian banking system has a large geographic and functional coverage. Presently the total assets size of the Indian banking sector is US\$ 270 billion while the total deposits amount to US\$ 220 billion with a branch network exceeding 66,000 branches across the country. Revenues of the banking sector have grown at 6 per cent compound annual growth rate (CAGR) over the past few years to reach a size of US\$ 15 billion. While commercial banks cater to short and medium term financing requirements, national level and state level financial institutions meet longer-term financial requirements.

Today, the need for service delivery is felt everywhere by every organization, whether it is public, private or foreign sector. Quality of service delivery as a competitive weapon is relatively a recent phenomenon in the Indian banking sector. Prior to liberalization era the banking sector in India was operating in a protected environment and was dominated by nationalized banks. Banks at the time did not feel to pay attention to service delivery issues and they assigned very low priority to identification and satisfaction of customer needs.

After liberalization as a result of partial implementation of Narsimhan committee report which suggested that banks should recapitalize, reach international standards and expand their equity base. The nationalized banks and old generation banks started facing competition from the new private and foreign banks that had international banking standards. These new generation banks are characterized by the usage

of modern information technology endorsed services like ATM, tele-banking, online systems etc. Clients, for the first time in India are able to choose from a number of banks offering a wide range of services and delivering quality service.

I. Review of Literature

Banking service in India has made remarkable progress since independence. It has undergone a major transformation from class banking to mass banking (Thingalaya, 1977). The modern commercial banks in India are practically impersonal in their character, and are hedged round with many formalities, thereby sometimes annihilating their utility at the critical moment. The operations of Commercial Banks record the economic pulse, and the size and composition of banking transactions mirror the economic happenings, of a vast country like India.

Banking industry in India, in the recent years, has developed to such an extent that there is hardly a single business deal in which the assistance in one form or another of a bank is not sought for.

As Jayaram (1993) observed, "Establishment of sound

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systems and procedures is a pre-requisite for efficient functioning of any bank". Today, customers rule the market, a situation that bankers would have not ever dreamt of. Amidst all the official jargon of self-praise, the customers' needs and considerations seem to have been totally lost (Mathur, 1999). Hence the real issue that needs the bankers' attention is that of a change in their attitude and commitment for improving the quality of service delivery.

Mohammad Al-hawari (2008), this paper found that there is a positive and significant relationship between the proposed traditional service quality factors and customer satisfaction. The paper proves that the customers' perception of service delivery process quality plays the most important role in satisfaction level followed by the employees' service quality, and finally the bank tangibles. Banks need to develop employees' services skills consistently so that banks enjoy a high level of customer satisfaction. Finally, physical surroundings (tangible aspects) should be well maintained as customers are willing to be in a convenient atmosphere while they are served.

R Saravanan, K S P Rao (2007), in their study analyzed the discrimination among the three groups of overall service quality from the customers' perspective. The results indicate that both the technological factors and the people-oriented factors of service delivery appear to contribute more in discriminating the three groups of overall service quality.

Amit Sachan, Anwar Ali. (2006), this case described how banking in India has changed after developments in information technology in the last decade. The new private and foreign banks, which are strong in technology, are giving tough competition to old public sector banks. Private banks have pioneered Internet banking, phone banking, anywhere banking, mobile banking, debit cards, automatic teller machines (ATMs), and retail banking in urban India.

Conceptual Framework

Since services are intangible, firms find it difficult to understand how consumers evaluate service quality. Unlike tangible product firms, the consumer has considerably fewer cues to evaluate. In most cases, tangible cues are limited to the service firm's facilities, equipment, and personnel. Heterogeneity hinders consistency of service delivery and, thus, evaluations of service quality across firms, employees, customers, and time periods (Zeithaml, 1988). The inseparability of production and consumption results in service quality evaluations by the consumer both during and after service delivery. In other words, service

quality depends on the outcome of the service and the process of service delivery (Gronroos, 1981; Parasuraman et al., 1985). Since services cannot be inventoried, synchronization of supply and demand is particularly difficult. During periods of peak demand, overworked personnel may be prone to mistakes which reduce service quality.

Therefore, the SERVQUAL instrument seems to have overlooked some other important factors of service quality namely:

- * The service product or the core service;
- * Systematization/standardization of service delivery (the non-human element); and
- * The social responsibility of the service organization.

In an effort to conceptualize service quality (by taking in to account all the aspects of customer-perceived service quality, including those already addressed in the existing instruments and those that are left out in the empirical service quality literature), Sureshchandar et al. (2001) identified five factors of service quality as critical from the customers' point of view. These factors are:

1. Core service or service product;
2. Human element of service delivery;
3. Systematization of service delivery: Non-human element;
4. Tangibles of service - servicescapes; and
5. Social responsibilities.

Objectives of the study

1. To identify the gap between the service delivery perceptions and expectations of customers of public, private & foreign banks.
2. To identify the gap between the service delivery perceptions and expectations of employees of three different sectors of banks.

II. Research Methodology

Six banks have been selected for the present research. Six hundred customers and one hundred twenty five employees from these banks have been selected on judgmental basis and have been administered service delivery questionnaires containing the determinants of service delivery in banks. The parameters of service delivery have been identified after analyzing the extensive literature review of the related works done in the past.

Data Collection

The present study has taken the help of both primary and secondary data to arrive at its findings logically. Data has been collected using the 'personal contact approaches, i.e. the respondents are approached personally. In order to seek fair and frank responses on quality of service delivery in banks, both from bank respondents and bank employees, respondents (bank employees and customers) are asked to give their opinion about the level of quality of service delivered/received on a seven-point Likert scale (ranging from one indicating strongly disagree to seven indicating strongly agree).

Sample Profile

This study has been conducted in Odisha with special reference to few cities like Bhubaneswar being the Capital city, Cuttack & Berhampur being the commercial cities of Orissa. The study is further limited to six banks of those cities, namely State Bank of India (SBI) & Punjab National Bank (PNB) in public sector banks being the largest and oldest banks in India, ICICI Bank & Axis Bank in the private sector banks being the 2nd largest bank & most successful bank in India, and Citi Bank & Standard Chartered Bank having the largest operations in India among the foreign banks. These banks are also purposely selected for the study keeping in view their role and involvement in shaping the economic destiny, in building financial infrastructure and in instrumentalizing the process social economic transformation in Odisha. Specifically, in terms of advancing credit and deposits, employee strength and branch network, they stand at the top (Business Standard-Banking Annual, December'2008 & also in IBA Bulletin 2002:264-99).

The sample for the study comprises of 600 bank customers. This represents 300 customers from Public sector banks, 200 from private sector banks, while as the remaining 100 are from foreign sector banks. In the same way 125 bank employees (employees in varied pay scales) of the sample organizations, were approached to fill up the service delivery instrument with a view to measure the perceptions about the delivery of service to their respective customers. Bank employees were purposely selected for the study as they play an important role in administering banking regulations besides marketing of bank services. This sample consists of 50 employees from public sector banks, 50 from private sector banks, and the remaining 25 from foreign sector banks. While choosing a bank customer & employee, the method of simple random sampling has been followed.

Data analysis tools

The collected data have been analyzed with the help of Statistical Packages for Social Sciences (SPSS).

Questionnaire

A well-structured questionnaire has been prepared and distributed to the selected bank customers & employees in the selected areas. The questionnaire was divided into two parts. Part I had service delivery scale with 9 statements relating to customers' & employees' perceptions on the quality of service delivery that the bank offer and 9 corresponding items relating to their expectations of the quality of service in a specified bank contacted for this study. Part II of the questionnaire was designed to obtain demographic information about bank customers and employees and the questions focused on age, sex, educational qualifications, occupation, income, marital status, nature of bank where the customer transacts and frequency of transactions.

Pre-testing of the Questionnaire

The questionnaire has been pre-tested with the response obtained from 40 respondents (30 bank customers and 10 bank employees). Results of the reliability tests resulted in an overall Cronbach alpha value 0.703. The feedback of the respondents was useful in carrying out a few corrections/modifications in the dimensions included earlier in the questionnaire. The final questionnaire has been again subjected to reliability test and the same resulted in an improvement in the alpha value to 0.815, thus further confirming that the instrument is fully reliable and internally consistent.

Since the preliminary questionnaire has an overall Cronbach alpha value which is much higher than the bench mark (Cronbach alpha > 0.70 as suggested by Nunnally (1978), the dimensions included in the scale are considered reliable and internally consistent thus paving the way for designing the final questionnaire.

The final questionnaire has been prepared and distributed to the selected bank customers and employees in the selected region under study. The researcher personally visited the bank premises and distributed them with a request to return the filled-in questionnaire on the same day. In other cases the researcher personally visited the residences of bank customers; initial visit was followed up and the questionnaires were collected in a phased manner.

Demographic Analysis

Demographic Profile of the Customers

The table 1 reveals that out of the total sample of respondents 52.67 percent are from public sector banks. The private sector banks have 179 numbers of respondents and the foreign banks which had 69 respondents which represents 34.16 percent & 13.17 percent of total respondents respectively. This reflects that the public sector banks have the highest number of respondents followed by private and foreign banks.

Demographic profile of the Employees

The table 2 reveals that out of 105 numbers of employees 44 respondents are from private sector banks which are 42 percent of the total respondents followed by public sector banks which are accounted for 40 percent. And the foreign banks employees' respondents accounted for only 18 percent.

III. Results & Discussion

The research findings of service delivery (Human element of service delivery & systemization element of service delivery). Expectations and perceptions are measured on a seven point scale starting from strongly disagree to strongly agree. Mean difference between customers' expectations and perceptions are calculated separately for all the banks under study.

Dimension-wise analysis of service delivery perceptions of bank customers

Systemization elements of service delivery

The data from the table 3 reveals that public sector banks ranked one with the highest service delivery perception score (5.22) followed by foreign (4.77) and private sector banks (3.49). In comparison to foreign and private sector banks in the elements of service delivery customers' perceived that public banks are doing well.

Human elements of service delivery

The table 3 reflects that public sector banks are perceived better by their customers with the highest score (5.15) followed by foreign (4.64) and private sector banks (3.52). Particularly, in this element of service delivery the customer of private banks are not perceived lower than foreign banks in terms of 'feeling of safe, secure, satisfied and delighted, apprised about the nature and schedule of service available in the bank, feedback used to improve service standards of the bank, individual attention to the customers and practice of recognizing regular customers'.

Dimension-wise analysis of service delivery perceptions of Bank employees

Systemization elements of service delivery

As per the data in the table 3, foreign banks have the highest score (5.16) followed by public (3.9) and private sector banks (3.88). Somewhat the employees of both the private and public sector banks perceived relatively same in this element of service delivery.

Human elements of service delivery

The table 3 clears that as per employees' perceptions foreign banks are having the highest score (5.15) followed by private (4.02) and public sector banks (3.92) on this element of service delivery. It implies public sector banks have the lowest score as perceived by their employees.

Dimension-wise analysis of service delivery expectations of bank customers

Systemization elements of service delivery

It is clear from the table 4 that public sector banks score the highest (6.92) followed by foreign (6.68) and private sector banks (6.15). Private sector banks score relatively low in 'adequate and necessary employees are available for good customer care and adequate & necessary facilities are available for good customer care' than other elements of service delivery. And foreign sector banks score relatively low in 'adequate & necessary facilities are available for good customer care and highly simplified service delivery processes than other elements of this dimension.

Human elements of service delivery

The table 4 shows that public sector banks have the highest score (6.85) followed by foreign sector banks (6.68) & private sector banks (6.43). The private sector banks have relatively low score in 'safety & security of the customers and caring & individual attention to customers by having the customers' interest at heart' than other elements of this dimension. Similarly, the foreign banks have relatively low score in 'customers' feedback is used to improve service standards of the bank & practice of recognizing regular customers' than other elements of this dimension.

Dimension-wise analysis of service delivery expectations of bank employees

Systemization elements of service delivery

It is clear from the table 4 that public sector banks score the highest (6.91) followed by foreign (6.68) and private sector banks (6.03). Private sector banks score relatively low in 'adequate & necessary facilities are available for

good customer care & technological enhancement to serve customers more effectively' than other elements of this dimension of service delivery. Foreign sector banks also score relatively low in 'adequate & necessary facilities are available for good customer care' than other elements of this dimension.

Human elements of service delivery

The table 4 shows that public sector banks have the highest score (6.85) followed by foreign sector banks (6.76) & private sector banks (6.39). The private sector banks have relatively low score in 'safety and security of the customers and caring & individual attention to customers by having the customers' best interests at heart' than other elements of this dimension. Similarly, the foreign banks have relatively low score in 'customers apprised about the nature and schedule of services available in the bank' than other elements of this dimension of service delivery.

Service delivery gap score of banks averaged on all dimensions-Customers

Systemization elements of service delivery

It is evident from the table 5 that service delivery gap scores of public sector banks (-1.70) followed by foreign (-1.91) and private sector banks (-2.66). Which indicate that comparatively public sector banks have the lowest gap score than foreign and private sector banks under study. Element-wise analysis of systemization service delivery reveals that private sector banks have relatively high gap score in almost all the element of this dimension of service delivery like adequate & necessary employees availability for good customer care, facilities availability for good customer care, technological enhancement capability to serve customers more effectively and highly simplified service delivery process. Similarly, foreign sector banks have relatively high gap score in adequate & necessary employees availability for good customer care and technological enhancement capability to serve customers more effectively.

Human elements of service delivery

The scores in the table 5 clearly point towards the fact that public sector banks have the service delivery gap score (-1.7) followed by foreign (-2.04) and private sector banks (-2.91). Which reflects that public sector banks have the lowest gap score than foreign and private sector banks. In foreign banks they have relatively high score in apprised about the nature & schedule of services available in the bank, customers feedback is used to improve service standards of the bank and caring and individual attention

to customers by having the customers' best interests at heart. Similarly in private sector banks under study have relatively low score in almost all the elements of this dimension of service delivery but with the highest in customers feedback is used to improve service standards of the bank (-3.03).

Service delivery gap score of banks averaged on all dimensions-Employees

Systemization elements of service delivery

The table 5 reveals that the gap score of foreign banks (-1.52) followed by private (-2.15) and public sector banks (-3.01). In private sector banks the service delivery gap score is relatively high on 'adequate & necessary employees available for good customer care (-2.5), facilities available for good customer care (-2.11) and highly simplified service delivery process (-2.02) than 'technological enhancement capability to serve customers more effectively' (-1.97). Similarly, in public sector banks the score is relatively high on 'adequate & necessary facilities available for good customer care and highly simplified service delivery process' than other elements of this dimension.

Human elements of service delivery

The data in the table 5 shows that foreign banks (-1.61) followed by private (-2.37) and public sector banks (-2.92). It indicates that the service delivery gap between private and public sector banks are higher than foreign banks. The private sector banks service delivery gap score is relatively high on 'apprised about the nature & schedule of services available in the bank, customers feedback is used to improve service standards of the bank and caring and individual attention to customers by having the customers' best interests at heart'. The public sector banks service delivery gap score is relatively high on 'caring & individual attention to customers by having the customers' best interests at heart and the practice of recognizing regular customers'.

IV. Findings

The outcome of the study shows that banks can assess dimensions of service quality to determine the level of services provided and to decide which dimensions need improvement. In order to develop service quality, it is necessary to contact employees frequently and evaluate their service experiences. With the awareness of the service quality dimensions, the banks can judge how well the employee performed on each dimension and management could identify the weaknesses in order to make

improvements. By identifying strengths and weaknesses pertaining to the dimensions of service quality, banks can better allocate resources to provide enhanced service. Assessing service quality and better knowledge of how various dimensions affect the overall service quality would enable banks to competently devise the service delivery process. Hence, efforts of the banks should be not only to equationalize the customers' expectations with what the bank offer but efforts have to be made to ensure that banks provide that level of quality service which exceeds the perceived expectations of customers and thus creates a 'wow' syndrome among all visiting customers.

The major findings of the present research are as follows:

- ◆ Private (7.01) and foreign banks (9.41) fall much below the perceptions of their respective customers on service delivery dimensions than public sector banks (10.37).
- ◆ As far as customers' expectations of service delivery are concerned private (12.58) & foreign banks (13.36) also fall below public sector banks (13.77). Thus, Public sector banks, in particular, are exceeding the perceptions & expectations of their customers on service delivery dimensions.
- ◆ But the public (7.82) and private sector banks (7.9) fall below the perceptions of their respective employees than foreign banks (10.31) on service delivery dimension.
- ◆ Similarly, private (12.42) & foreign sector banks (13.44) fall below the expectations of their respective employees & public banks (13.75) exceed the expectations of employees on the service delivery dimensions.
- ◆ Banks should make investment in research in order to understand customers' needs and expectations at all stages in the service delivery process so as to determine the key components of service quality.

V. Suggestions

- ◆ The foreign sector banks should invest an adequate amount on both the human & systemization elements of service delivery.
- ◆ Employees' perceived service delivery is influencing by 'Human element of service delivery' as the most important dimension. Hence, the banks should invest on this dimension of service delivery.
- ◆ Systemization element of service delivery' as the best predictor of customers' expected service delivery. Thus, the banks should focus more on this dimension of service

delivery.

- ◆ Customers' perceived service delivery is influenced by 'Human element of service delivery' as the most important dimension. Hence, the banks should invest on this dimension of service delivery.
- ◆ As 'Systemization element of service delivery' is the best predictor of employees' expectations of service delivery. Hence, for this the banks have to invest more on this dimension of service delivery.

VI. Conclusion

The study was carried out in Odisha state; therefore, the results obtained may not be generalizable to the country as a whole. Although the theme of the instruments (to measure service delivery) is generic to the service sector as a whole, they have been so designed to specifically address the issues of the banking industry. Further research can be done to find the variation in service delivery due to demographic variations.

The growth trail of Indian economy is also reflected in the banking sector, as it is the mirror of a country's economy. The banks have been keeping pace with the growing and maturing market economy since the initiation of reforms in 1992. The increased competition among banks, due to reforms has on one hand led to the strengthening of prudential norms and technological input to ensure better growth opportunities and on the other, an improved service offer to the customers. The service delivery concept therefore holds relevance in the banking sector. Banks in Odisha have implemented many strategies to move ahead of competitors in terms of service delivery. The corporates are also focusing on service delivery as a tool for enhancing service quality. The study provides insight for the managements to understand the customer's needs further.

The management of the banks should pay attention to potential failure points and be responsive to customer problems. Last but not the least, the management of the banks should put its sincere efforts to match the expected service delivery to the offered service delivery so that commitment and loyalty of the customers can be achieved.

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Table 1: Sample Classification of Customers

No	Banks	No. of respondents	Percentage
1	Public banks	276	52.67
2	Private banks	179	34.16
3	Foreign banks	69	13.17
4	Total	524	100.0

Source: Primary data

Table 2: Sample Classification of Employees

No	Banks	No. of respondents	Percentage
1	Public banks	42	40
2	Private banks	44	42
3	Foreign banks	19	18
4	Total	105	100.0

Source: Primary data

Table 3: Service Delivery Perceptions

Elements of Service quality Dimension	Group	Banks		
		Public Sector	Private Sector	Foreign Sector
Systemization element of service delivery	BE	3.9	3.88	5.16
	BC	5.22	3.49	4.77
Human element of service delivery	BE	3.92	4.02	5.15
	BC	5.15	3.52	4.64
Total	BE	7.82	7.9	10.31
	BC	10.37	7.01	9.41
Rank	BE	3	2	1
	BC	1	3	2

BE: Bank Employees BC: Bank Customers

Source: Primary data

Table 4: Service Delivery Expectations

Elements of Service quality Dimension	Group	Banks		
		Public Sector	Private Sector	Foreign Sector
Systemization element of service delivery	BE	6.91	6.03	6.68
	BC	6.92	6.15	6.68
Human element of service delivery	BE	6.85	6.39	6.76
	BC	6.85	6.43	6.68
Total	BE	13.75	12.42	13.44
	BC	13.77	12.58	13.36
Rank	BE	1	3	2
	BC	1	3	2

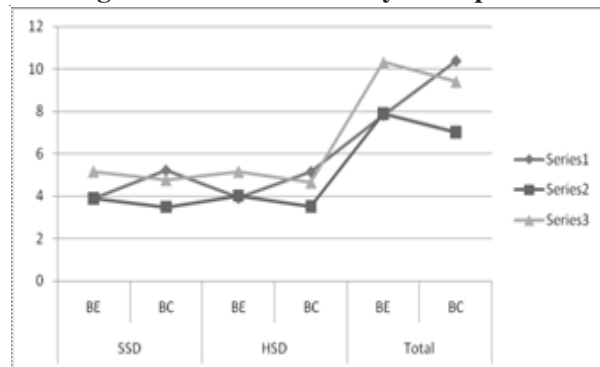
Source: Primary data

Table 5: Service Delivery Gap

Elements of Service quality Dimension	Group	Banks		
		Public Sector	Private Sector	Foreign Sector
Systemization element of service delivery	BE	-3.01	-2.15	-1.52
	BC	-1.7	-2.66	-1.91
Human element of service delivery	BE	-2.99	-2.37	-1.61
	BC	-1.7	-2.91	-2.04
Total	BE	-5.93	-4.52	-3.13
	BC	-3.4	-5.57	-3.95
Rank	BE	3	2	1
	BC	1	3	2

Source: Primary data

Figure 1: Service Delivery Perceptions



BE-Bank Employees

BC-Bank Customers

Series 1-Public sector banks

Series 2-Private sector banks

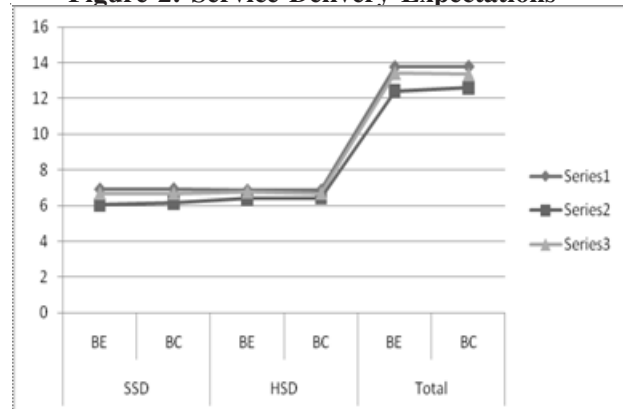
Series 3-Foreign sector banks

SSD-Systemization element of service delivery

HSD-Human element of service delivery

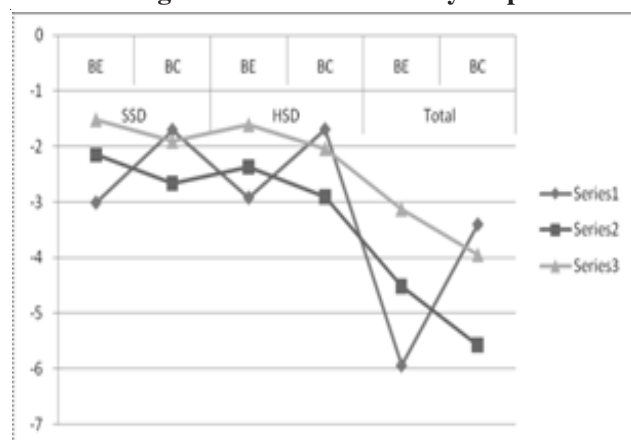
Source: Primary data

Figure 2: Service Delivery Expectations



Source: Primary data

Figure 3: Service Delivery Gap



Source: Primary data

QUALITATIVE CHARACTERISTICS OF FINANCIAL REPORTING INFORMATION SYSTEM: AN OVERVIEW

Davood Khodadady★ M.Kumaraswamy★★

The objectives of financial reporting are concerned, in varying degree, with decision-making made by various users. However, there is a need to know what makes financial information useful for decision-making, i.e., what qualities or qualitative characteristics are needed to make the information useful and to help in achieving the purposes of financial reporting. Informational qualities or qualitative characteristics make information reported through financial reporting a desirable commodity and guide the selection of preferred accounting methods and policies from among available alternatives. It is those qualities that distinguish more useful accounting information from less useful information.

The objective of general purpose financial reporting is to provide financial information about the reporting entity that is useful to present and potential equity investors, lenders, and other creditors in making decisions in their capacity as capital providers. Qualitative characteristics are the attributes that make financial information useful. They can be distinguished as fundamental or enhancing characteristics, depending on how they affect the usefulness of the information. Regardless of its classification, each qualitative characteristic contributes to the usefulness of financial reporting information. However, providing useful financial information is limited by two pervasive constraints on financial reporting—materiality and cost (IASB, 2008; QC1).

Qualitative characteristics of Financial Reporting Information;

Qualitative characteristics identify the types of information that are likely to be most useful to the existing and potential investors, lenders and other creditors for making decisions about the reporting entity on the basis of information in its financial report (financial information). If financial information is to be useful, it must be relevant (ie must have predictive value and confirmatory value, based on the nature or magnitude, or both, of the item to which the information relates in the context of an individual entity's financial report) and faithfully represents what it purports to represent (i.e. information must be complete, neutral and free from error). The usefulness of financial information is enhanced if it is comparable, verifiable, timely and

understandable. If financial information is to be useful, it must be relevant and faithfully represents what it purports to represent. The usefulness of financial information is enhanced if it is comparable, verifiable, timely and understandable. (FRS, 2010; QC4).Flow Chart 1 shows the hierarchy of qualitative characteristics of financial reporting information.

Fundamental Qualitative Characteristics of Financial Reporting Information;

Economic phenomena are economic resources, claims on those resources, and the transactions and other events and circumstances that change them. Financial reporting information depicts economic phenomena (that exist or have already occurred) in words and numbers in financial reports. For financial information to be useful, it must possess two fundamental qualitative characteristics—relevance and faithful representation. (IASB, 2008; QC2)

Fundamental Qualitative Characteristic – Relevance;

Relevance is one of the two fundamental qualitative characteristics of financial reporting information. Flow Chart 2 shows the Relevance and related ingredients of this fundamental quality.

To be useful in making investment, credit, and similar resource allocation decisions, information must be relevant to those decisions. Relevant information is capable of making a difference in the decisions of users by helping them to evaluate the potential effects of past, present, or future transactions or other events on future cash flows (predictive value) or to confirm or correct their previous evaluations (confirmatory value) (FASB,2006; QC8).

Information is relevant if it is capable of making a difference in the decisions made by users in their capacity as capital providers. Information about an economic phenomenon is capable of making a difference when it has predictive value, confirmatory value or both. Whether information about an

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economic phenomenon is capable of making a difference is not dependent on whether the information has actually made a difference in the past or will definitely make a difference in the future. Information may be capable of making a difference in a decision and thus be relevant even if some users choose not to take advantage of it or are already aware of it. (IASB, 2008; QC3)

Predictive value

Conceptual framework for financial reporting (FASB, 2006; QC10) indicated that an item of financial reporting information has predictive value means that it has value as an input to a predictive process. It does not mean that the information itself is a prediction or forecast. Investors, creditors, and others often use information about the past to help in forming their own expectations about the future. Without knowledge of the past, users generally will have no basis for a prediction. For example, information about past or current financial position and performance, generally considered in conjunction with other information, is often used in predicting future financial position and performance and other matters, such as future dividend, interest, or wage payments and the entity's ability to meet its commitments as they become due.

Although, the conceptual framework for financial reporting (IASB, 2008; QC4) showed that information about an economic phenomenon has predictive value if it has value as an input to predictive processes used by capital providers to form their own expectations about the future. Information itself need not be predictable to have predictive value. Some highly predictable information may not have any predictive value for a particular purpose. For example, straight-line depreciation of plant and equipment may be highly predictable from year to year but may not be very helpful in assessing an entity's ability to generate net cash inflows. Also, information about an economic phenomenon need not be in the form of an explicit forecast to have predictive value; it needs only to be a useful input to predictive processes of use to capital providers.

In this regard, conceptual framework for financial reporting (FRS, 2010; QC8) made clear that financial information has predictive value if it can be used as an input to processes employed by users to predict future outcomes. Financial information need not be a prediction or forecast to have predictive value. Financial information with predictive value is employed by users in making their own predictions.

Confirmatory value

Information that has confirmatory value may confirm past (or present) expectations based on previous evaluations or

it may change (correct) them. Information that confirms past expectations decrease the uncertainty (increases the likelihood) that the results will be as previously expected, If the information changes expectations, it changes the perceived probabilities of the range of possible outcomes or their amounts. In other words, the information changes the degree of confidence in past expectations. Either way, it is capable of making a difference in users' decisions (FASB, 2006; QC13).

In this respect, (IASB, 2008; QC5) explained that information about an economic phenomenon has confirmatory value if it confirms or changes past (or present) expectations based on previous evaluations. Information that confirms past expectations increases the likelihood that the outcomes or results will be as previously expected. If the information changes expectations, it also changes the perceived probabilities of the range of possible outcomes. Although it also, (FRS, 2010; QC9) says that financial information has confirmatory value if it provides feedback about (confirms or changes) previous evaluations.

The predictive and confirmatory roles of information are interrelated; information that has predictive value usually also has confirmatory value. For example, information about the current level and structure of assets and liabilities helps users to predict an entity's ability to take advantage of opportunities and to react to adverse situations. The same information helps to confirm or correct users' past predictions about that ability (FASB, 2006; QC 14).

Although it also, (IASB, 2008; QC6) proved that the predictive and confirmatory roles of information are interrelated, information that has predictive value usually also has confirmatory value. For example, information about the current level and structure of an entity's economic resources and claims helps users to predict an entity's ability to take advantage of opportunities and to react to adverse situations. The same information helps to confirm or correct users' past predictions about that ability.

In this respect, (FRS, 2010; QC10) indicated that the predictive value and confirmatory value of financial information are interrelated. Information that has predictive value often also has confirmatory value. For example, revenue information for the current year, which can be used as the basis for predicting revenues in future years, can also be compared with revenue predictions for the current year that was made in past years. The results of those comparisons can help a user to correct and improve the processes that were used to make those previous predictions.

Fundamental Qualitative Characteristic – Faithful Representation;

Faithful representation is one of the two fundamental qualitative characteristics of financial reporting information. Flow Chart 3 shows the Faithful Representation and related ingredients of this fundamental quality.

Financial reports represent economic phenomena in words and numbers. To be useful, financial information must not only represent relevant phenomena, but it must also faithfully represent the phenomena that it purports to represent. To be a perfectly faithful representation, a depiction would have three characteristics. It would be complete, neutral and free from error. Of course, perfection is seldom, if ever, achievable. The ASC's objective is to maximize those qualities to the extent possible (FRS, 2010; QC12).

A single economic phenomenon may be represented in multiple ways. For example, an estimate of the risk transferred in an insurance contract may be depicted qualitatively (e.g. a narrative description of the nature of possible losses) or quantitatively (e.g. an expected loss).

Additionally, a single depiction in financial reports may represent multiple economic phenomena. For example, the presentation of the item called plant and equipment in a financial statement may represent an aggregate of all of an entity's plant and equipment (IASB, 2008; QC8).

Although it also, (IASB, 2008; QC7) pointed out that it is useful in financial reporting, information must be a faithful representation of the economic phenomena that it purports to represent. Faithful representation is attained when the depiction of an economic phenomenon is complete, neutral, and free from material error. Financial information that faithfully represents an economic phenomenon depicts the economic substance of the underlying transaction, event or circumstances, which is not always the same as its legal form.

Completeness

Completeness means including in financial reporting all information that is necessary for faithful representation of the economic phenomena that the information purports to represent. Therefore, completeness, within the bounds of what is material and feasible, considering the cost, is an essential component of faithful representation. The importance of completeness is clear in the context of a line item on a financial statement. For example, to omit some revenues during the period from the item revenues on a statement of income (or profit or loss) would faithfully

represent neither that item nor subsequent subtotals and totals.

Completeness is also important in developing estimates of economic phenomena, such as in estimating fair value using a valuation technique. For example, estimating the fair value of a financial instrument using a pricing model must take into account all of the economic factors that are valid inputs to the model used. Thus, to omit dividends expected to be paid on the underlying shares over the term of a call or put option on those shares would not faithfully represent the fair value of the option (FASB, 2006; QC 32.33).

In this respect, (FRS, 2010; QC13) suggested that a complete depiction includes all information necessary for a user to understand the phenomenon being depicted, including all necessary descriptions and explanations. For example, a complete depiction of a group of assets would include, at a minimum, a description of the nature of the assets in the group, a numerical depiction of all of the assets in the group, and a description of what the numerical depiction represents (for example, original cost, adjusted cost or fair value). For some items, a complete depiction may also entail explanations of significant facts about the quality and nature of the items, factors and circumstances that might affect their quality and nature, and the process used to determine the numerical depiction.

In this regard, conceptual framework for financial reporting (IASB, 2008; QC9) to say that a depiction of an economic phenomenon is complete if it includes all information that is necessary for faithful representation of the economic phenomena that it purports to represent. An omission can cause information to be false or misleading and thus not helpful to the users of financial reports.

Neutral

Neutrality is the absence of bias intended to attain a predetermined result or to induce a particular behavior. Neutrality is an essential aspect of faithful representation because biased financial reporting information cannot faithfully represent economic phenomena. Neutrality is incompatible with conservatism, which implies a bias in financial reporting information. Neutral information does not color the image it communicates to influence behavior in a particular direction. For example, automobiles might be produced with speedometers that indicate a higher speed than the automobile actually is traveling at to influence drivers to obey the speed limit. But those "conservative" speedometers would be unacceptable to drivers who expect them to faithfully represent the speed of the automobile. Conservative or otherwise biased financial reporting

information is equally unacceptable (FASB, 2006; QC27, 28).

Respective by (FRS, 2010; QC14) explained that a neutral depiction is without bias in the selection or presentation of financial information. A neutral depiction is not slanted, weighted, emphasized, de-emphasized or otherwise manipulated to increase the probability that financial information will be received favorably or unfavorably by users. Neutral information does not mean information with no purpose or no influence on behavior. On the contrary, relevant financial information is, by definition, capable of making a difference in users' decisions.

Although it also, (IASB, 2008; QC10) evidenced that neutrality is the absence of bias intended to attain a predetermined result or to induce a particular behavior. Neutral information is free from bias so that it faithfully represents the economic phenomena that it purports to represent. Neutral information does not color the image it communicates to influence behavior in a particular direction.

Financial reports are not neutral if, by the selection or presentation of financial information, they influence the making of a decision or judgment in order to achieve a predetermined result or outcome. However, to say that financial reporting information should be neutral does not mean that it should be without purpose or that it should not influence behavior. On the contrary, relevant financial reporting information is, by definition, capable of influencing users' decisions.

Freedom from error

Faithful representation does not imply total freedom from error in the depiction of an economic phenomenon because the economic phenomena presented in financial reports are generally measured under conditions of uncertainty. Therefore, most financial reporting measures involve estimates of various types that incorporate management's judgment.

To represent an economic phenomenon faithfully, an estimate must be based on the appropriate inputs, and each input must reflect the best available information. Completeness and neutrality of estimates (and inputs to estimates) are desirable; however, some minimum level of accuracy is also necessary for an estimate to be a faithful representation of an economic phenomenon. For a representation to imply a degree of completeness, neutrality or freedom from error that is impracticable would diminish the extent to which the information faithfully represents

the economic phenomena that it purports to represent. Thus, to attain a faithful representation, it may sometimes be necessary to disclose explicitly the degree of uncertainty in the reported financial information (IASB, 2008; QC11).

Faithful representation does not mean accurate in all respects. Free from error means there are no errors or omissions in the description of the phenomenon, and the process used to produce the reported information has been selected and applied with no errors in the process. In this context, free from error does not mean perfectly accurate in all respects. For example, an estimate of an unobservable price or value cannot be determined to be accurate or inaccurate.

However, a representation of that estimate can be faithful if the amount is described clearly and accurately as being an estimate, the nature and limitations of the estimating process are explained, and no errors have been made in selecting and applying an appropriate process for developing the estimate (FRS, 2010; QC15).

Enhancing qualitative characteristics;

Enhancing qualitative characteristics are complementary to the fundamental qualitative characteristics. Enhancing qualitative characteristics distinguish more useful information from less useful information. The enhancing qualitative characteristics are comparability, verifiability, timeliness and understandability. These characteristics enhance the decision-usefulness of financial reporting information that is relevant and faithfully represented (IASB, 2008; QC15). Flow chart 4 shows the Enhancing qualitative characteristics and related ingredients of these Enhancing characteristics.

Enhancing qualitative characteristics – Comparability;

Comparability is the quality of information that enables users to identify similarities in and differences between two sets of economic phenomena. Consistency refers to the use of the same accounting policies and procedures, either from period to period within an entity or in a single period across entities. Comparability is the goal; consistency is a means to an end that helps in achieving that goal.

The essence of decision making is choosing between alternatives. Thus, information about an entity is more useful if it can be compared with similar information about other entities and with similar information about the same entity for some other period or some other point in time. Comparability is not a quality of an individual item of information, but rather a quality of the relationship between two or more items of information.

Comparability should not be confused with uniformity. For information to be comparable, like things must look alike and different things must look different. An overemphasis on uniformity may reduce comparability by making unlike things look alike. Comparability of financial reporting information is not enhanced by making unlike things look alike any more than it is by making like things look different.

Some degree of comparability should be attained by maximizing the fundamental qualitative characteristics. That is to say, a faithful representation of a relevant economic phenomenon should naturally possess some degree of comparability to a faithful representation of a similar relevant economic phenomenon by another entity. Although a single economic phenomenon can be faithfully represented in multiple ways, permitting alternative accounting methods for the same economic phenomenon diminishes comparability and, therefore, may be undesirable (IASB, 2008; QC16-19).

Conceptual framework for financial reporting (FASB, 2006; QC35-36) revealed that comparability, including consistency, enhances the usefulness of financial reporting information in making investment, credit, and similar resource allocation decisions. Comparability is the quality of information that enables users to identify similarities in and differences between two sets of economic phenomena. Consistency refers to use of the same accounting policies and procedures, either from period to period within an entity or in a single period across entities. Comparability is the goal; consistency is a means to an end that helps in achieving that goal.

The essence of investment, credit, and similar resource allocation decisions is choosing between alternatives, such as whether to buy shares in Entity A or in Entity B. Thus, information about an entity gains greatly in usefulness if it can be compared with similar information about other entities and with similar information about the same entity for some other period or some other point in time. Comparability is not a quality of an individual item of information, but rather a quality of the relationship between two or more items of information.

In this respect, (FRS, 2010; QC20-25) represented that, users' decisions involve choosing between alternatives, for example, selling or holding an investment, or investing in one reporting entity or another. Consequently, information about a reporting entity is more useful if it can be compared with similar information about other entities and with similar information about the same entity for another period or another date.

Comparability is the qualitative characteristic that enables users to identify and understand similarities in, and differences among, items. Unlike the other qualitative characteristics, comparability does not relate to a single item. A comparison requires at least two items.

Consistency, although related to comparability, is not the same. Consistency refers to the use of the same methods for the same items, either from period to period within a reporting entity or in a single period across entities. Comparability is the goal; consistency helps to achieve that goal.

Comparability is not uniformity. For information to be comparable, like things must look alike and different things must look different. Comparability of financial information is not enhanced by making unlike things look alike any more than it is enhanced by making like things look different.

Some degree of comparability is likely to be attained by satisfying the fundamental qualitative characteristics. A faithful representation of a relevant economic phenomenon should naturally possess some degree of comparability with a faithful representation of a similar relevant economic phenomenon by another reporting entity.

Although a single economic phenomenon can be faithfully represented in multiple ways, permitting alternative accounting methods for the same economic phenomenon diminishes comparability.

Enhancing qualitative characteristics – Verifiability;

Verifiability is a quality of information that helps assure users that information faithfully represents the economic phenomena that it purports to represent. Verifiability implies that different knowledgeable and independent observers could reach general consensus, although not necessarily complete agreement, that either: (a) the information represents the economic phenomena that it purports to represent without material error or bias; or (b) an appropriate recognition or measurement method has been applied without material error or bias. To be verifiable, information need not be a single point estimate. A range of possible amounts and the related probabilities can also be verified.

Verification may be direct or indirect. With direct verification, an amount or other representation itself is verified, such as by counting cash or observing marketable securities and their quoted prices. With indirect verification, the amount or other representation is verified by checking the inputs and recalculating the outputs using the same

accounting convention or methodology. An example is verifying the carrying amount of inventory by checking the inputs (quantities and costs) and recalculating the ending inventory using the same cost flow assumption (e.g. average cost or first-in, first-out) (IASB, 2008; QC20-21).

Enhancing qualitative characteristics – Timeliness;

Timeliness means having information available to decision makers before it loses its capacity to influence decisions. Having relevant information available sooner can enhance its capacity to influence decisions, and a lack of timeliness can rob information of its potential usefulness. Some information may continue to be timely long after the end of a reporting period because some users may continue to consider it when making decisions. For example, users may need to assess trends in various items of financial reporting information in making investment or credit decisions (IASB, 2008; QC22).

Enhancing qualitative characteristics – Understandability;

Understandability is the quality of information that enables users who have a reasonable knowledge of business and economic activities and financial reporting, and who study the information with reasonable diligence, to comprehend its meaning. Relevant information should not be excluded solely because it may be too complex or difficult for some users to understand. Understandability is enhanced when information is classified, characterized, and presented clearly and concisely. Comparability also enhances understandability.

Information cannot influence a particular user's decision unless it is presented in a manner that the user can understand. However, information may be relevant to a situation even though some people who confront the situation cannot understand it—at least not without help. For example, a traveler in a foreign country may have trouble ordering from a menu printed in an unfamiliar language. The listing of items on the menu is relevant to the decision, but the traveler may not be able to use that information unless it is translated into a language that the traveler understands. Thus, information may not be useful to a particular user even though it is relevant to the situation the user faces.

Similar situations arise frequently in financial reporting. For example, investors or creditors unfamiliar with actions an entity might take to hedge its exposure to financial risks might have difficulty understanding a note to the financial statements that explains its hedging activities and how those

activities are reflected in its financial report. That information, however, is relevant to decisions about the entity and should be understandable to users who have a reasonable knowledge of hedging activities and who read and consider the information with reasonable diligence (FASB, 2006; QC39-41).

Although it also, (IASB, 2008; QC23, 24) signified that the Understandability is the quality of information that enables users to comprehend its meaning. Understandability is enhanced when information is classified, characterized and presented clearly and concisely. Comparability can also enhance understandability.

Although presenting information clearly and concisely helps users to comprehend it, the actual comprehension or understanding of financial information depends largely on the users of the financial report. Users of financial reports are assumed to have a reasonable knowledge of business and economic activities and to be able to read a financial report. In making decisions, users also should review and analyze the information with reasonable diligence.

However, when underlying economic phenomena are particularly complex, fewer users may understand the financial information depicting those phenomena. In those cases, some users may need to seek the aid of an adviser. Information that is relevant and faithfully represented should not be excluded from financial reports solely because it may be too complex or difficult for some users to understand without assistance.

In this regard, conceptual framework for financial reporting (FRS, 2010; QC30-32) to say that classifying, characterizing and presenting information clearly and concisely makes it understandable. Some phenomena are inherently complex and cannot be made easy to understand. Excluding information about those phenomena from financial reports might make the information in those financial reports easier to understand.

However, those reports would be incomplete and therefore potentially misleading. Financial reports are prepared for users who have a reasonable knowledge of business and economic activities and who review and analyze the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena.

Constraints on Financial Reporting

In addition to the qualitative characteristics of relevance, faithful representation, comparability, and understandability,

decision-useful financial reporting is subject to two pervasive constraints: materiality and benefits that justify costs. The two constraints are linked because each concerns why some information is included in financial reports and other information, or the same type of information in different circumstances, is not (FASB, 2006; QC48). Flow Chart 5 shows the Constraints on Financial Reporting and related ingredients of these Constraints.

Constraints on Financial Reporting - Materiality

Information is material if its omission or misstatement could influence the decisions that users make on the basis of an entity's financial information. Because materiality depends on the nature and amount of the item judged in the particular circumstances of its omission or misstatement, it is not possible to specify a uniform quantitative threshold at which a particular type of information becomes material. When considering whether financial information is a faithful representation of what it purports to represent, it is important to take into account materiality because material omissions or misstatements will result in information that is incomplete, biased or not free from error. (IASB, 2008; QC28)

Constraints on Financial Reporting – Benefits and Cost

Although it also, conceptual framework for financial reporting (IASB, 2008; QC29-31) implied that, financial reporting imposes costs, the benefits of financial reporting should justify those costs. Assessing whether the benefits of providing information justify the related costs will usually be more qualitative than quantitative. In addition, the qualitative assessment of benefits and costs will often be incomplete.

The costs of providing information include costs of collecting and processing the information, costs of verifying it, and costs of disseminating it. Users incur the additional costs of analysis and interpretation. Omission of decision-useful information also imposes costs, including the costs that users incur to obtain or attempt to estimate needed information using incomplete data in the financial report or data available elsewhere. Preparers expend the majority of the effort towards providing financial information. However, capital providers ultimately bear the cost of those efforts in the form of reduced returns.

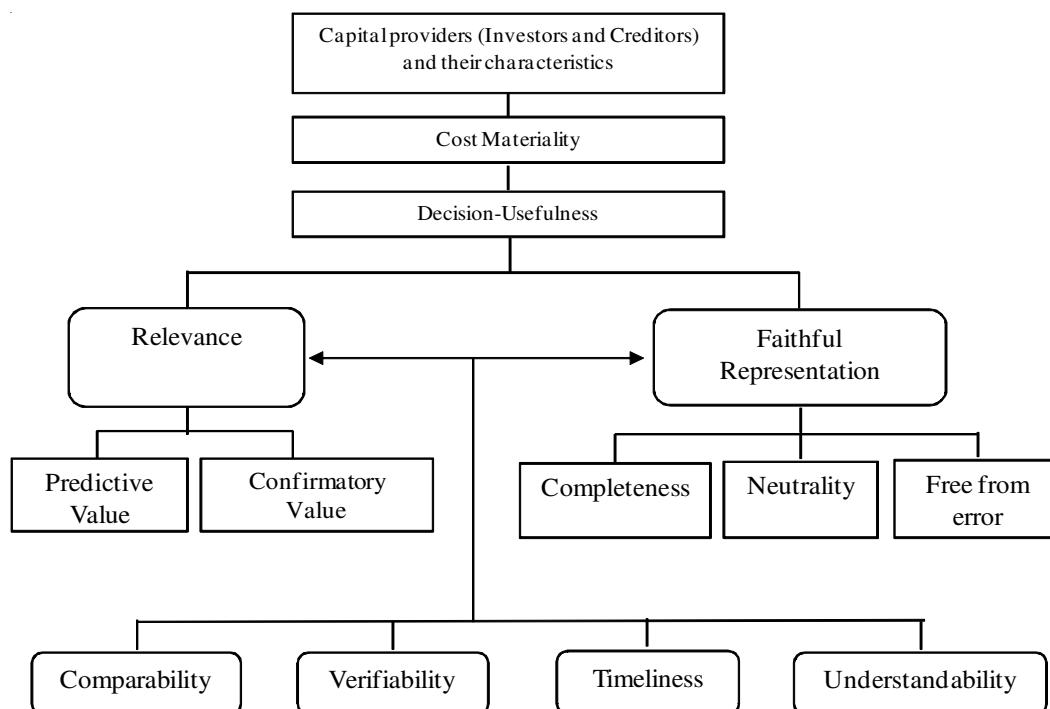
Financial reporting information helps capital providers make better decisions, which results in more efficient functioning of capital markets and a lower cost of capital for the economy as a whole. Individual entities also enjoy benefits, including improved access to capital markets, favorable

effect on public relations, and perhaps lower costs of capital. The benefits may also include better management decisions because financial information used internally is often based at least partly on information prepared for general purpose financial reporting purposes.

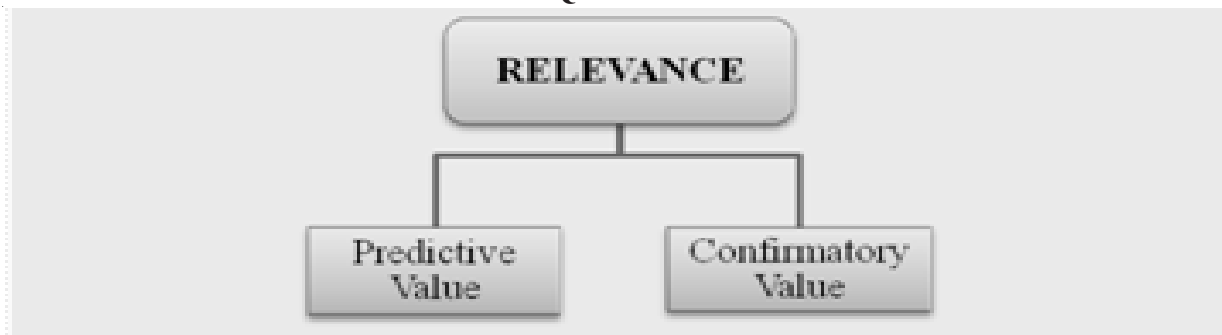
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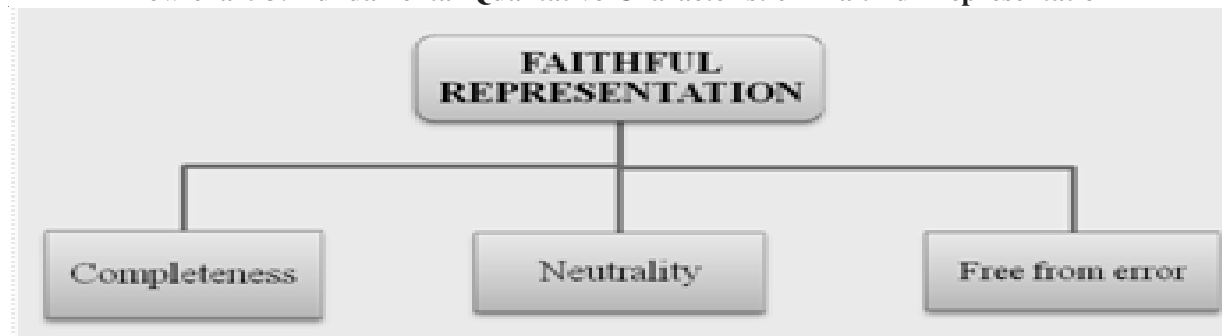
Flow Chart 1: Hierarchy of qualitative characteristics of financial reporting information



Flow chart 2: Fundamental Qualitative Characteristic – Relevance



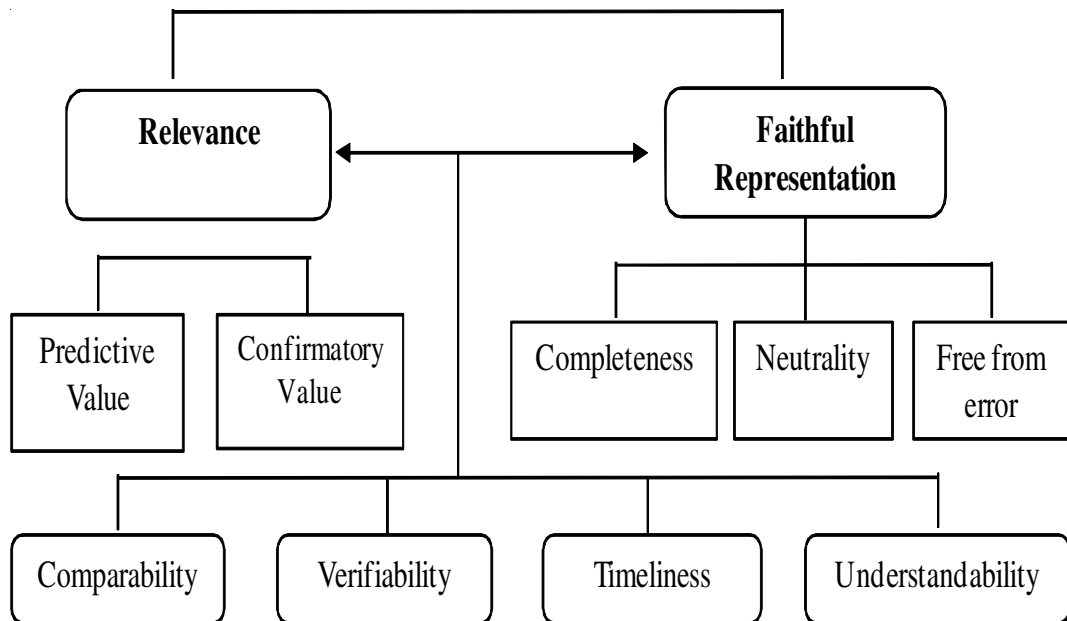
Flow chart 3: Fundamental Qualitative Characteristic – Faithful Representation



Flow chart 5: Constraints on Financial Reporting



Flow chart 4: Enhancing qualitative characteristics and related ingredients of these Enhancing characteristics



INDIAN COMMODITY FUTURES MARKETS: A SILENT REVOLUTION IN BUILDING UP THE ECONOMY

Devendra Malviya★

Commodity is a basic good used in commerce that is interchangeable with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. The quality of a given commodity may differ slightly, but it is essentially uniform across producers. When they are traded on an exchange, commodities must also meet specified minimum standards, also known as a basis grade. Commodity derivatives have achieved one of the fastest growth rates, probably the highest among any other developmental initiatives undertaken either in agricultural sector or in financial sector of a developing economy like India. But certainly this achievement is not just erecting a castle in air. Reasons are deep-rooted. Indian traders have century old experiences in trading commodity derivatives. Permitting commodity exchanges to set up an anonymous electronic trading platform accessible across the nation has given all the required mileage for commodity trading to scale new heights.

Compared to the 130 years old stock market, the commodity market is in its initial stage but not yet well developed. It is very much in consensus that by the advent of commodity derivatives trading, a silent revolution is building up in the economy. Though trading volumes in this new market is gradually catching up that in the stock market, yet commodity exchanges are facing challenges that need to be addressed now. There are certain set of challenges where commodity exchanges require regulatory amendments to make this market vibrant and some other set of challenges, where commodity exchanges have to take up the initiatives.

The beginning of the modern worldwide commodity derivative market can be traced to Chicago, which had emerged as an important agricultural commodity trading centre in the early 1800s. In 1848, the Chicago Board of Trade (CBOT) was founded as a commodity exchange. Commodity derivatives are not new in India too. In fact, It was set up in India in cotton in 1875 and oilseeds in 1900 at Bombay. Forward trading in raw jute and jute goods started at Calcutta in 1912. Forward markets in wheat had been functioning at Hapur since 1913, and in bullion at Bombay, since 1920. In 1919, the government of Bombay

passed Bombay Contract Control (War Provision) Act and set up the cotton contracts Board. With a view to restricting speculative activity in cotton market, the government of Bombay issued an ordinance in September 1939 prohibiting option business. Bombay options in cotton prohibition Act, 1939, later replaced the ordinance. In 1943, the defence of India Act was utilized on a large scale for the purpose of prohibiting forward trading in some commodities and regulating such trading in others on all India basis. In the same year oilseeds forward contract prohibition order was issued and forward contracts in oilseeds were banned. Similarly orders were issued banning forward trading in food-grains, spices, vegetable oils, sugar and cloth. These orders were retained with necessary modifications in the essential supplies temporary powers Act 1946, after the defence of India Act had lapsed. With a view to evolving the unified system of Bombay enacted the Bombay forward contract control Act, 1947.

After independence, the Forward Contracts (Regulation) Act was enacted in 1952 to regulate the trading in forward and future. The forward markets commission (FMC) which oversees forward trading was instituted as a regulatory body the following year. The Act applied to all contracts where the delivery of goods occurred after a period longer than 11 days. The task of the commission was to monitor and regulate the trading of forward contracts since manipulation in these market was likely to create severe imbalances with adverse welfare effects.

Nevertheless, India markets did not really blossom over the following four decades. Regulators viewed markets in general with suspicion and derivative market particularly as the terrain of unscrupulous speculation. Price control was a central feature of economic policy during much of this period. This overly regulated nature of the economy did not bode well for the development of these markets. In 1966, future trade was altogether banned to give effective powers to government price control.

A few select commodities saw a reintroduction of future

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in 1980 following the Khusro Committee report. But the real breakthrough came with the liberalization of the Indian economy in the early 1990s. In 1993, the Kabra Committee was appointed to look into forward markets. The committee recommended in 1994 that all futures banned in 1966 be reintroduced as well as many others added. Six years later, the National Agricultural Policy 2000 envisioned the removal of price controls in agricultural market and widespread use of futures contracts. However, the commodity futures market made the true restart in early 2000s with establishment of a number of nationwide multi commodity exchange.

Objectives: The objectives of the study are as follows:

- To analyse the trends of commodity market.
- To know the turnover in Commodity Futures Markets.
- To study the volume of trading and value of trade in various commodity exchange.

Classification

At present, there are 26 exchanges operating in India and carrying out futures trading activities in as many as 146 commodity items. As per the recommendation of the FMC, the Government of India recognized the National Multi Commodity Exchange (NMCE), Ahmadabad; Multi Commodity Exchange (MCX), National Commodity and Derivative Exchange (NCDEX), Mumbai and Indian Commodity Exchange (ICEX) as nation-wide multi-commodity exchanges. Commodities can be broadly classified as per Table 1.

Table 2 shows the list of exchange and commodities in which futures contracts are traded in India.

Suitability of a commodity for futures trading:-

Futures trading can be organized in those commodities/markets which display some special features. The concerned commodity should satisfy certain criteria as listed below:

- the commodity should be homogenous in nature, i.e., the concerned commodity should be capable of being classified into well identifiable varieties and the price of each variety should have some parity with the price of the other varieties;
- the commodity must be capable of being standardized into identifiable grades;
- supply and demand for the commodity should be large and there should be a large number of suppliers as well

as consumers;

- the commodity should flow naturally to the market without restraints either of government or of private agencies;
- there should be some degree of uncertainty either regarding the supply or the consumption or regarding both supply and consumption,
- the commodity should be capable of storage over a reasonable period of time.

Participants in the Commodity Futures Markets:

There are three broad categories of participants in the futures markets, namely, hedgers, speculators and arbitrageurs. Hedgers are those who have an underlying interest in the specific delivery or ready delivery contracts and are using futures market to insure themselves against adverse price fluctuations. Examples could be stockists, exporters, producers, etc. They require some people who are prepared to accept the counter-party position. Speculators are those who may not have an interest in the ready contracts, i.e., the underlying commodity, etc. but see an opportunity of price movement favourable to them. They are prepared to assume the risk which the hedgers are trying to transfer in the futures market. They provide depth and liquidity to the market. While some hedgers from demand and supply side may find matching transactions, they by themselves cannot provide sufficient liquidity and depth to the market. Hence, the speculators who are essentially expert market analysts take on the risk of the hedgers for future profits and thereby provide a useful economic function and are an integral part of the futures market. It would not be wrong to say that in the absence of speculators, the market will not be liquid and may at times collapse. Arbitrageurs are those who make simultaneous sale and purchase in two markets so as to take benefit of price imperfections. In the process they help, remove the price imperfections in different markets. For example, the arbitrageurs help in bringing the prices of contracts of different months in a commodity in alignment.

Trends of Commodity Market:

Indian commodity future market has increased many times over. The total value of trade in the commodity Futures market has risen substantially in the last few years. MCX recorded the highest turnover in terms of value of trade from 2006 to 2010 followed by NCDEX and NMCE. Total value trading in the commodity futures market rose from Rs 34,84,485 crore in 2006 to Rs. 36,54,487 crore during

2007 and similarly it has continuously increased to Rs.94,94,725 crore in 2010. The average daily value of trades in the commodity exchanges improved from Rs. 15,000 crore during 2007 to Rs. 18,500 crore in 2008 and to 23,200 crore in 2009. The growth could be attributed to larger participation in the market, increase in global commodity prices, the advent of new commodity exchange and the restoration of trade in some of the suspended agricultural commodities. Please see Table 3.

The Indian Commodity Futures Markets continued to grow, despite the suspension of futures trading in a few agricultural commodities. During the year, 113 commodities were regulated under the auspices of the recognized Exchanges. During 2010-11, 21 recognized exchanges were functioning. Out of the 113 commodities, regulated by the FMC, in terms of value of trade, Silver, Gold, Copper, Nickel, Zinc, Lead, Soy Oil, Guar seed, Chana, Pepper, and Jeera were the prominently traded commodities.

Table 4 indicates the commodity wise/group wise volume and value of trade in the commodity market during the year.

Exchange wise Commodities Trading:

Broadly, the commodities market exists in two distinct forms—the over-the-counter (OTC) market and the exchange based market. Further, as in equities, there exists the spot and the derivatives segments. Spot markets are essentially OTC markets and participation is restricted to people who are involved with that commodity, such as the farmer, processor, wholesaler, etc. A majority of the derivatives trading takes place through the exchange-based markets with standardized contracts, settlements, etc. The exchange-based markets are essentially derivative markets and are similar to equity derivatives in their working, that is, everything is standardized and a person can purchase a contract by paying only a percentage of the contract value. A person can also go short on these exchanges. Moreover, even though there is a provision for delivery, most contracts are squared-off before expiry and are settled in cash. As a result, one can see active participation by people who are not associated with the commodity.

(A) Multi Commodity Exchange of India, Mumbai (MCX)

During 2010-11, MCX accounted for 82.36% of the total value of trade in the commodity market. In actual terms, the total value of trade in the MCX was Rs.98.42 lakh crore. During the same year, 39 commodities were traded at the MCX platform amongst which predominant

commodities traded were Silver, Gold, Crude Oil, Copper, Nickel, Zinc and Lead. The total value of trade and percentage share of each of these predominantly traded commodities at MCX, Mumbai in 2010-11 is given in Table 5.

(B) The National Commodity & Derivatives Exchange Ltd., Mumbai (NCDEX)

During 2010-11, NCDEX, Mumbai accounted for 11.81% of the total value of trade in the commodity market. In actual terms the total value of trade in the NCDEX, Mumbai was Rs. 14.10 lakh crore. During the year, 34 commodities were traded at NCDEX, Mumbai. Amongst which prominent commodities traded during the year were Soya Oil, Guar Seed, Crude oil, Chana, Soyabean, Rape Seed/ Mustard Seed, and Pepper at NCDEX, Mumbai. The total value of trade and the percentage share of each of these commodities to the total value of trade at NCDEX, Mumbai is given in Table 6.

(C) National Multi-Commodity Exchange of India Limited, Ahmedabad (NMCE)

During 2010-11, NMCE, Ahmedabad accounted for 1.83% of the total value of trade in the commodity market. In actual terms, the total value of trade in the NMCE, Ahmedabad was Rs.21.84 lakh crore. During the year, 24 commodities were traded at NMCE, Ahmedabad. Amongst which prominent commodities traded during the year were Rubber, Sacking, Copper, Lead, and Aluminium. The total value of trade and the percentage share of each of these commodities to the total value of trade at NMCE, Ahmedabad is given in Table 7.

(D) Indian Commodity Exchange Ltd. (ICEX), Gurgaon

During 2010-11, ICEX accounted for 3.16 % of the total value of trade in the commodity market. In actual terms the total value of trade in the ICEX, was Rs.37.77 lakh crore. During the year commodities were traded at ICEX. Amongst which prominent commodities traded during the year were Gold, Silver, Crude Oil and Copper cathod. The total value of trade and the percentage share of each of these commodities to the total value of trade at ICEX are given in Table 8.

(E) National Board of Trade (NBOT), Indore

The NBOT, Indore accounted for 0.43% of the total value of trade during the year 2010-11. In actual terms the total value of trade in NBOT, Indore was Rs.51662.06 crore. During the year, Soya bean, Soy oil and Mustard seed were traded at NBOT, Indore. Of these, Soya oil contributed

99% to the total value of trade. Please see Table 9.

(F) ACE Commodities And Derivatives Exchanges

ACE Derivatives and Commodities Exchanges Ltd. which was newly granted recognition was first permitted to trade in Mustard Seed, Refined Soya Oil, Castor Seed, Chana and Soya Bean Commodity contracts on 26th October, 2010. Subsequently permission was also granted to trade in Copper, Crude Oil, and Silver and Gold contracts on 7th December, 2010 and Sugar contract was permitted on 24th December, 2010. Since October 2010, total value of commodities traded at ACE Commodities and Derivative Exchange Ltd., Ahmedabad was Rs.30057.033 crore. , ACE accounted for 0.25 % of the total value of trade in the commodity market. In actual terms, the total value of trade in the ACE was Rs.30057.03 lakh crore. The total value of trade and the percentage share of each of these commodities to the total value of trade at ACE Commodities and Derivatives Exchange Ltd. are given in Table 10.

Conclusion

A physical substance, such as food, grains, and metals, which is interchangeable with another product of the same type, and which investors buy or sell, usually through futures contracts. The price of the commodity is subject to supply and demand. Product which trades on a commodity exchange, this would also include foreign currencies and financial instruments and indexes. Commodity exchange needs to revamp certain laws governing futures in commodities to make the market more attractive. So that farmers and growers also benefit through the price signals emitted by the futures markets even though they may not directly participate in the futures market.. The national multi-commodity exchanges have proposed to the government that in view of the growth of the commodities market, foreign institutional investors should be given permission to invest in commodity futures in India. . The policy liberalization in the physical and derivative commodity sector would help in reviving their interest. Their entry will deepen and broaden the base of the commodity futures markets .As a matter of fact, Derivative instruments, such as futures, can help India become a global trading hub for select commodities.

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Table 1: Classification of Commodities

Metal	Aluminium, Copper, Lead, Nickel, Sponge Iron, Steel Long (Bhavnagar), Steel Long (Govindgarh), Steel Flat, Tin, Zinc
Bullion	Gold, Gold HNI, Gold M, i-gold, Silver, Silver HNI, Silver M
Fiber	Cotton L Staple, Cotton M Staple, Cotton S Staple, Cotton Yarn, Kapas
Energy	Brent Crude Oil, Crude Oil, Furnace Oil, Natural Gas, M. E. Sour Crude Oil
Spices	Cardamom, Jeera, Pepper, Red Chilli, Turmeric
Plantations	Areca nut, Cashew Kernel, Coffee (Robusta), Rubber
Pulses	Chana, Masur, Yellow Peas
Petrochemicals	HDPE, Polypropylene (PP), PVC
Oil & Oil Seeds	Castor Oil, Castor Seeds, Coconut Cake, Coconut Oil, Cotton Seed, Crude Palm Oil, Groundnut Oil, Kapasia Khalli, Mustard Oil, Mustard Seed (Jaipur), Mustard Seed (Sirsa), RBD Palmolein, Refined Soy Oil, Refined Sunflower Oil, Rice Bran DOC, Rice Bran Refined Oil, Sesame Seed, Soy meal, Soy Bean, Soy Seeds
Cereals	Maize
Others	Guargum, Guar Seed, Gurchaku, Mentha Oil, Potato (Agra), Potato (Tarkeshwar), Sugar M-30, Sugar S-30

Source: Indian Commodity Exchanges

Table 2: List of exchange and commodities in which futures contracts are traded

S.No.	Exchange	Commodity
1	India pepper & Spice Trade Association, Kochi (IPSTA)	Pepper (both domestic and international contracts)
2	Vijay Beopar chamber Ltd., Muzaffargarh	Gur
3	Rajdhani oil & oilseed exchange ltd, Delhi	Gur, Mustard seed its oil & oilcake
4	Bhatinda Om & oil exchange ltd, Bhatinda	Gur
5	The chamber of commerce, Hapur	Gur, potatoes and Mustard seed
6	The Meerut Agro Commodity Exchange Ltd., Meerut	Gur
7	The Bombay Commodity Exchange Ltd., Bombay	Oilseed complex
8	Rajkot seeds, oil & Bullion Merchants Association, Rajkot	Castor seed, Ground nut, its oil & cake, cottonseed its oil & cake, cotton & RBD Palmolein
9	The Ahmedabad Commodity Exchange, Ahmedabad	Castor seed, cottonseed, its oil and oilcake
10	The East India Jute & Hussian Exchange Ltd., Calcutta	Hessian & sacking
11	The East India cotton Association Ltd., Calcutta	Cotton
12	The Spices & Oilseeds Exchange Ltd, Sangli	Turmeric
13	Kanpur Commodity Exchange Ltd., Kanpur	Rapeseed/Mustard seed, its oil and cake
14	National Board of trade, Indore	Soya seed, Soya oil and Soya meals. Rapeseed/Mustard seed its oil and oilcake and RBD Palmolien
15	The First Commodities Exchange of India Ltd., Kochi	Copra/Coconut, its oil & oilcake
16	Central India Commerce Exchange Ltd., Gwalior	Gur and Mustard Seed
17	E-Sugar India Ltd., Mumbai	Sugar
18	National Multi-Commodity Exchange of India Ltd., Ahmedabad	Oilseed complex and Rubber, sugar, Aluminum, nickel, Zinc, Copper, Lead, tin, pepper, Gram and Sacking
19	Coffee Futures Exchange India Ltd., Bangalore	Coffee
20	Surendranagar Cotton oil & Oilseeds, Surendranagar	Cotton, Cotton seed, Kapas
21	E-Commodities Ltd., New Delhi	Sugar
22	Bullion Merchants Association, Bikaner	Mustard seed its oil & oilcake
23	Multi Commodity Exchange (MCX), Mumbai	Metals & Agri Commodities
24	National Commodity and Derivation Exchange (NCDEX), Mumbai	Metals & Agri Commodities
25	National Multi Commodity Exchange (NMCE)	Metals & Agri Commodities
26	Indian Commodity Exchange (ICEX)	Metals & Agri Commodities

Source: ICFAI

Table:3 Turnover in Commodity Futures Markets

Exchange	Year									
	2006	%	2007	%	2008	%	2009	%	2010	%
Multi Commodity Exchange Of India (MCX)	20,25,663	58.13	27,30,415	74.71	42,84,653	85.12	59,56,656	84.01	78,95,404	83.16
National Commodity And Derivatives Exchange Limited(NCDEX)	12,43,327	35.68	7,74,965	21.21	6,28,074	12.48	8,05,720	11.36	9,73,217	10.25
National Multi Commodity Exchange Of India Ltd.(NMCE)	1,11,462	3.20	25,056	0.69	37,272	0.74	1,95,907	2.76	1,80,738	1.90
Others	1,04,033	2.99	1,24,051	3.39	83,885	1.67	1,32,173	1.86	4,45,366	4.69
Total	34,84,485	100	36,54,487	100.00	50,33,884	100.00	70,90,456	100.00	94,94,725	100

Source: Economic Survey 2010-11

Table 4: Volume of Trading and Value of Trade During the year 2010-11 in Major Commodities

Volume Of Trading- In Lakh Tones					
Value- In Crore					
S. No.	Name of the Commodity	2010-11			
		Volume	%	Value	%
A	Bullion				
I	Gold	0.14	1.90	2700607	49.16
Ii	Silver	7.24	98.10	2793280.23	50.84
Iii	Platinum	0.0000002	0.00	7.89	0.00
	Total For A	7.38	100.00	5493895.12	100
B	Metals other than Bullion				
I	Aluminum	110.17	7.82	114081.7	4.24
Ii	Copper	335.36	23.79	1239261.2	46.11
Iii	Lead	356.88	25.32	366422.24	13.63
Iv	Nickle	44.83	3.18	478789.31	17.81
V	Steel	86.66	6.15	22759.03	0.85
vi	Tin	0.002	0.00	18.35	0.00
Vii	Zinc	463.25	32.86	465375.27	17.32
Viii	Iron	12.56	0.89	965.89	0.04
	Total For B	1409.712	100	2687672.99	100.00
C	Agricultural Commodities				
I	Chana/Gram	523.59	12.56	126158.29	8.66
Ii	Wheat	26.78	0.64	3316.88	0.23
Ii	Maize	16.36	0.39	1730.06	0.12
Iv	Soy Oil	617.15	14.81	345286.26	23.71
V	Mentha Oil	6.21	0.15	60527.1	4.16
Vi	Guarsed	1056.04	25.33	254690.88	17.49
Vii	Gaur Gum	83.15	1.99	49942.57	3.43
Viii	Potato	269.22	6.46	14428.17	0.99
Ix	Chillis	11.31	0.27	8493.79	0.58
X	Jeera	42.53	1.02	60864.48	4.18
Xi	Cordmom	0.77	0.02	10882.04	0.75
Xii	Pepper	42.25	1.01	84786.09	5.82
Xiii	Rubber	11.78	0.28	23846.92	1.64
Xiv	Other Agri	1461.21	35.05	411436.1	28.25
	Total For C	4168.35	100.00	1456389.63	100.00
Total (A+B+C+D+E)					
A	Bullion	7.38	0.06	5493895.12	45.98
B	Metals other than Bullion	1409.71	11.01	2687672.99	22.49
C	Agricultural Commodities	4168.35	32.55	1456389.63	12.19
D	Energy	7220.12	56.38	2310958.58	19.34
E	Other	0	0.00	29.04	0.00
		12805.56	100.00	11948945.36	100.00

Source: Forward Market Bulletin 2010-11

Table 5: Total Volume & Value of Commodities Traded at MCX, Mumbai during 2010-11

S.No	Commodity	Volume (in lakh tonnes)	Value (in crores)	Share of value to total
1	Silver	6.97	2700017.25	27.44
2	Gold	0.13	2469246.20	25.09
3	Crudeoil	6317.99	1764067.84	17.92
4	Copper	309.80	1145074.86	11.64
5	Nickel	43.55	464577.93	4.72
6	Zinc	388.87	389457.78	3.96
7	Lead	300.60	306414.62	3.11
8	Other	515.40	602646.43	6.12
Total		7839.71	9841502.91	100.00

Source: FMC Annual Report

Table 6: Total Volume & Value of Commodities Traded at NCDEX, Mumbai during 2010-11

S.No.	Commodity	Volume (in lakh tonnes)	Value (in crores)	Share of value to total
1	Soya Oil	464.50	260362.79	18.46
2	Guar Seed	1021.97	246283.33	17.46
3	Crude Oil	653.15	193090.55	13.69
4	Chana	467.68	112736.16	7.99
5	Soyabean	457.03	101645.48	7.21
6	Rape Mustard Seed	315.03	87161.91	6.18
7	Pepper	39.97	80460.50	5.70
8	Other	701.51	328861.49	23.31
Total		4120.84	1410602.21	100.00

Source: FMC Annual Report

Table 7: Total Volume and Value of Trade at NMCE, Ahmedabad during 2010-11

S. No.	Commodities	Total volume (in lakh tonnes)	Total value (in crore)	% share to the total value
1.	Rubber	11.78	23846.36	10.92
2.	Sacking	31.51	16734.57	7.66
3.	Copper	4.05	15256.03	6.99
4.	Lead	14.09	14787.23	6.77
5.	Aluminium 5 Mt	13.82	14711.08	6.74
6.	Others	247.54	133075.63	60.93
Grand Total		322.79	218410.904	100.00

Source: FMC Annual Report

Table 8: Total Volume and Value of Trade at ICEX during 2010-11

S.No	Commodity	Volume (in lakh tonnes)	Value (Rs. in crores)	Share of value to total
1	Gold	0.00815	153.71	40.54
2	Silver	0.24612	83974.04	22.23
3	Crudeoil	248.35007	67769.65	17.94
4	Copper Cathode	18.17394	65107.26	17.24
5	Other	20.14673	7765.21	2.06
Grand Total - (Except for Natural Gas VOT)LT/RS. Cr.		286.925004	377729.88	100.00

Source: FMC Annual Report

Table 9: Total volume and value of trade at NBOT, Indore during 2010-11

Commodities	Total volume (in lakh tonnes)	Total value (in crore)	% share to the total value
SOY OIL	92.97	51607.55	99.89
OTHERS	0.26	54.51	0.11
Total	93.23	51662.06	100.00

Source: NBOT

Table 10: Total Volume and value of trade at ACE, AHMEDABAD during 2010-11

S.No	Commodity	Volume (in lakh tonnes)	Value (in crores)	Share of value to total
1	Refsoyoil	23.22870	14455.775	48.09
2	Soybean	27.04400	6436.805	21.42
3	Mustard	15.43440	4393.967	14.62
4	Chana	11.85010	3035.435	10.10
5	Castor	3.54960	1462.830	4.87
6	Sugar	0.92510	272.221	0.91
Grand Total Lakh Tonnes Rs./Cr.		82.03190	30057.033	100.00

Source: FMC Annual Report

WORK-LIFE CONFLICT (WLC) IN SERVICE INDUSTRY ANTECEDENTS, OUTCOMES AND STRATEGIES

Sandhya Taneja★ B.S. Rathore★★

Over recent years, demographic changes, more diverse workforce, business imperatives and the increasing demands for personal and family responsibilities has given birth to the concept of work life balance. This concept has emerged as a result of the performance culture that expects more and more from the employees (Imran et. al., 2010). Woolcott (1990) says that issues outside of work, especially family responsibilities, have the potential to affect both, the wellbeing as well as productivity of workers. This imbalance between work and family can even lead to hazardous consequences like job dissatisfaction (Thomas and Ganster, 1999; Hughes and Bozionelos, 2005), turnover intentions (Ghiselli et al., 2001; Blomme et al, 2010) and physiological and psychological illness of the employees (McNaughton, 2001).

These negative consequences of work-life conflict become even worse in the service industry because of the foremost dependence on manpower. Many researchers have identified different variables affecting the WLC in different service industries, like hospitality industry (Blomme et al., 2010; Deery and Jago, 2008; Cullen and McLaughlin, 2006; Lewis, 2003; Guest, 2002), IT industry (Aryasri and Madasu, 2010; Kanwar et al., 2009; Messersmith, 2007), health industry (Mohammad Imran et. al., 2010; Fischer et al., 2008; Keeton et al., 2007; Gjerberg, 2003) legal professions (Bacik & Drew, 2006); BPOs and call-centres (Aryasri & Madasu, 2010; Hannif et al., 2010); engineers and scientists (Post et al., 2009) and others. All these industries have many things in common, but still, there is no comprehensive research done for the overall service industry. Thus, the purpose of this study is to explore from the literature, the antecedents and outcomes of work-life conflict, and to develop a common model that could be used for all the service industries. The researchers then elevate various strategies that can help in maintaining work-life balance.

Work life balance: Approaches Hitherto

Although the term “Work life balance” was first coined in 1986, but this concept has been in existence from a long time. The term work life balance was formulated very late in the 1990’s, and emerged from the terms like inter-role conflict (Kahn et al., 1964), work-family conflict

(Greenhaus and Beutell, 1985) and work-family balance. At the time of its origin, the term work-family balance was only used for working mothers and dual-earner families. But later, single individuals were also included for the reason that they also need to satisfy their need for enjoyment and leisure (Ransome, 2007). Gender discrimination was also challenged by Kossek and Ozeki (1998), who said in their research, that WLB is equally important for both men and women because men are equally burdened by the work and family responsibilities. Recent definitions of WLB, in contrast to the earlier ones, approach WLB as referring to the ability of individuals, regardless of age, or gender, to find a rhythm that will allow them to combine their work with their non-work responsibilities, activities and aspirations (Felstead et. al., 2002). In the latest researches, it is accepted that work-family balance is at the core of HRD’s major functions and that it may be a powerful leverage point for promoting individual and organizational effectiveness (Grzywacz and Carlson, 2008).

Work life balance in the service industry:

Manpower is the most important resource of any industry. This fact gets even more prominent in the service industry owing to the special characteristics like intangibility, perishability, variability, and inseparability (Chauhan and Khanna, 2006). The current work scenario is marked by the fast pace of change, intense pressure, constant deadlines, changing demographics, increased use of technology and the co-existing virtual work place (Sharma and Bhatnagar, 2010). But within the service industries such as tourism and hospitality, such pressures are magnified because of the intensive nature of these sectors and the fact that they operate 24/7 (Deery and Jago, 2009). Thus it becomes the prime responsibility of the employers of the service industry to motivate their employees, retain them in their organization, and keep pace with new workforce trends.

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Antecedents of work-life conflict:

1. Long working hours:

Research by Pocock et al. (2007) says that longer hours worked are consistently associated with worse work life outcomes, and in turn, create serious health problems (Sokejema and Kagamimori, 1998). Hospitality and tourism industry faces the problem of face time on the job (Cleveland et al., 2007) and presenteeism (Cullen and McLaughlin, 2006; Lowe, 2002). On the other hand, IT employees have the option of not sitting in the work place for a long time, but they have to dedicate their time on their work even after being at home, because of technology assisted work (Batt and Valcour, 2003) and telecommuting (Duxbury et al., 1996). As such, long work hours become the antecedent of work life conflict.

2. Lack of flexibility:

Generally, service industry is customer/ client facing, or it operates 24 x 7, and these aspects of service industry brings pressure and intensification of work with it. This in turn reduces flexibility of the employees. In his research, Doherty (2004) found that long working hours and lack of flexibility were the two most important reasons of work life imbalance for women in the hospitality industry. Similarly, Swanberg et al. (2008) also concludes that less workplace flexibility is one of the very important antecedents for work family conflict.

3. Shift work at irregular hours:

Mostly every service industry faces the problem of shift work now, because globalization has brought with it, the trend of non-traditional working hours, including evenings, nights, and rotating shifts (Presser, 2003). But because of this shift culture, employees' sleeping time and schedule for family time gets disturbed continually, and less sleep or sleeping at odd hours increase employees' burnout, emotional exhaustion, and physical as well as psychological health (Jamal, 2004). Some other researchers also say that working shifts can have negative health effects, and complicate the scheduling of family activities (Levin & Epstein, 2006; Halpern, 2005; Costa, 2003; Shields, 2002; Rosa and Colligan, 1997). In his meta-analysis, Byron (2005) revealed that shift work leads to disruption in an employee's non-work life, and may even affect his/ her personal role responsibilities. Fox and Dwyer (1999) also found the bad impact of shift work at irregular hours on work life balance.

4. Job insecurity:

Roberts (2007) found in his study, that job insecurity is

one of the most important job stressor, which leads to stressful work, and ultimately to poor WLB. Hoque (1999) did research on work life balance of women, and found out, that low job security is one reason why women find it difficult to maintain balance between work and family, and this usually leads to employee turnover. Thus, job insecurity is also an important variable affecting work life conflict.

5. Role Overload:

Role Overload occurs when employee's task demands exceed available time. Employee shortages, lack of adequate resources, unrealistic deadlines, and the trend of downsizing and layoffs, especially after the sub-prime crisis are some of the reasons for work overload of the employees. Higgins & Duxbury (2003) stated in their research, that work-life conflict has increased due to role overload in the last decades. Thus, we can take it as an antecedent of WLC.

6. New technology and ubiquitous computing:

The ubiquitous technologies include devices such as cell phones, laptops, and text messaging devices. They allow work to be completed from nearly anywhere at any time (Strokes, 1996). Technology devices, when used excessively, may become harmful to its users. In their research, Duxbury & Higgins (2003) found that excess of ubiquitous computing increases the stress level and workload of people. In the same way, Batt & Valcour (2003) found that use of technology was significantly associated with work life conflict. Quesenberry & Trauth (2005) also argue that ubiquitous technology has brought the pressures of working on weekends. As such, new technology is an important antecedent of WL conflict (Roberts, 2007).

7. Demographic characteristics:

Since demographic characteristics like gender, age, marital status etc. pose extra liabilities on the person's life, so these characteristics play an important role in creating/ increasing work-life conflict. Different demographic characteristics studied by different researchers are mentioned as follows:

- ◆ Gender: Because of the increasing proportion of women in the workforce, gender has become the most prominent issue to be studied with respect to WLB (Gregory & Milner, 2009; Emslie & Hunt, 2009; Bacik & Drew, 2006), and lots of researches have been done on working-women (Gani & Ara, 2010; Quesenberry & Trauth, 2009; McGinnity et al., 2008; Doherty, 2004). Greenhaus & Beutell (1985) and Powell & Greenhaus (2010) found the relationships of sex and gender with work-to-family conflict.

- ◆ **Marital status:** A research done by Herman & Gyllstrom (1977) proved that married persons experienced more work-family conflict, in comparison to unmarried persons. In addition, Lee & Maurer (1999) also suggests that demographic characteristics like being married, having children and having a working spouse affects the WLB and organizational commitment of employees. As such, marital status acts as an antecedent of WLC.
- ◆ **Working or non-working spouse:** For those who are married, the employment status of their spouse is also an important influence on work life conflict. Greenhaus et al. (1989) proposed that the number of hours worked per week by spouses was positively associated with conflict between work and family. Desmarais & Alksnis (2005) did a research on Dual-earner couples and proved the negative impact of working spouse on WLB.
- ◆ **Parents or non-parents:** Just like the marital status, having children or not, also impacts work-life conflict as it increases time demands. Empirical evidence by Bohen & Viveros-Long (1981) suggests that people having major responsibility for child-rearing can be a significant contributor to work-life conflict. Further, number and age of children also contribute their part in escalating it. Researches by Pleck et al. (1980), Greenhaus & Kopelman (1981), Daly (1996), Shaw et al.(2003), Menzies (2005) say that parents of younger children are more likely to experience work-life conflict than of older children. All the above mentioned antecedents of work life conflict are mentioned in Table 1.

Outcomes of work-life conflict:

Family and work are the two most important domains of life for most adults (Andrews & Withey, 1976). And if there is a conflict between these two domains, there are adverse consequences for both individuals and organizations (Fu & Shaffer, 2001). Thus, the consequences of WLC/ work-life imbalance may be classified into two broader categories, i.e. 'Impact on work' and 'impact on family and self'. 'Impact on work' includes all the harmful and negative impacts on the performance of the employee like Job Stress, Job Burnout, Job Dissatisfaction, Lower productivity, Absenteeism, Turnover, and Reduced Organizational Commitment (Table 2). And the other category 'Impact on family and self' includes negative consequences that have a direct effect on the person's family, relationships, and personal health and well-being (Table 3). But these adverse effects act as a moderator in reducing the employee's performance, and thus, effects the organization indirectly. It may include

marital stress, physical and psychological illness, and poor well-being of the employee. These are discussed in detail as follows:

Impact on work:

1. Career/ Job Dissatisfaction:

A research by Namasivayam and Zhao (2007) examined the negative relationship between WFC and job satisfaction. Many similar researches were conducted by Thomas and Ganster (1999), Rowley and Purcell (2001), Hughes and Bozionelos, (2005), Mulvaney et al. (2006), Karatepe and Uludag (2007), Malik et al. (2009), etc. Similarly, Keeton et al. (2007) studied the WLB of physicians and proved in their empirical research, that WLB was significantly associated with career satisfaction. Thus, we can conclude by these several researches that job dissatisfaction is one of the most common talked-about outcomes of WLC.

2. Turnover Intentions:

A study by Blomme et al. (2010) concluded that WLC and organizational support can explain a substantial amount of variance among highly educated employees regarding their intentions to leave an organization. In the same way, a literature review by Deery (2008) overviews the role of WLB issues in the turnover decision making process. Other researchers like Cullen and McLaughlin (2006), Mulvaney et al. (2006), Karatepe and Uludag (2007), Cleverland et al. (2007), and Namasivayam and Zhao (2007). Ghiselli et al. (2001), and Malik et al. (2009) also did similar researches.

3. Occupational/ Job Stress:

Cooper et al. (2001) have defined occupational stress as the transactional process in which stressors, events or properties of events encountered by individuals cause strain among individuals which will lead to outcomes at both an individual and organizational level. An empirical research by Hyman et al. (2003) in the UK indicated that intrusion of work demands into personal life was significantly related to heightened Occupational stress for employees. Frone, Russel & Cooper (1992) also did similar research on the impact of work and family pressures on Job stress.

4. Lower Productivity:

Empirical evidences suggest that when a person is unable to deal with the demands of both work and family, it may sometimes lead to lower productivity (Schultz and Henderson, 1985; Fernandez, 1986). Similarly, Perry-Smith and Blum (2000) proved that giving flexibility to employees can improve labour productivity. Woolcott (1990) also talks

about the impact of work life imbalance on productivity of workers. Thus, we can say that lowered productivity is the most spontaneous and detrimental impact of WLC for an organization.

5. Job Burnout:

Burnout is the condition in which one cannot bear occupational pressures any more and is overwhelmed by stress and reach the breaking point (Pines & Kafry, 1978). A research done on doctors of Pakistan by Malik et al. (2009) found that while WLB has a negative relationship with Burnout and turnover intentions, burnout has positive relationship with employee turnover intentions. Jackson, Schwab & Schuler (1986) also proved the negative impact of WLC on Job Burnout.

6. Absenteeism:

A remarkable research by Hughes and Bozionelos (2007) conducted on bus drivers clearly revealed that Work Life Imbalance was a major reason for absenteeism, and that too non-genuine sick absence. Schultz & Henderson (1985), Fernandez (1986), Deery (2002), and Wang and Walumbwa (2007) are few other researchers who pointed out absenteeism as another negative consequence of WLC.

7. Reduced Organizational Commitment:

Organizational Commitment refers to the degree to which employees feel part of the organization and desire to exert effort for the organization (Meyer et al., 1991). Mulvaney et al. (2006) argue that the level of conflict between work and family has a strong impact on Organizational Commitment, which can ultimately lead to employee turnover. In the same way, research by Hughes and Bozionelos (2007) says that lack of management willingness to consider WLB has a serious negative impact on Organizational Commitment.

Impact on Family and Self:

1) Marital Stress/ Reduced Marital Satisfaction: Recent researchers have found out that there is a significant impact of daily job satisfaction on the marital satisfaction of the employees (Heller and Watson, 2005; Judge and Ilies, 2004). Mauno & Kinnunen (1999); MacInnes (2006), and Roberts (2007) were some other researchers who found the negative impact of WLC on marital satisfaction. Thus, marital satisfaction can be understood as a major negative consequence on the personal life of employees.

2) Psychological and physical illness: Many researchers say that WLC can lead to psychological illness like depression (Googins, 1991), heightened stress and

emotional exhaustion (Hyman et al., 2003). Moreover, WLC can also lead to physical illness, like difficulty in falling asleep, changes in appetite, and tension related aches and pains (Guelzow et al., 1991). Many other researchers also suggest that WLC reduces psychological and physical well-being (Thomas and Ganster, 1995; Sparks et al., 1997; Frone et al., 1997; Martens et al., 1999; McNaughton, 2001; Felstead et al., 2002).

3) Poor well-being:

U. Kinnunen et al. (2003) elaborately studied the relationship between WFC and well being in the domains of work as well as family; and took three indicators to measure well-being. These indicators are Job exhaustion, marital satisfaction and family climate. Igbaria et al. (1994) also talks about the significant negative impact of WLC on overall well-being.

Strategies to overcome WLC:

According to the research conducted by Corporate Executive Board, Work Life Balance is one of the most important workplace attributes – second only to Compensation. It also found that employees who feel they have a better WLB tend to work 21 percent harder than those that don't. This research indicates the absolute importance of WLB issues and the need for practical solutions to solve WLC problem of employees in organizations. These solutions may be implemented at all three levels; i.e. individual, organizational, and family levels. Several efforts that can be made at different levels are as follows:

1. Organizational efforts:

- ◆ Flexible working techniques: Terence Hogarth and Derek Bosworth says that “Flexible working” includes the various work patterns adapted to suit the needs of employees, but which may also have important benefits for the employer. He classified them into various types, like part-time, flexi-time, annualized hours, compressed hours, staggered hours, job sharing and home working etc.
- ◆ Comprehensive WLB policies: Comprehensive policies include all the statutory policies like maternity and paternity leave as well as parental leave (Bacik and Drew, 2006). Because of the problems that are being faced by people in maintaining balance between work and life, legislations are being introduced for different leave entitlements, varying from country to country and industry to industry.

- ◆ Workplace Crèche: According to the Factories Act, 1948, “In every Factory wherein more than thirty women workers are ordinarily employed there shall be provided and maintained, a suitable room or rooms for the use of children under the age of six years of such women”. The Act also specifies some conditions for the Crèche, like adequate accommodation, lighting, ventilation, and cleanliness; and there shall be a trained woman for taking care of children and infants.
- ◆ Child care programs: Crèche facility is usually available for infants and small children only, but the elder children going to school also have an equal need to spend time with their working parents. Thus, companies ought to provide facilities like school pick-up/ drop and other basic amenities in the form of indoor games, stationary, food etc., for children above five years. Companies should provide a separate space where a working parent can spend some time with their kids during working hours.
- ◆ Facility of Gym, spa and massage: These above mentioned facilities are also being provided by some organizations to relieve stress and re-energize the employees so that they can perform their duty better and faster, and thus, improve their work life balance.

2. Family efforts:

- ◆ Understanding complexities: The family members should understand the complexities of the job of employees. A better understanding of the person’s roles and duties in the job will lead to congenial and healthy environment at home, and help them in maintaining work life balance.
- ◆ Supportive spouse: A supportive spouse can make things easier in tough times. Work pressure is cyclical in nature, and no person is in pressure all the time. For instance, IT employees are in peak pressure at the time of “go-live” when the programs developed by them are tested for accurate results by the end-users or clients. Bank and financial employees have maximum workload in month-ends, etc. If the spouse is supportive and understands these maxima of work pressure, he/ she can give moral support to the partner by giving less family burden at these pressure times.
- ◆ Providing constructive ideas: Family members can even enhance the employee’s performance by giving constructive ideas to them. Couples in same or similar professions can complement each other by giving creative solutions to each other’s problems.

3. Individual efforts:

- ◆ Priority Scheduling: Different tasks are important at different points of time. A person should develop inside him, the capability to prioritize his work in such way, that all his/ her important works get completed on time.
- ◆ Developing fitness habits: Fitness habits play an important role in building ones personality, stamina and soundness in body, mind and soul (Babu and Aryasri, 2009). One should develop the habit of doing regular exercise like morning walk, jogging, cycling, playing sports etc., so that one can reduce weight and keep him/ her healthy and fit. Healthy body can lead to better stamina for doing work and thus, reduce work stress and work life conflict.
- ◆ Leaving work at work: The current generation is highly networked and uses technology seamlessly. But this tends to increase the work pressure of an individual because it provides the possibility of working at home after the working hours. But, it is the individual’s responsibility to use this technology judiciously and leave the work pressure at work only, so that he/ she can devote the rest of his/ her time to family.
- ◆ Developing spiritual quotient: An individual’s serenity, living a righteous and holy life, having peace of mind, living a balanced life depends upon the spiritual quotient of that particular individual. Spiritual quotient helps an individual to introspect who he is?, where did he come from?, and what is the meaning of his being? (Babu and Aryasri, 2009). People who have introspected themselves well can better balance their work and family activities.
- ◆ Delegation: One cannot perform every task on one’s own. Having faith on one’s subordinates and delegating authority to them will reduce workload at the top level, and reduce work life conflict of the managers and executives.
- ◆ Giving importance to family: Family is a part of society. Healthier families will build healthier societies which in turn will build healthier nations (Babu and Aryasri, 2009). An individual should give equal importance to family responsibilities as he/ she gives to work. Neglecting family responsibilities will lead to a lot of chaos. Individuals who can balance their family lives will perform better in work as well as personal front.

Suggested strategies with references to Indian context:

- ◆ Introducing “Art of Living” courses: Millions of people in India and abroad believe that “the Sudarshan Kriya”, one of the techniques provided by “the art of living” flushes anger, anxiety and worry out of the human body, leaving the mind completely relaxed and energized. Thus, we can use the technique to reduce the negative impacts of WLC, and in turn, improve WLB.
- ◆ Time-out: Orhan Abbas, Vice president, Emirates Airlines, suggests a strategy named time-out, for improving work life balance of employees. It is a tool by which every employee is given an opportunity to choose time-out during work hours. Every employee could take 30-45 minutes of time-out to read, listen to music, take a nap, exercise, practice yoga, play an indoor game etc. But the employee should be present within the company premises to pursue such activities. This time-out can be provided daily or weekly as per the requirements of the employees or the nature of the industry.
- ◆ Acknowledgement programs of employee’s family members: When family members of an employee are not properly informed about the person’s tasks and duties, they don’t understand his pressures and targets. If the organizations conduct acknowledgement programs for the family members of employees, wherein, organizations communicate the roles and responsibilities contented by them, their family members would be more informed and will generate a sense of understanding among them.
- ◆ Female education programs: Low female education rate is a gigantic problem in India. Due to this problem of illiteracy and less education, female counterparts of the educated employees have a tendency to misunderstand the pressures and obligations of their partners. This in turn increases WLC problems like marital stress, reduced marital satisfaction and poor well-being of the employees. This problem can be solved if the organizations take initiatives of conducting female education programs for lesser educated partners of their employees.

Conclusion

In today’s scenario, Individuals increasingly expect to have the time and energy outside work to pursue interests, manage other responsibilities, and generally lead a healthy and balanced life. But in the competitive era of today, companies, on the other hand, pressurize employees by heavy loads of targets, long working hours, and work

intensification etc. Thus, it creates a conflict between work life and family life, leading to work life imbalance. This in turn creates problems like job stress, job dissatisfaction, burnout, lower productivity, employee turnover etc. This situation is detrimental for employees in the long run; and can be improved by application of strategies that leads to Work Life Balance. Hence, Figure 1 brings together the various antecedents, consequences and strategies from the literature to suggest a more holistic framework for improving work life balance of the employees of service industry. The framework presented in figure 1 provides service industry with a complete way of understanding the causes for work life conflict, its harmful impacts on employees as well as organizations, and suggestions to improve the work life balance of employees. Such a framework requires further examination of each of the variables within the categories of antecedents, consequences and strategies. It is suggested here that this framework should underpin future research in this area.

They are not only the employees who gain benefits from these flexi-career policies, but the employers also gain from having policies that facilitate work-life balance, for example, through improvements in employee commitment, staff morale, employee productivity, and also the organization’s ability to attract talent. Family-friendly policies of organizations even reduce the casual sickness absence. But the biggest benefit that the employer gains is of course, the employee retention, and the recognition of being ‘an employer of choice’.

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Table 1: Antecedents of work life Conflict

S.No.	Antecedents	Authors/ Researchers
1	Long working hours	Doherty (2004), Pocock et al. (2007)
2	Lack of flexibility	Doherty (2004), Swanberg et al. (2008)
3	Shift work at irregular hours	Rosa and Colligan (1997), Fox and Dwyer (1999), Shields (2002), Costa (2003), Jamal (2004), Byron (2005), Halpern (2005), Levin & Epstein (2006)
4	Job insecurity	Hoque (1999), Roberts (2007)
5	Role Overload	Higgins & Duxbury (2003), Poelmans, Kalliath & Brough (2008)
6	New technology and ubiquitous computing	McCloskey (1996), Beasley et al. (2001), Sullivan & Lewis (2001), Zimmerman (2003), Hill et al. (2003), Riley & Duxbury & Higgins (2003), Batt & Valcour (2003), Roberts (2007), Quesenberry & Trauth (2009)
7	Demographic characteristics: Gender	Greenhaus & Beutell (1985), Bacik & Drew (2006), Korabik et al. (2008), Gregory & Milner (2009), Emslie & Hunt (2009), Powell & Greenhaus (2010)
	Demographic characteristics: Marital status	Herman & Gyllstrom (1977), Lee & Maurer (1999)
	Demographic characteristics: Working or non-working spouse	Greenhaus et al. (1989), Desmarais & Alksnis (2005)
	Demographic characteristics: Parents or non-parents	Pleck et al. (1980), Bohlen and Viveros-Long (1981), Greenhaus and Kopelman (1981), Daly (1996), Shaw et al. (2003), Menzies (2005), Abdul Gani & Roshan Ara (2010)

Table 2: Impact of work-life conflict on work

S.No.	Outcomes	Authors
1	Job Dissatisfaction	Goldstein and Rockhart (1984), Rice, Frone & McFarlin (1992), Kossek & Ozeki (1998), Ayree et al (1999), Ganster (1999), Parsuraman & Simmers (2001), Rowley & Purcell (2001), Anderson et al. (2002), Bruck, Allen & Spector (2002), Hughes and Bozionelos, (2005), Mulvaney et al. (2006), Karatepe and Uludag (2007), Keeton et al. (2007), Cleverland et al. (2007), and Namasivayam and Zhao (2007), Malik et al. (2009)
2	Turnover intentions	Greenhaus et al. (2001), Ghiselli et al. (2001), Boyar et al. (2003), Cullen and McLaughlin (2006), Mulvaney et al. (2006), Karatepe and Uludag (2007), Cleverland et al. (2007), Namasivayam and Zhao (2007), Margaret Deery (2008) Malik et al. (2009) and Robert J Blomme et al. (2010)
3	Occupational/ Job Stress	Frone, Russel & Cooper (1992), Hyman et al. (2003)
4	Lower Productivity	Schultz and Henderson (1985), Fernandez (1986), Woolcott (1990), Perry-Smith and Blum (2000)
5	Job Burnout	Jackson, Schwah & Schuler (1986), Malik et al. (2009)
6	Absenteeism	Schultz & Henderson (1985), Fernandez (1986), Deery (2002), Wang and Walumbwa (2007), Joanna Hughes and Nikos Bozionelos (2007)
7	Organizational Commitment	Mulvaney et al. (2006), Hughes and Bozionelos (2007)

Table 3: Impact of work-life conflict on an individual's family and self

S.No.	Outcomes	Authors
1	Marital Stress/ Reduced Marital Satisfaction	Mauno & Kinnunen (1999); Judge and Ilies (2004); Heller and Watson (2005); MacInnes (2006), and Roberts (2007); Hughes and Bozionelos (2007) Wilson & Wagner (2009)
2	Psychological and physical illness	Thomas and Ganster (1995); Sparks et al. (1997); frone et al. (1997); Martens et al. (1999); McNaughton (2001); Felstead et al. (2002)
3	Poor well-being	Igbaria et al. (1994); U. Kinnunen et al. (2003)

Figure 1: Antecedents, Consequences and strategies of work life balance

