Atharva Institute of Management Studies

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Atharva Educational Trust

OUR ANNUAL SEMINAR AT GLANCE

Sr. No.	Date	Theme	Venue
First Annual Seminar	12th Feb 2004	Managing Structural Changes in Financial Sector	Hotel Grand Maratha
Second Annual Seminar	12th Nov. 2005	Sustaining Growth in An Organisation	Hotel Ramada Plaza Palmgrove
Third Annual Seminar	4th Nov. 20 06	Developing& Implementing Growth Strategies	Hotel Taj Land End
Fourth Annual Seminar	19th Dec. 2007	Leading Change in & Innovation	Hotel Grand Hyatt
Fifth Annual Seminar	8th Nov. 2008	India Inc- Challenges Next	Hotel Taj Lands End
Sixth Annual Seminar	11th Dec. 2009	Creating Winning Organisations (Pragati)	World class Atharva Auditorium, 3rd Phase AET Campus, Malad (W)
Annual Conference	16th Jan. 2010	Competing in the Times of Uncertainity (Aswamedh)	World class Atharva Auditorium, 3rd Phase AET Campus, Malad (W)
Annual Conference	4th & 5th Feb. 2011	Emerging issues in global economy and management-Challenges & Strategies	World class Atharva Auditorium, 3rd Phase AET Campus, Malad (W)
SeventhAnnual Seminar	11th Feb. 2011	Transforming Organizations: Emerging Trends(Parivartan)	Presentation Hall,3rd Phase, AET campus, Malad (W).
Annual Conference	12th Nov.2011	"Global Turmoil - Opportunities For India"	World Class Auditorium,3rd Phase, AET campus, Malad(W).
Panel Discussion	4th Feb. 2012.	"Gender Inclusivity In India-Building An Empowered Organization"	Seminar Hall, 3rd Phase, AET campus, Malad-(W).
Annual conference	12th Jan.2013	Panel discussion on "Reassuring Confidence In India"- Road Map To recovery "	Seminar hall, 3rd phase, AET campus, Malad-(W)
Atharva International Research Conference	19th July 2014	"Emerging Patterns of Innovation in Business: Challenges & Strategies"	Seminar hall, 3rd phase, AET campus, Malad-(W)
Annual seminars- 12th Annual Conclave	17th Jan. 2015	"Putting India Back On A High Growth Trajectory"	Seminar Hall 3rd Phase, AET campus, Malad(W)

MESSAGE, FROM THE EXECUTIVE PRESIDENT.

Shri Sunil Rane

Executive President, Atharva Group of Institutes
Founder Secretary, Atharva Educational Trust

Greetings !!!

At ATHARVA we have implemented various techniques and adopted unique strategies that are unparalleled. Our aim is "To Excel Beyond Expectations" We build the leaders for tomorrow giving them specialized training with experienced Professors and state-of art infrastructure. Our B-school is ranked amongst the top 100 , Pan India . Our faculty and students have won several awards.

We aim at not only imparting knowledge and skills but also inculcating a positive attitudinal change. What differentiates us from others is our emphasis on overall development of the student's personality. In the challenging business environment there is a rising demand for good business leaders. Management education is getting more interdisciplinary in the global world. Innovation is the key, with more local and also a global perspective. Our PGDM students have visited South Korea in November this year.

This Journal of Management Research will enrich the business executives, management students and research scholars in various interdisciplinary areas, in updating their knowledge regarding the changing global business practices. I trust that the readers will find this issue useful and interesting.

My Best Wishes To All!

EDITORIAL

In the business world, profitable product management means using the imperfect information to figure out and meet distant customer's changing needs. Rebecca Hamilton quotes - Success depends on bridging, what psychologists from Walter Mischel to Nira Libermen and Trope have labelled as "psychological distance". This concept has the following aspects-
* Social distance(gaps between yourself & others),
*Temporal distance (gap between present & future),
*Spatial distance(gap between your physical location and other far off places).
*Experential distance (imagining something & then experiencing it)

Effective Time Management, skillful negotiation, inspired leadership all try to bridge anyone or more of these aspects. Good leaders, professionals try to achieve their targets by either increasing or decreasing the psychological distance.

Another important concept is "Emotional motivators" , wherein organizations connect with the customers emotions driving desirable and profitable behaviors. This research has stemmed from and working with and surveying anthropological research. Emotional motivators drive consumer behavior.

This issue of our Journal brings in a wide variety of studies of different aspects of business.

Best Wishes & Regards

Dr. Rekha Shenoy.

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Rethinking Organizational Effectiveness: Creating a link between Psychological Contract, Work Consciousness and Emotional Labour

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Abstract

The tryst of understanding performance and productivity in an organization has been redefining itself with every changing paradigm. This endeavor of the theorists and the researchers has seen the rise of new theories and concepts. The recent times has seen a further upsurge in this concept as competition has stiffened, sustainability has become the need of the hour, recession and slowdown of economy has called in for innovative business models.

The paper defines itself in its objective of knowing and inter-relating the psychosocial factors between the three entities of employee, employer and the organization. The resultant is an outcome of physical labor as productivity and underlining it is, the emotional labor which defines the effectiveness of the productivity. This work tries to find the interrelationship between the Psychological Contract; Work Consciousness and the Emotional Labor. The work being a conceptual paper has its own limitation.

However it is just an attempt to understand how an employee links himself to the organization; the job and how it ultimately interprets in an outcome

Keywords: Psychological Contract, Emotional Labour, Work Consciousness, Organizational effectiveness

Introduction:

"The success of your organization doesn't depend on your understanding of economics, or organizational development, or marketing. It depends, quite simply, on your understanding of human psychology: how each individual employee connects with your company and how each individual employee connects with your customers."

Curt Coffman and Gabriela Gronzalez Molina

The changing paradigms of the industrial world with its focus on sustainability and productivity has seen many theories of understanding human behavior linked with performance and productivity flow past through the passage of time. As Hawthorne Experiment was the precursor to the behavioral school of thought .The studies evolved from Mayo`s Human Resource Approach to Rousseau's Psychological Contract to Hoschild`s Emotional Labour(1983)the fruit of these evolution in the recent times.

The work is a conceptual effort to understand the link in the process and how the psychological contract does creates amicable effect on the emotional work that is the invisible work which very strongly affects the quality of the services and the product.

## The work:

<u>Psychological Contract</u>

The industrial world goes into ruptures and resurgences in the recent times due to many social, economical and political issues. These tumultuations has had a tremendous effect on even the behavioral facets of the employees and employers. The recent technological changes has not only changed the world but has had a different impact on the relationship of employee- employer, employee- employee, employee-and their work. According to the old psychological contract, the employer was seen as a caretaker for the employee (Csoka, 1995;Ehrlich, 1994; Kissler, 1994; O'Reilly, 1994; Robinson and Rousseau, 1994). Employees who were good performers were virtually guaranteed a job by their employer until retirement, the employer helped employees plan their careers and provided promotions to ensure career development, and employees were loyal and committed to the job and the organization.

Psychological contracts are, by definition, voluntary, subjective, dynamic and informal, it is [therefore] virtually impossible to spell out all detail at the time a contract is created. The dynamic character of the psychological contract means that individual and organizational expectations mutually influence one another. People fill in the blanks along the way, and they sometime do so inconsistently. Yet these 'additions' are a reality that has many implications for the success of the organization.

That is, it is the perception of the different parties to an employment relationship of which each party owes the other. Central to the psychological contract are the beliefs, values, expectations and the aspirations of both the employer and the employee. In particular, the psychological contract reflects the implicit social contract that under pinned the standard form of employment relationship. That is, full time, secure and remunerative employment in a formal sector organization. Hence, employees view hard work, security and reciprocity as being linked (Cabrera and Albrecht, 1995). Employees develop the expectation that hard work will inevitably lead to secure employment and reciprocity from their employer. Such expectations reflect the experiences of previous cohorts of employees. However, such expectations may not reflect current realities.

As the organization have shrunken in their size, outsourcing is apparent in all the sectors the mammoth organization of the yester years which have crashed into becoming the *"Business Cherbonyl."*As a researcher what we find that the employee employer contract both monetary and psychological changed in their orientation. In the new psychological contract, both employees and employers have lower expectations for long-term employment, employees are responsible for their own career development, and commitment to the work performed has replaced commitment to the job and organization (Stroh, Brett and Reilly, 1994; Kissler, 1994; O'Reilly, 1994; Parks and Kidder, 1990).So, the changing components of old Psychological Contract which consisted of

transactional and relational contract consisting of-specific; short term; monetary obligations and organization and employee (e.g. organization paying for services provided by the employee). The relational component involves broad, long-term obligations, and may be also based on the exchange of socio emotional elements (e.g. commitment, trust). Robinson, Kraatz and Rousseau (1994) found evidence that the psychological contracts involving the work consciousness and employment outcome include both transactional and relational obligations**.**
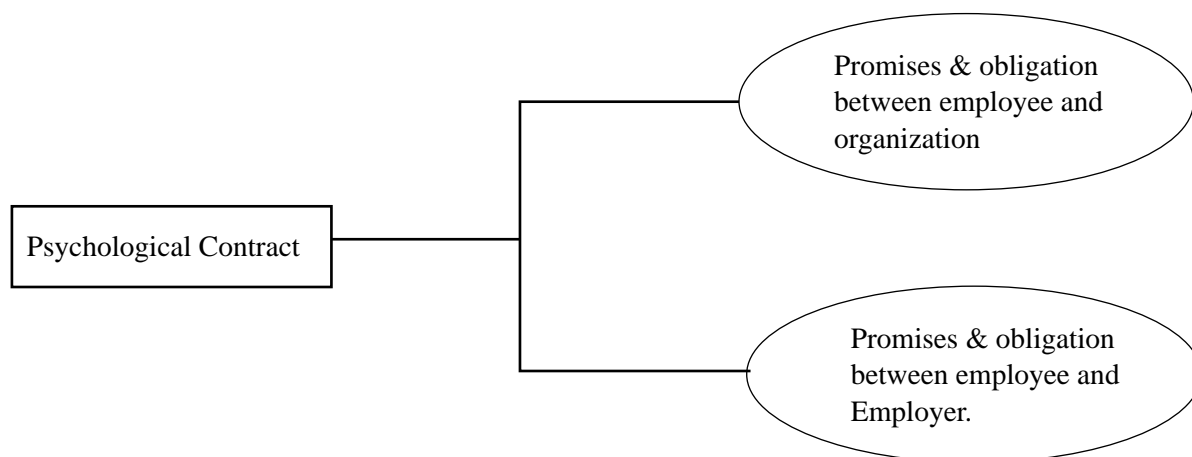
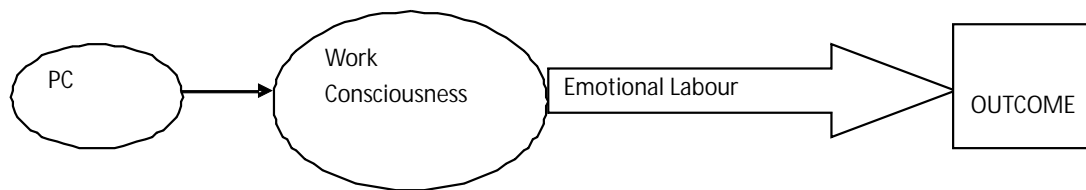**Model 1: The Two way Process of Promise and Obligation**

As the components of employee and employer the core component of any psychological contract depending not on the obligation and promise that they both hold to one another in any paradigm.

The instability for today`s employment conditions has created an obligation towards self. The career and job security that was a promise that the employer had for the employee is no longer there. Even employee defines the growth of his career as his own perspective. Employment security that was earlier a major prevalent component of any psychological contract has now been replaced by employability (the organization providing venue for growth, work experience and training and development opportunities that will allow them alternative employment.)Study from Jenny Sokand others suggests that there is a relationship between the psychological contract and self-perceived employability. The main predictors for employability were intra-organizational mobility opportunities, development opportunities and autonomy and the psychological contract blends employability in a new paradigm shift. Individuals look for organizations where these predictors are available and would like to have psychological contract, unlike earlier where employment security would determine the contract.

The Model 2 exhibits the process of organization effectiveness which express that, in the rationalized new world of organization, understanding of the contract psychology helps in understanding the different outcomes of employment relationship, job satisfaction, organizational commitment and the means to obtain it through the emotional and physical Labour. As the means defines the end itself, understanding the outcome which starts from the psychological contract of the employee and employer which creates the work consciousness and ultimately gets actionalized into emotional labor and physical labor, a resultant which every organization envisions in its employees(employment

relationship, job satisfaction, organizational commitment.)

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  ____                _____                                        _____
 /    \              /        \                                      |        |
|  PC  |----------->|   Work   | Emotional Labour ============>      | OUTCOME|
 \____/             | Consciousness|                                |_____|
                     _____/
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Model 2: The Process of organization effectiveness

A balanced and relational psychological contract creates in employees a higher level work consciousness which is the reason for their thinking out of box and also enhancing their problem solving capability. Consciousness'sat workplace as defined are not in terms as some eastern or spiritual practice, where one relates and meditates to upscale the performance efficiency or anything which is related to the working of the brain. But now it is used in a great measure to build team cohesiveness and capabilities which stand out as their strategic competitiveness for eg. these organizations have excelled in performance.

- P&G tailored it to develop Tide and its various other products on highly specialized segmentation model
- Apple used it to develop quality oriented and futuristic products for the market focusing on the evolution that is happening in the tech savvy markets.
- Dupont development of the system integrated product that others cannot dispute.

A revolution in these organizations happened as the organization worked on the concept of creating the said consciousness and making the employee realize and see the larger picture. In fact work consciousness is the foundation of seeing a bigger picture and understanding how the things work together to create a "greater whole". As interpreted from the basic understanding, Work Consciousness from the viewpoint of this work it can be truly interpreted as,

"*Consciousness is the name we give to the ability to self-start, overcome adversity/restraints and demonstrate the greater intelligence that is critical for creativity and strategic thinking.*"

Thus, Work consciousness is people getting aware of what they are doing and why they are doing. Within the dynamics of individual and organization the awareness is driven by the directions the organization set in for the work. Accordingly the elements which determine work consciousness is
- Self-mastery
- People mastery
- Enterprise mastery.

The concept of self-mastery is seen as high degree of consciousness. While considering the dynamics between individuals and the organization, compelling and challenging individual's to first get aware of how to undertake the organizational mission, goals,

standards and vision. They may not act as perfect blueprint for behavior, but they act as self-direction to any individual to get responsive of the work they are dealing with.

Consciousness in the area of people mastery entails understanding the course of individual relationships both in and out of the workplace. Interpersonal relations are regarded as important component of the psychosocial working conditions. Interpersonal relationships at work can be considered to be mainly governed by the personality traits. Studies in work and organizational psychology have shown that psychosocial stress affects the emotions and moods of individual. Interpersonal relationship has a direct effect on the organization culture.

Third is enterprise awareness. It is another place requiring a high level of consciousness. How one gets aligned with the organization? How strong is the alignment between individual values and the organization's values? What is the depth of thinking done within the organizations? Discovering the organization its, values, goals and vision provides a foundation for a meaningful relationship with the people within as well as the work. In short, knowing the organization gives the information needed to determine fit and with the good fit, creativity increases and produce great results. Consciousness and awareness of self, relationships and the enterprise all form the core of our performance.

The three components of consciousness at various stages escalate to the seven level of consciousness as defined by Richard Barett (1997)The seven level of consciousness is depicted to the four corresponding human needs found standardized across cultures. Consciousness different levels are so created that they are interdependent and no two level exists in isolation ,a survival mode at **Level One** emphasizing physical and financial security values to **Level Two** of relationship building followed by **Level Three** labeled self-esteem and defined organizationally as the establishment of high performance systems and processes. **Level Four** marks the transition from inward focus to external concerns highlighting teamwork, accountability and continuous improvement. The internal cohesion at **Level Five** is characterized by integrity, a sense of purpose and shared vision. **Level Six** values prompt leaders and groups to extend beyond their boundaries for coaching, mentoring and community care. The top **Level Seven** values of selfless service are exemplified by a commitment to social responsibility and the long term ethics.

The level 5, 6, 7 of internal cohesion, values and ethics suffice to the spiritual need requirement of an individual and the psychological contract as an individual has with the organization. Psychological contract develops a greater consciousness as it helps us in directly aligning with our work and work performance. This helps the employees to see the larger picture of the organization and align with it. It also helps in the product innovation and improvisation. The professional and technical learning of the employee travels beyond the predict of the organization and is transferred for the help of community and the surroundings creating a proper internal branding.

Thus to understand the dynamics of Psychological Contract and Work Consciousness it is imperative to bring correlation between Psychological contract to work consciousness. *Self mastery* arises when an employee find out of feedback and recognition to the efforts

he puts. Adequate feedback concerning performance is an essential component to work life, and can help elucidate aspects of the employee-employer contract. Furthermore, we often recognize organizational goals, but often fail to do the same for individual contributions. As a result, an erosion of the contract can occur. And secondly, through aligning work with strengths as one potential contributor, critical to the health of a psychological contract is carefully matching individual contributors with the tasks at hand. If we are assigned to tasks that are beyond our expertise or scope (possibly setting us up to fail), the contract can become irreparably damaged.

People mastery occurs when the viability of the manager-employee relationship is based on adequate levels of trust. This trust is a strong element in building interpersonal relationship in organization. If an employee finds there is a sense of belongingness in the organization then the second stage from me to us starts coming into the work consciousness and this result in a bonding with people at work. This can be enhanced by providing work environments that include overall career support, behavioral consistency and integrity of action.

Enterprise mastery is the ultimate work consciousness which also indicates that a relational psychological contract is inevitable with this. Psychological contracts between an employer and an employee do matter but it is also seen that an employee whose consciousness is at enterprise level then the psychological contract is more with the enterprise than the employer.

Work consciousness and Emotional Labour:

Emotions have long been considered private experiences, but recent research makes it clear that emotions are both affected by and affect other people (e.g., Anderson et al., 2003; Clark et al., 2001; Fineman, 1996; Frank, 1988; Kelly &Barsade, 2001; Tiedens& Leach, 2004; Totterdell, Kellet, Teuchmann, &Briner, 1998). Still, little work examines emotion expressions in a group context. Here, emotions shaped perceivers' understanding of the experience of group members, the feelings group members have about one another, and the degree to which groupmembers acted in concert. As such, emotions can bind or splinter, but either way, they symbolize and communicate the nature and meaning of the group.

"Emotional Labour" is an oxymoron. Emotion in its denotative reference mentions to ones intrinsic aspect of a being and labor is the extrinsic aspect of ones being. But , defining it in terms of employee behavior in a workplace, the expression of emotions that are accepted by the employer, customer, and the employee, is often an integral part of the profession one performs. Hochschild (1983, p.7) defined Emotional Labour as the "management of feeling to create a publicly observable facial and bodily display with reference to one`s job ". Hochschild suggested that it can be done either through *Surface Acting* or through *the Deep Acting* .Surface acting refers to putting superficial expressions to the emotion required for ones job to complete the job effectively i.e. abiding by the display rules. Deep Acting on the other hand is the changed feelings from inside through imaging, verbal or physical prompting so that the emotion that we depict is shown on our face by one and all . Each and every job depending on the employee and

the employer contract both psychological and social requires a kind of emotional investment.

Psychological contract whether relational, balanced or transactional may affect the work consciousness differently as we have seen in this work . The three level masteries referred as the different level of the consciousness do also impact the different strategies of emotional labour that one takes. More specifically, Grandey (2000) proposed that affective events from customers would have a greater impact on emotion regulation than those from coworkers because display rules are more explicit for customer interactions than for the colleagues. Thus, in Self-mastery we find people abiding by the display rules and more so in the service sector where the outcome is defined and the employer are referring to set pattern of behavior to receive the outcome. As, Self-mastery relates to the internal recognition of the efforts , the work binds an employee further with the job. This makes one to further abide by the display rules and the slow transition from surface to deep acting happens. If the recognition for the work does not takes place the process is reversed and the transition to surface acting may also see an emotional dissonance in the employee. The fallout may lead to stress and ultimately breach of the contract.

As defined by the work ,*People Mastery*, a dimension of work consciousness requires a better understanding and cognizance to interpersonal relationship . This centrality of relationship between employees and with the customer plays the crucial role in the emotional labor . The structuring, navigating and controlling that is associated with any work requires a wide range of personal and interpersonal skills.(Guy , Newman, Mastracci & Mayard- Moody) Though, these are depending on talent, self-mastery and people mastery to get it perfected. These can be made better by training and practice. Emotional labour requires a lot of face to face or voice to voice interaction, emotive sensing, perceptiveness ,active listening, negotiating, empathizing, developing rapport and monitoring one`s emotion and that of others . The ***Duck` Relationship filtering model*** of interpersonal communication and relationship development helps us in understanding the 4 stages of sociological; preinteraction; interaction and cognitive cues which helps in developing the people mastery and thus strengthen the inaction of the display rules of the emotional labour.

The third dimension of the work Consciousness dealing with *Enterprise awareness* which is the highest level. The employee should have the highest level of awareness that is the expectation and awareness of the organization and the employee. This creates a better understanding of the employee`s emotional labour as one comes to know how the organization manages the emotion work . This organization or the enterprise awareness will have a significant impact on the client`s experiences and the outcome. An evident proof is in the work of Lopez(2006),in his study of nursing homes he distinguished two opposing kinds of organizational emotion management. At one extreme is the when , how and what are the emotion that should be displayed when interacting with the clients. At the other end ,there are organization which creates the practices and develop rules that enable the workers to use their emotion as way of creating a nurturing and caring relationship with the clients .Lopez called this as the "organized emotional care" . The highest level of enterprise awareness of work consciousness once achieved by the employee see the evolution from "emotional labour" to "organized Emotional Care"

Here the employee creates an ideal condition which caters to the customer emotional requirement rather then just redefining ones emotion. Ideal examples are - in an educational institution an atmosphere of learning and innovation, in hospitality business catering to the nostalgic feeling of being at home and relaxing; in hospitals catering to the feeling of isolation and companionship.

Thus work tries to bring out the complex nitty gritty of psycho-social system in an organization which sees a link between the Psychological Contract on the work consciousness of the employee to defining their emotional labour. A breach in any part of this vulnerable relationship sees people disengaging themselves to being frustrated , stressed and burnout. This when it reaches the caustic level also leads to attrition and final fallout.

Conclusion

The windmill of time is churning out new theories and concepts with an underlying motive to understand the work behavior. The dynamism in the environment is impeccable variable that has a strange relationship with the different factors that affect the work behavior. The complexity in these interrelations is the limitation of this paper as it is beyond the scope of this paper . The paper has just focused on the employee`s attempt to build up the contract with the organization which can be rooted to many experiences of his life. It may be the connect that he creates through certain visible and invisible experiences (subliminal experiences). This gets further more defined as he enters the portal of the organization. It helps and defines his work as the contract strengthening and weakening develops and helps in realizing work`s consciousness different level. The outcome is in terms of peoples productivity and the invisible force that outlines the effectiveness of these productivity. It is this element that differentiates between a "productive employee" and "employee enhancing productivity" of an organization .The day this is realized by the organization people move on from being human resource to human Response.

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Innovative Approach to Supply Chain Management
--- Issues and Challenges

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Abstract

Innovation is about successful implementation of new ideas and not necessarily about coming up with new inventions. It is about tweaking the way you do things rather than jettisoning one big idea for another. The supply chain in manufacturing does not end with the delivery of products to customer but extends to reverse flow of materials from the point of consumption to the point of origin. Increased global competition, shortened product life cycles, changing trends of requirements of customers, tightening of environmental regulations –all these contribute to the complexities of Supply Chain Management (SCM) in the manufacturing sector. More companies are contemplating implementation of environmentally sustainable practices internally and in coordination with other firms along their supply chains. Further, risks in supply chains represent one of the major business issues today. There is need to adopt innovative approach.

Key words

Innovation -- Supply Chain Management – environmental regulations --- global competition –Risks in SCM

Introduction

A Supply Chain (SC) is a connected series of value activities concerned with planning, controlling of raw materials, components, and finished products from suppliers to final customers. Supply Chain Management (SCM) is the management of activities that transform raw materials into intermediate goods and final products, and deliver them to customers. In the manufacturing sector, this chain extends beyond the customer and includes reverse flow of materials to the point of origin. The processes in the organisation include internal feedback as well as external feedback to suppliers - as illustrated in Fig. 1 below:
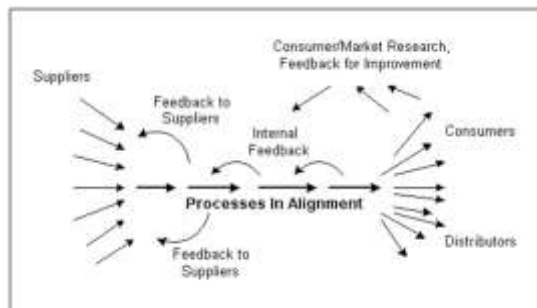

Fig. 1 – View of the organisation processes (Adapted from Deming, 1986)

SCM offers opportunity to firms to innovate and look beyond their own organisation and

collaborate with supply chain partners for mutual benefit. Competition in the manufacturing environment has shifted from individual firms to their respective supply chains. The key to success is to have an efficient SCM. The network of manufacturers and distribution facilities are often scattered around the world. Some of the issues and challenges of SCM in manufacturing sector are discussed below.

Supply Chain Management – Issues and Challenges

Every SC faces certain barriers. These barriers are not only between internal departments and business processes, but also across companies within the whole SC. There is need to develop a challenging new culture based on empowerment, on-going and shared learning and continuous improvement. There could be lack of common purpose, multiple and hidden goals, power imbalances, culture and procedure, conflict over autonomy and accountability, over-dependence, and lack of openness and opportunistic behavior. All these barriers need to be managed effectively to ensure achievement of common goals of the SC.

Some of the issues that need to be managed in supply chain are listed below:

Information Technology and Information Management
Advances in Internet and Communications Technology have enabled companies to be more responsive to their customers than before. Information sharing practices such as vendor-managed inventory (VMI) enable manufacturers to access more accurate demand information. Even for products with stable demand, an improvement in demand visibility could lead to improved production and inventory control efficiency.

Knowledge Management
Knowledge constitutes a firm's intellectual capital, including work-related experience, expertise, know-how, and best practices that can be acquired and shared. Global competition and technological advances in communications have made the competition knowledge-based, thus affecting SCM across firms. Knowledge management (KM) involves individuals and groups, both within and between firms, managing tacit and explicit knowledge to make better decisions, take actions and deliver results to support the business strategy.

Customer – Supplier Relationship Issues
Efficient customer response (ECR) attempts to address the inefficiencies in the SC. There is need to manage the interface between customer relationship management (CRM) and supplier relationship management (SRM) at each link in the SC. Long-term relationships between customer and supplier can lead to higher satisfaction.

Customer relations issue
Successful supply base management involves downstream integration of customers as well as the management of upstream suppliers. When customer-driven corporate vision is implemented along with TQM and supply base management practices, it can lead to competitive edge in different ways.

Issues of Supply Chain Design

Manufacturing firm's supply chain design is based on effective integration. "Lean" and "Agile" paradigms can be integrated. Current developments in systems thinking and continuous system simulation, when applied within the context of an operations management framework, may offer good design of SC and improve SCM.

Logistics Management

There is need to manage product returns in reverse logistics by focusing on product ownership data, average life cycle of products, past sales, forecasted demand, and likely impact of environmental policy measures. Reverse logistics is one of the toughest supply chain challenges. Quick adaptation to changing market situation and automation of SCM processes are essential.

Global Issues

Increasing global competition and shortened product life cycles have made traditional manufacturers to contemplate on their core competencies such as product design and development and outsource other products and processes. These include issues of cost, quality, flexibility, strategic focus, and diversification, the potential loss of critical skills and knowledge, and appropriation of final product value. All these factors need to be examined and considered while taking outsourcing decisions.

Partnership Issues

As the global markets become increasingly efficient, the competition is no longer between individual businesses, but between entire supply chains. Therefore, there is need to develop supply chain partnerships/collaboration to reduce costs, improve service, and to gain competitive edge. Collaborative partnerships can be achieved through both trust and electronically mediated exchange.

Environmental Issues

Efforts to improve a supplier's environmental management practice can raise critical issues of transaction costs and efficacy of approach for the buyer. However, it is necessary that an environmental bias is introduced into the decision making process which would enable more environmentally conscious decisions to be made.

Trust and Commitment

There are several dimensions of trust in supply chain performance such as confidence in preferred trading partner, belief in information provided, close personal friendship, good reputation etc. Trust is the extent to which the buyer believes that the supplier has the necessary expertise to perform the activity effectively and reliably.

Performance Measurement in Supply Chain

Performance measurement is an important strategic tool and provides the means to achieve the required objective. Many firms evaluate performance primarily on the basis of cost and efficiency. They focus on financial data such as return on investment, return on sales, price variances, productivity and profit per unit production etc.

Risks in Supply Chains

There is no secure environment in which businesses can operate today. Efficient supply chain risk management is very crucial. Supply Chain Risk Management (SCRM) is "a process that supports the achievement of SCM objectives". One has to understand the risks in order to begin their efficient management. It is assumed that the risk in SC is composed of Uncertainty (objective and subjective), and Exposure.

Environmentally Sustainable Supply Chain Management Practices

Environmental Sustainability is defined as "meeting the needs of the present generation without compromising the ability of future generations to meet their own needs. It has been incorporated within the context of corporate social responsibility (CSR) and commonly assessed through a range of social, cultural, legal, political, economic, and natural environmental dimensions. The interaction between environmental sustainability and SCM emphasises an extension beyond internal operations and core supply chain practices, to include issues related to product design, manufacturing of products, product end of life and other factors that may relate natural environment. Implementing environmental supply chain practices results in increased firm performance.

Reverse Flow of Materials – Remanufacturing

In the automotive industry, amongst all manufacturing sectors, environmental awareness is at a high level. There is a shift in business practice from traditional manufacturing to eco-friendly solutions, caused mainly by the application of a number of European Union Directives. The business practice is closer to the Closed Loop Supply Chain (CLSC) Concept. All the materials originally used in the manufacturing of product should preferably be re-used at the end of life in the forward supply chain as re-supply.

Managing Supply Chain in times of crisis

In the normal course, the global flow of goods routinely adapts to all kinds of setbacks and is quite resilient and self-healing. For example, a breakdown in one unit in one country is quickly replaced by additional supplies from some other unit in the network. Sometimes the problems are spread over whole regions and require emergency actions for several days to restore the supplies.

However, when a natural disaster, like the recent Tsunami in Japan occurs, the SC managers are put to severe test juggling production and shipments world-wide to keep supplies going. Normally, in this type of situations, supplies of larger more costly components tend to grab the attention of SC managers who maintain alternate sources, but there are many kinds of little specialised parts without second sources and the lack of such parts even if they cost just s few dollars, can result in shutting down a factory.

Conclusions

One must examine the nature, interrelations, and dependency among business operations. The challenge is to make a roadmap for adoption and implementation. Current trends like outsourcing, information technology adoption and third party logistics present an opportunity for SCM. Establishment of mutual trust within supply chain to share the vital information for effective SCM practice will be a great challenge for SCM practitioners. Environmental Sustainability is another important consideration for supply chains as stakeholders are becoming increasingly concerned about society and the natural environment. Risks in SCM are a primary concern for every organisation. Managers should be aware of threats to their organisation and of tools to manage them.

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A Study on Various Initiatives Undertaken by Government Towards Poverty Alleviation and Rural Development in India.

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Abstract

In India poverty has increased with the population and there is huge gap between the rich and poor. India has around $1/4^{th}$ of population living below the poverty line. These households are excluded from basic sources or well being. Poverty alleviation has occupied a central place in planning economic reforms and many initiatives have been taken by government and Reserve Bank of India to eradicate poverty and enhance rural development. In this paper some major initiatives of government towards poverty alleviation is critically examined. Initially poverty ratio in rural areas was much higher than urban areas but gradually because of the various initiatives under taken by government the gap between rural and urban (poor) has reduced. It is observed that poverty can be eliminated by providing the basic needs like drinking water, healthcare, better sanitation, housing and employment to all. And rural development is not possible without developing infrastructure like transportation and communication. Though government has taken lot of initiatives in these regards, it is not clear whether these benefits are availed by deserving beneficiaries.

Key words Poverty, initiatives, rural development, below poverty line and households.

Innovation -- Supply Chain Management – environmental regulations --- global competition –Risks in SCM

"Overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life. While poverty persists, there is no true freedom. Sometimes it falls upon a generation to be great. You can be that great generation. Let your greatness blossom. Of course, the task will not be easy. But not to do this would be a crime against humanity, against which I ask all humanity now to rise up."

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- **Nelson Mandela**

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The World Bank in the world development report (2010) classified various countries on the basis of Gross National Income (GNI). According to this report India falls under low income developing economy. India has $2/3^{rd}$ of its population living in rural areas. And it is affected by severe diseases i.e. poverty and exclusion. Poverty could be defined as the person's lack of access to objectively determined reasonably adequate quantities of goods and services to satisfy his/her basic needs.

India has nearly 30 percent of the people living below the poverty line and 70 percent of them are in rural areas. This is basically because a large group of individuals are excluded from livelihood or rights which are the basic sources of well being. Markets exclude people on four grounds.

1. Insufficient income / low purchasing power.
2. Do not have physical or financial assets
3. Don't have skills, education, training or experience which is required to yield income through wages.
4. Don't gel with market values ex – tribal populations.

   So it is very important to include these excluded people in financial system to remove their poverty. Government of India and RBI has been making a continuous effort to make financial services accessible to all, through various schemes of financial inclusion.

Objectives of the study:
1. To analyze various initiatives undertaken by Government of India towards poverty alleviation and rural development.
2. To evaluate whether the set target has been achieved.

Limitation of the study :
The study is limited to the period of 2005-2014 (Mar) and is based on secondary sources of data.

Data Collection
This research is based on secondary data collected from various web sites and journals of RBI, NABARD, Planning commission, Government of India, etc.

Table - 1						
Percentage and number of poor estimation in India						
Year	Poverty ratio (%)			No of poor (million)		
	Rural	Urban	Total	Rural	Urban	Total
1973-74	56.4	49.1	54.9	261.3	60.0	321.3
1977-78	53.1	45.2	51.3	264.3	64.6	328.9
1983	45.6	40.8	44.5	252.0	70.9	322.9
1987-88	39.1	38.2	38.9	231.9	75.2	307.0
1993-94	50.1	31.8	45.3	328.6	74.5	403.7
1999-2000	27.1	23.6	26.1	193.2	67.0	260.2
2004-2005 (uniform reference period)	28.3	25.7	27.5	220.9	80.8	301.7
2004-2005 (Mixed reference period)	21.8	21.7	21.8	170.3	68.2	238.5
Uniform reference period - comparable with 93-94 estimates						
Mixed reference period - comparable with 99-00 estimates						

Source : Planning Commission estimates, pg - 93

Databook for DCH, 10th Mar, 2014

Table – 1 describes that poverty ratio in rural areas during period 1973-2000 was much higher than urban areas, but thereafter the gap between rural and urban has been reduced. Not only that the poverty ratio itself has come down to a great extent by year 2005. This

was because of the various initiatives taken by Government of India to uplift rural India. Rural development is possible through

1. Providing basic needs like drinking water, health care, better sanitation, housing and employment.

2. Generating full employment for both farming and non farming sector.

3. Improving infrastructure like transportation and communication.

4. Poverty alleviation and employment generation programmes

Government of India has introduced various schemes to eradicate poverty and generate employment opportunities. During 2011 government has also spent considerable amount towards socio economic and caste census (SECC). Through SECC it was possible to collect the accurate information on socio economic condition and educational status of various castes and sections of the society. This was essential to identify the real beneficiaries for the various schemes. After SECC it could be possible to ensure all eligible beneficiaries are covered under respective schemes while all ineligible beneficiaries are excluded.

Table - 2					
RURAL DEVELOPMENT PROGRAMMES					
Financial outlays of the Ministry of rural development (Rs. In Crore)					
Department	**2010-2011**		**2011-2012**		**2012-2013**
	BE	**RE**	**BE**	**RE**	**BE**
Rural development	66,100.00	76,337.50	74,100.00	67,138.54	73,175.00
BE : Budget estimates, RE : Revised estimates					

Source : GOI, Ministry of Rural Development, Annual report 2011-12

Government of India has been spending around Rs. 60,000 crore annually since 2010 for rural development. Table – 2 states the increased annual estimates for period 2010-13.

And Table – 3 below shows the bifurcation of budget under the various schemes of Rural Development.

Table - 3

Financial outlays of schemes of the department of rural development (Rs. In Crore)

Sr.		2010-2011		2011-2012		2012-2013
No	Name of department	BE	RE	BE	RE	BE
1	MGNREGS	40,100.00	40,100.00	40,000.00	31,000.00	33,000.00
2	Aajeevika (NRLM)	2,984.00	2,984.00	3,914.00	2,681.29	3,915.00
3	DRDA Administration	405.00	405.00	461.00	550.00	500.00
4	Rural housing	10,000.00	10,337.50	10,000.00	10,000.00	11,075.00
5	Pradhan Mantri Gram Sadak Yojana*	12,000.00	22,000.00	20,000.00	19,981.25	24,000.00
6	Grants to national institute of rural development	105.00	105.00	105.00	81.00	105.00
7	Assistance to CAPART	100.00	100.00	100.00	35.00	35.00
8	PURA	124.00	74.00	100.00	90.00	150.00
9	Management support to rural development programmes and strengthening district planning process	120.00	120.00	120.00	120.00	120.00
10	BPL survey	162.00	112.00	300.00	260.00	275.00
	Total (Plan) RD	**66,100.00**	**76,337.50**	**74,100.00**	**64,798.54**	**73,175.00**
BE : Budget estimates, RE : Revised estimates						

*An additional allocation of Rs. 10,000 Crore has also been made for PMGSY as loan from the

RIDF window through NABARD for year 2010-11

Source : GOI, Ministry of Rural Development, Annual report 2011-12

Some important poverty alleviation and employment generation programmes are as follows :

Bharat Nirman was launched in 2005-2006 by the Government of India for providing basic amenities to rural households. Components of Bharat Nirman are targeted towards rural infrastructure and development, which is required for better integration and balanced growth of economy.

1. **Rural Drinking Water** – 40 liters per capita per day (lpcd) of safe drinking water is provided to only 73.91 percent of rural people under the provision of safe

drinking water. Rest are either fully or partially deprived of drinking water. The financial assistance towards providing drinking water to rural areas has increased under Bhart Nirman from Rs. 4,098 Crore in 2005-06 to 10,500 Crore in 2012-2013. According to census 2011 84.2 percent of rural households have better drinking water sources such as tap water, hand pumps and covered wells. 12th five year plan focus on increasing served level from 40 lpcd to 55 lpcd and also to cover the rest 15.8 percent of rural household with safe drinking water.

Table - 4

Financial outlays of schemes of department of Drinking Water Supply (Rs. in Crore)

Sr. No.	Name of department	2009-2010		2010-2011		2011-2012
		BE	RE	BE	RE	BE
1	National rural water programme (NRDWP)	8,100.00	8,099.00	9,000.00	9,000.00	9,350.00
2	Stand alone water purification system in rural school	100.00	100.00	-	100.00	-
3	Rural Sanitation Programme (TSC)	1,200.00	1,200.00	1,580.00	1,580.00	1,650.00
	Total drinking water supply	9,300.00	9,299.00	10,580.00	10,580.00	11,000.00

e : GOI, Ministry of Rural Development, Annual report 2011-12

Table – 4 depicts the data with regards to budget and revised estimates of department of drinking water supply in Crore. It also includes the estimation of rural sanitation programme (TSC) for the period 2009-12.

1. **Rural Sanitation** – Total sanitation Campaign (TSC) - according to Census 2011, only 32.7 percent of rural households have latrine facilities, with an objective of transforming rural India into Nirmal Bharat by having 100 percent access to sanitation for all households by 2022 TSC was renamed to Nirmal Bharat Abhiyan (NBA). NBA projects have been sanctioned in 607 rural districts with a total outlay of Rs. 22,672 crore with a central share of Rs. 14,888 crore. NBA has increased its financial outlay from Rs. 1500 core in 2011-12 to Rs. 2500 crore in 2012-13. Since 1999, a more than 8.97 crore toilet has been provided to rural households under TSC/NBA scheme. Under this scheme 12.57 lakh school toilets and 4.24 lakh anganwadi toilets were also constructed. In the year 2012-13 (up to Nov 2012) more than 27 lakh toilets have been provided to rural households.

2. **Housing** – Indira Awas Yojana (IAY) scheme provides assistance to rural households for construction of houses. During 2012-2013, 25.35 lakh houses

were sanctioned and 13.88 lakh has been constructed as on 31st Dec 2012. The assistance provided by this schemes w.e.f 01.4.2013 is Rs. 45,000 to Rs. 70,000 in plain areas and from Rs. 48,500 to Rs. 75,000 in hilly/ difficult areas. IAY has constructed 301 lakh houses since its inception till 31st Dec 2012. IAY under Home stead scheme has released funds amounting to Rs. 347.46 crore to the states for purchase of land for rural below poverty line households.

Table - 5

IAY : Financial progress during 2009-10 to 2011-12*

	2009-2010	2010-2011	2011-2012
Central budget for IAY (including economic stimulus package) in crore	8,800.00	10,327.70	9,991.20
Percentage of utilisation (%)	83.85	74.99	52.12
Physical target for the year (No of houses) in lakhs	40.52	29.09	27.27
Houses constructed in lakhs	33.86	27.15	11.07
Houses under construction in lakhs	22.73	23.72	26.41

Source : GOI, Ministry of Rural Development, Annual report 2011- 12

* As on 31.12.2011

Table – 5 states that in the year 2011-12 only 52.12 percent of the fund were utilized for housing, moreover the number of houses constructed in the year 2011-12 against the target was not even 50 percent.

1. **Transportation** – Pradhan Mantri Gram Sadak Yojana (PMGSY) was launched in Dec 2000 with an objective of connecting areas with a population of 500 persons and above in plain areas and 250 persons and above in hill, tribal, desert areas and in the 82 selected tribal districts under the IAP. So far since its inception 4,74,528 KM of road connecting 1,26,176 people has been built at a cost of Rs. 1,42,946 crore including up gradation . A sum of Rs. 1,02,658 crore has been released to the states and a total of 3,63,652 KM road length has been completed, by the states thereby providing connectivity to 89,382 habitations.

2. **Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)** : This scheme ensures at least 100 days of guaranteed wage employment to every household in a financial year provided adult members are

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open to do unskilled manual work. MGNREGS is implemented in all districts with rural areas and it has released Rs. 25,894.03 Crore out of total outlay of Rs. 33,000 Crore for 2012-13. At national level the average wage paid under the MGNREGS increased from Rs. 65 in FY 2006-07 to Rs. 115 in FY 2011-12. Some major initiatives under this scheme

a. Permissible activities has been expanded.
b. Introduced electronic fund management system (eFMS) in all states. This has reduced delay in payment of wages.
c. Provision for additional employment for over and above 100 days per household in notified drought-affected talukas/blocks.
d. Linking Aadhaar into the MGNREGS to maintain better records and to prevent leakage.
e. Convergence of Total sanitation campaign with MGNREGA.

Table - 6

Achievement of MGNREGS - Overview

	2009-2010	2010-2011	2011-2012
	619 Districts	625 Districts	625 Districts
Total Job cards issued (in crore)	11.25	11.98	12.28
Households provided employment (No. in crore)	5.25	5.49	4.98
Total employment days in crore	283.59	257.15	211.42
SCs	86.44	78.75	46.60
STs	58.74	53.61	38.38
Women	136.40	122.74	101.86
Others	138.40	124.78	126.43
Budget out lay (Rs. In crore)	39,100.00	40,100.00	40,000.00
Average wage paid per person day (Rs.)	89.00	99.00	113.54
Total works takenup (in lakh)	33.83	50.99	73.95

Source : www.nrega.nic.in as on May 28, 2012

Table – 6 highlights that though the job cards were issued to 12.28 crore people in the year

2011-12, but only 4.98 crore households were provided with employment in the same year.

1. **Swarnajayanti Gram Swarozgar Yojana (SGSY)** - the objective of SGSY is to provide income generating assets through bank credit and governmental subsidy to below poverty line (BPL) households. Under this scheme poor people are encouraged to form groups of 8-10 persons and this group can decide the activities that they want to be engaged in. The activities selected should be on the basis of resources available, skills and aptitude of the group members. After proper procedure and approval of Block SGSY committee SHGs are formed. SGSY enables the poor to form their own organization where in they can participate and take decisions and also get assistance in terms of finance, technology, market information, etc.

Table - 7

Swarnajayanti Gram Swarozgar Yojana (SGSY) at a glance (Nos. in lakh)

Sr No.	Items	2010-11 (up to Dec 2010)	Since inception 1999 to till Dec 2010	2011-12 (up to Jan 2012)
1	No of SHGs formed	2.14	40.03	1.86
2	SHGs passed Gr. I	1.93	27.69	
3	SHGs passed Gr. II	1.15	13.01	
4	SHGs taken up economic activities	1.21	10.12	1.88
5	Women Swarozgaries assisted	8.50	92.24	7.92
6	SC/ST swarozgaries assisted	6.44	73.84	6.09
7	Minorities assisted	1.38	8.57	1.29
8	Subsidy disbursed (Rs in crore)	1,226.96	12,184.00	1,189.38
9	Credit disbursed (Rs in crores)	2,901.36	25,743.00	3,032.12

Source : GOI, Ministry of Rural Development, Annual report 2010-11

According to Table - 7 since 1999, more than 41 lakh SHGs are formed but only 11 lakh SHGs have taken up economic activities. Special attention was given to women, SC/ST and minorities. Under SGSY scheme more than 100 lakh women has been assisted since 1999.

1. **National rural livelihood Mission (NRLM) / Aajeevika** – Aajeevika was launched by Ministry of rural development (MoRD) in June 2011, to cater 7 Crore rural blocks, 2.5 lakh Gram Panchayat and 6 lakh villages through SHGs. Its objective is to harness the innate capabilities of the poor and to provide information, knowledge, skills, tools and finance to enable them to participate in

growing economy of the country.

Conclusion :

Poverty alleviation has occupied a central place in planning economic reforms and accordingly various schemes were introduced to eradicate poverty and rural development. But with all these schemes and technological advancement we have not been able to reach the underprivileged.

Table - 8
Main Source of Drinking Water

	Tapwater from treated source	Tapwater from un-treated source	Covered well	Un-covered well	Handpump	Tube well/Borehole	Spring	River/ Canal	Tank/ Pond/ Lake	Other sources
TOTAL	31.97	11.57	1.58	9.44	33.48	8.48	0.54	0.63	0.84	1.48
RURAL	17.86	12.96	1.54	11.76	43.63	8.28	0.71	0.84	1.06	1.36
URBAN	62.01	8.62	1.65	4.50	11.86	8.90	0.16	0.17	0.38	1.74

Source : Census 2011

From the table 8 and 9 it is clear that only 32 percent of population in India gets treated tap water and others rely on other means depending upon the availability of water. Out of which only 18 per cent of rural population in India has the privilege of getting tap water. Also only 47 percent of Indian population has drinking water facility within premises, other 36 percent has water facility near their premises and about 18 percent of population has to go far for fetching drinking.

Table - 9
Location of drinking water source

	Within premises	Near premises	Away
TOTAL	46.58	35.84	17.58
RURAL	35.00	42.94	22.06
URBAN	71.22	20.74	8.05

Source : Census 2011

Table 10 depicts the availability of electricity in Indian households, in rural areas only 55 percent of households have access to electricity and throughout India 67 percent of households enjoy electricity others rely on other sources like kerosene, solar energy and other oils.

Table - 10
Main Source of lighting

	Electricity	Kerosene	Solar energy	Other oil	Any other	No lighting
TOTAL	67.25	31.43	0.44	0.20	0.20	0.47
RURAL	55.31	43.15	0.55	0.24	0.22	0.54
URBAN	92.68	6.48	0.22	0.12	0.17	0.34

Source : Census 2011

A wide range of initiatives were introduced by government of India but rural India has a long way to go. Rural households are deprived of even basic amenities like drinking water and electricity. Indian villages need to develop with respect to these basic amenities along with education and increasing employment opportunities.

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Managing Diversities In Modern Workplaces

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Abstract

Modern workplaces across the globe are getting complex. With the evolving Information & Communication Technologies (ICT) our businesses are getting excessively automated. Mobiles, tablets, laptops, cinema, television, social media dictate our behavior. During such times of an increasingly impersonal environment the need for an emotional connect cannot be overemphasized. In addition to this, cultural diversity is an essential feature in all modern workplaces. Diversity could be with respect to age, race, gender, language, socio-economic status etc. Diversity can pose certain advantages and disadvantages. The role of HR in using diversity as a competitive advantage to enhance organizational effectiveness and productivity is crucial. This research paper highlights the challenges of modern workplaces and tries to trace effective ways of dealing with those challenges emphasizing the role of cultural intelligence, introducing and linking radical new ideas of evolutionary psychology (EP) to business.

Introduction

In Modern times in the globalized world -the term "Diversity" is gaining prominence in organizations. Diversity could be with respect to age, gender, race, language , ideologies, socio-economic status etc. In modern workplaces there is a rapidly changing social landscape where racial and other forms of discrimination has evolved and become more complex. Thus organizations have to gear and provide diversity courses and programs to prevent discrimination. The cultural diversity training programs should inculcate cultural competence and help reduce bias and stereotyping, for example helping employees to understand and respect other's cultural traditions or understanding the transgender co-workers. These programs should help positioning and branding products and services, promoting inclusion thus enhancing productivity and organizational effectiveness. It should help in cultivating an environment of tolerance and moving beyond that accepting and assimilating different cultures creating positive work environment.

Challenges

In today's corporations, there are cross-functional teams where, we have people from diverse cultures across the globe working for the same project. They belong to different races, religions, age groups, gender. They speak different languages and profess and practice different religions. Such a diversity can pose challenges if people do not appreciate and respect their mutual differences. For example there could be language barriers, problem of stereotyping and prejudices and biases in communication with other ethnic groups. Gender based discrimination could also arise, for some of the people

would have been socialized in patriarchal societies. There could also be bias against the LGBT communities.

With respect to different age groups- today's organizations are unique and have at least 4 to 5 generations working under one roof. Most HR experts categorize them as follows-

1. The Silent Generation/ Traditionalists (Born before 1946) who grew up during World War II . Their work ethic shows high levels of commitment.
2. The Baby Boomers (Born between1946-64) – It is the me generation, selfish but optimistic and idealistic.
3. The Gen X (born between 1965-80) – they are internet savvy, more global and technologically oriented and culturally diverse.
4. Gen Y- (born between 1981-2000) –This generation is raised in comfort and with the internet, they are pragmatic in their outlook.
5. Gen Z –(early 2000 to 2025-)This generation is born and raised with technology, social media and have seen the terrorist attacks and recessions. Thus they have a feeling of unsettlement and insecurity. They are innovative, entrepreneurial and highly conscious of the future challenges.

With each of the generation having its own unique characteristics and taking into consideration the other personality differences, the diversity is mind boggling. Each generation has different aspirations, priorities etc. The differences could grow into conflicts and misunderstanding if not dealt with and given a direction.

 It is in this context that the concept of cross-cultural competence and cultural intelligence comes into picture.

Cultural competence

Culture has 2 aspects material and the non-material. Material culture refers to all the tangible aspects like the material resources, office space, technology etc. Non-material culture refers to the values, norms, beliefs ,traditions etc. that affects the way a member of a group typically perceives, thinks, interacts, behaves , makes decisions and judgments. Cultural competence helps individuals to interact and adapt to people from diverse cultures. Here awareness of one's own culture and cultural relativism i.e. not judging others culture using one's own culture as yardstick – is crucial. Thus cultural competence is arguably the most important skill for effective competence in the globalized world. Cross –cultural training could enhance cultural competency and avoid problems like miscommunications and conflicts.

Cultural Intelligence

According to Early, Ang & Van Dyne cultural intelligence can be defined as a "person's capability to adapt as s/he interacts with others from different cultural regions and has behavioral, motivational and metacognitive aspects. This concept is related to cross –cultural competence but goes beyond that to actually look at inter cultural capabilities as a form of intelligence that can be measured and developed. Cultural Intelligence in a

business context is also called as cultural quotient (CQ) . In theories of Organizational psychology and Management, it implies the understanding of the impact of an individual's cultural background on their behavior in order to engage successfully in any social setting or environment. Christopher Early & Elaine Mosakowski- describe CQ as gaining acceptance throughout business community. It implies improving cultural perceptions and using different strategies appreciating the differences to guide response for achieving the business results. CQ can be developed by motivational means- i.e through emotions(rewards & punishments), by physical means –(body language using senses etc.)and cognitive means-(through learning about cultural diversity).

Organizations also have their own cultures which are distinct within any organization , there are also sub-cultures for ex/- the engineers may not gel with the PR people etc. Different departments, subsidiaries professions, geographical regions –all have their own unique history, values etc. People need high CQ or else, a new comer can stumble in a diverse environment.

Cultural Intelligence (CI) starts where Emotional Intelligence(EI) leaves off. EI helps us to empathize and comprehend what makes us human and at the same time distinct from each other.

CI can extract from an individual or group's behavior those features that would be true to all people and all groups, also those peculiar to this person or group and others,that are neither universal nor idiosyncratic. According to Daniel Goleman one critical element common to both EI & CI is " a propensity to suspend judgement – to think before acting"- the inferences so drawn are free from the ill-effects of stereotyping. CQ helps managers in cross-functional assignment, new jobs, distant postings etc.

CI resides in head , body and heart.
Head- stores the conditionings and learnings , beliefs, customs , taboos etc.
Body- Body language in terms of gestures, mannerisms , habits are most important in overcoming cultural barriers and creating comfort level amongst people of diverse cultures.
Heart- Adapting to a foreign culture is challenging requiring mastery and confidence in self and also self-motivation.
The head, body and heart work insync and create the right chemistry.

21st century skills for diversity practitioners-

 According to diversity experts, some 21st century skills which all Diversity Practitioners must possess are highlighted below-
   a) Systemic thinking and interrelationships across disciplines, organizations, functions, people, trends and cultures.
   b) Strategic savvy- ability to be insightful and identify the root causes of problems and develop clear and simple path working solutions.
   c) Influence-ability to persuade others to pursue action.
   d) Global mindset- Ability to perceive events and aspects- financial, HR, geo-

political, economic, demographic etc. within the context of global world. Curiosity nurtured through travelling, reading, meeting people from diverse cultures.

e) Cross-cultural competence- as discussed earlier.

f) Financial and business acumen- The ability to grasp the discourse of business, its underlying principles, threats and enablers. Ability to understand strategies and processes, how organizational structure supports the same and to generate revenue, increase profits.

g) Holistic HR know-how- The ability to grasp all HR disciplines including talent management, pay , executive compensation, heath, retirement , work-life benefits, compliance, policies and ethics , effectively partnering with HR professionals.

h) Technology and social media fluency- Effectively tapping social media tools while offering- Safe, ethical and productive use of technology.

Evolutionary Psychology (EP) guides us to manage with and not against the human nature. In the midst of cyber and global- comes a management philosophy that is truly universal and can effectively lead today's modern workplaces. Executives must operate within a framework of not just technology and processes but also the realities of human nature. EP is one step towards this says, Bob Ulrich, Chairman & CEO of Target Corporation .

Though we are in the information age , we can't take the stone age out of ourselves says Nigel Nicholson(2000). EP gives us an integrated vision of our unreconstructed hunter –gatherer minds. There have been different ages of organizing and managing-Hunter gatherer ,Agrarian, . Industrial , post-industrial and information age. EP gives an integrated vision of our unreconstructed hunter gatherer minds. Although we are in the information age , our emotional & behavioral hardwiring is the legacy of our stone age ancestors. EP gives an insight to the nature of human nature which has the following elements-motives, thoughts, feelings. Our social orientation is designed to read minds, interpret motives and anticipate actions- This requires empathy. In businesses we assess people, make decisions, communicate and play politics- following instincts that work best in small communities .These instincts backfire while dealing with strangers. Our cultural instinct likes to listen & tell stories and construct narratives. Modern businesses have too much bureaucracy and too little celebration. Best leaders have discovered the art of natural management. EP highlights the following realities-

* Men & Women have different hardwired psychologies , so it is normal for them to want to do different things & same things differently.

* Our emotions always have their hand on our minds, directing the focus & biases in our logic.

* Individuals unique genetic programming makes some people more suitable for leadership roles than others.

* Though we can change people's behavior, we cannot change the deep structures of their

personalities.

 * People are loss averse and not risk averse

* People will always be motivated to give and take favors and allow friendships to influence their decisions.

* We can do away with formal hierarchies but cannot eradicate informal pecking orders of power and influence.

* Employees will always make negative comparisons between their own and others. The roots of potential conflict are always present.

* Humans-both men & women are born to gossip. It is the essential feature of human communities and cannot be eliminated from business.

 * Although we are moving towards virtual organizations, we will develop new ways of working together. People will need contexts in which they can work and interact face to face. Thus traditional forms of organizations will still persist. Though we interact & play through social media we will want to make and use things, interact face to face and congregate in crowds in common spaces.

Human society has always involved in some deadly syndromes-such as emotional distress, low-status blues, cheating, intergroup warfare, intragroup failure, bad decisions and despotism. In contemporary organizations conditions under which these syndromes flourish are-rigid hierarchy, inflexible technology, extreme work intensity, attrition, scarce resources, segregation of sexes etc.

EP helps to manage and organize with, rather than against the grain of human nature. The above mentioned syndromes can be avoided & counterbalanced by honoring emotions, Flexing hierarchy, Keeping politics on the surface(* psychological contract & employment contract together define employer –employee relationship)making it less rigid by multi tasking, keeping organization fluid, making groups organically driven, using systems to counter human biases, devaluing dominance(executives need to consider whether prospective leaders can work as team members with staff)

How to create harmony?- Duke Ellington Principle

Today in modern corporations, people come and go and have no sense of commitment to the company. Groups are statutory, most exist for political as much as operational reasons. Fights between groups occur due to structures that separate people according to their skills and special interests. As long as we organize around personal attributes, tribalism will persist. The best alternative is to organize around something which everyone cares and values- some common purpose for example in a group dance sequence, no one cares whether the dancer is black, white or brown skinned, literate or illiterate etc. Only thing that matters is- does one love the dance and can one dance? The arching goal that is compelling and unites every member of the group is vital. In today's

context groups are not really teams. Often what group does is not valued by the firm. There is a sense of alienation. The best thing to do under such circumstances is to keep the size of the units small enough to engender a sense of intimacy and shared fate, also place a sense of trust in people to organize effectively around their personal goals and the organizational ones.

Effective Communication –

There are some important themes that govern human communication. Managers today are losing touch with this reality. Some points to note are-

* Our instinctive patterns of communication are not rational, accurate, comprehensive, unemotional or controlled. What we really like to do is empathize, gossip, network and tell stories. We love impromptu talking and listening.

* Some people are better natural communicators than others but may not be entrusted with key communications.

* We often mistake in assuming that other people are like us in what they want to hear and understand.

* Our psychological capacity to network is limited to about 150 members, in businesses if the numbers go beyond these then sub groupings assume significance.

* Communication networks in businesses are organic. They flow along the channels of rumor. Thus networks can be political in nature making it difficult for communication to cascade down the organizational hierarchy in an orderly fashion.

Thus from the list of EP principles some tips which can be used and applied in modern businesses are-

- A smaller unit size -which is small enough, for all employees to relate to all others.
- High involvement of people in implementation of decisions that directly impact them.
- Flexible hierarchy in which project leadership can change organically.
- Team based projects.
- Recognition for the contributors.
- Free exchange of ideas, information and feelings.
- Self –introspection at all levels of success and failures.
- High trust systems
- Value driven leadership emphasizing the value of diversity.
    The value of diversity can propel all other points and thus is vital

Conclusion

It is true that diversity is difficult for an organization. The very term "Diversity & Inclusion" create ripples in most cultures and can lead to conflicts, stress and anxiety. But no doubt- if we need to build effective teams in organizations in today's modern workplaces and innovate, diversity is inevitable. Diversity enhances creativity. Diversity coupled with principles of Evolutionary Psychology(EP) can enhance better decision making and problem solving. It can change one's perception and thought process. People from diverse cultures can add new perspectives and opinions. With cultural intelligence and understanding of human nature(EP principles) universal designs of business organizations can evolve accompanied with enlightened leadership. In short HR leaders can enhance individual and organizational effectiveness and productivity.

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Case Study—

Social Marketing In The Pharmaceutical Company

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Introduction

Zoetis pharmaceutical is the world's largest producer of medicines & vaccinations for pet animals. The company was a subsidiary of Pfizer, the world's largest drug maker (manufactures &markets formulations for humans) but with Pfizer's spinoff of its 83% interest in the firm, Zoetis became a completely independent company.

As an organization, Zoetis also produces pharmaceutical products and services for dogs and cats, horses and other animals such as cattle, sheep, pigs and chickens in the food safety arena.

Since Pfizer took a strategic decision of divesting the animal health business in February of 2013, Zoeits pharma decided to go public (entered the capital market) and spun off as a separate company. It became known as solely Zoetis and has 9,000 employees globally with about $4.2 billion in yearly sales revenue.

The brand transition that occurred spurred the need for **name recognition** for Zoetis among consumers.

"We'd been the same organization for many, many years. So suddenly this whole new brand came onto the market," said Mr Stening-- Senior Manager of Multichannel Marketing, Zoetis.

He added that there was an element among consumers of "who is Zoetis, and what is Zoetis and what did you do with Pfizer Animal Health?"

When animal pharmaceutical company Zoetis spun off as a separate company from Pfizer Animal Health, it needed to establish brand equity and recognition, and do so quickly.

This campaign began a process of establishing the Zoetis brand within its consumer base by first focusing on   horse Stable market.

In the past, veterinarians and trainers had been the targeted customer base with an extensive sales force of a few hundred. But with 1.8 million horse owners in the country, Zoetis didn't have the ability to target those people with its sales force.

They also didn't necessarily have the extensive budget to be able to develop all of those people through more traditional marketing channels.

For Mr Stening and his team, embarking on this campaign was about an opportunity.

"We are a new company. We've never really focused that much on the horse owner in the past, and this will be a great opportunity to start talking to them," he said.

Zoetis tested the social media waters by setting up a Face book page for their brand EQStables, and in this campaign developed a social media plan and content strategy that would act as a platform for the rest of the company's social media.

Turning to Face book, Zoetis set up company-wide rules for social media through a customer-focused strategy and was able to cultivate 107,000 Face book page fans in one month for its EQStables brand.

Social media has been "incredibly eye-opening for many parts of our organization because we can really start to see more about our customers. We basically get a three dimensional view of who our customers are, what they do, and how they act," he said.

Even if topics seem unrelated to your products, Mr Stening said it is important to have a full view of your customers.

"When do the customers get excited? When do they get upset? When do they like things? When don't they like things?" he asked. "It's really the best market research in the world you can possibly get."

The EQStables Face book page was launched on March 7, 2013. After one month, the Face book page had 107,000 likes and a 29% engagement rate — more than triple the average ratio for communities of this size among the top 1,000 brands on Face book. Other key metrics include:

- The EQStables fans posted 35,173 comments for EQStables

- Member posts are 97% positive

- Less than 1% of posts are reportable

- The page drove more than 200 downloads of the EQStables mobile app

- Acquisition costs are under 50 cents, compared to a dollar or more for other methods

- With an original target of 10,000 fans by the end of 2013, Zoetis reached

107,000 after a month

- A PTAT (People Talking About This) usually   varied between 20% to 30%

Questions

1) Why did Pfizer take a decision of   spinning off from Zoetis, the world's largest producer of pet medicines?

2) What   were   the   merits & demerits involved in such a decision for both the companies?

3) Highlight all the steps taken by Zoetis pharma for evolving a customer focused strategy because of which the company was   able to cultivate 107,000 Face book page fans in one month for its EQ Stable brand.

Changing Buyer's Psychology With Respect To Indian Automobile Industry

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Abstract

As the Indian Automobile Industry and it is one of the largest growing hub for the automobile giants across the world. But seeing the current trend of the customer where the different marketing tools are being used apart from the direct marketing, digital marketing is being used as a tool for the customers to purchase their product and it also helps in the decision for the customer at the same time. The purchasing behavior of the customers have changed due to the purchasing power as it has increased and also the lifestyle of the customers that has changed. The study is based on the rural as well as the urban lifestyle of the customers. The behavior of the Indian Customer is very volatile and it keeps on changing according to the influence of the society and high value of the orientation is being observed during the same.

Key words: Digital Marketing, Volatile, direct Marketing
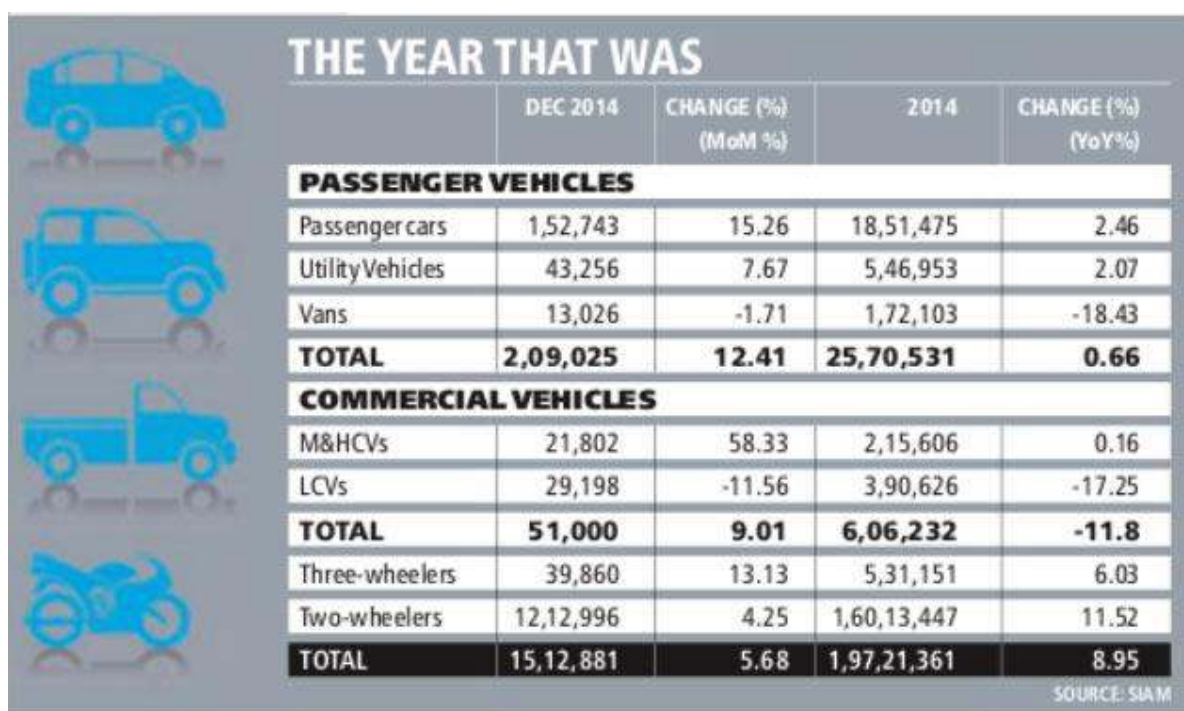
Introduction:

With the internet boom taking place in the country where all the products are going online the purchasing behavior of the customers have changed rapidly. The growth in the income level of the customers has given rise to the increase in the purchase capacity of the product. It is being observed that the increase in the consumer awareness has increased the purchasing power of the individual in rural as well as the urban sector of the country, According to the report that is being generated by McKinney& Co in 2007 it will be seen that India will be becoming the fifth largest consumer hub in the year 2025 across the world. Expansion of the availability of the product & services , growing economy , easy availability of loans at a cheaper rate & the liberal policy laid down by the government has helped in increasing the purchase of the product to the customers. There is the change in the buying pattern of the Indians where the consumers are demanding the products which are of the International standards and are available at the cheaper rate. There is the increase in the competition among the automobile companies with regards to attract the customers in terms of the superior products which are being delivered at the cheaper rate. Many attractive schemes are being forecasted by the company in the form of discounts, free bees, exchange offers & also the budget is being decided on the digital marketing campaign where they are being able to connect directly with the customers . There is a huge demographic shift with the customers where the demand of the female customers for buying automobile is in the rise. The Automobile Companies are now focusing on the colors and the trendy looks of the vehicle as youth is also one of the target audience of the company. It is being observed that the consumer in the decade has become more conscious buyer looking for the option and also the best price that suits his or her pockets.

With the change in the consumer pattern of the customer the spending patterns have increased by 2.5%. This has lead to attract more and more customers along with the existing customers. Many Automobile giants have already started their operations in India which include the companies like Tata, Mahindra &Mahindra, Maruti Suzuki and the International players like Nissan, Toyota, Renault and many more companies at the same time. India is still considered to be a mixed economy though it is leading towards the model of the free market economy every year.

Current Scenario Of Indian Automobile Industry:

Well as we can easily understand by this diagram that the Indian automobile manufacturing has revised downwards the growth projection for passengers vehicles for 2014 -2015 to around 1% as against the realists forecast of up to 4% on account of withdrawal of excise**.**

THE YEAR THAT WAS

	DEC 2014	CHANGE (%) (MoM %)	2014	CHANGE (%) (YoY%)
PASSENGER VEHICLES				
Passenger cars	1,52,743	15.26	18,51,475	2.46
Utility Vehicles	43,256	7.67	5,46,953	2.07
Vans	13,026	-1.71	1,72,103	-18.43
TOTAL	**2,09,025**	**12.41**	**25,70,531**	**0.66**
COMMERCIAL VEHICLES				
M&HCVs	21,802	58.33	2,15,606	0.16
LCVs	29,198	-11.56	3,90,626	-17.25
TOTAL	**51,000**	**9.01**	**6,06,232**	**-11.8**
Three-wheelers	39,860	13.13	5,31,151	6.03
Two-wheelers	12,12,996	4.25	1,60,13,447	11.52
TOTAL	**15,12,881**	**5.68**	**1,97,21,361**	**8.95**

SOURCE: SIAM

Cars, scooters, do well

For calendar year 2014, sales of passengers cars rose by 2.46% to 18, 51, 475 unit signaling an proper improvement in consumers sentiments.

In December, sales of passengers vehicles was up to 12.41% to 2, 09, 025 units as buyers advance purchase in anticipation of price hikes.

Sales of scooters and motorcycles rose by 11.52% to 16,013,447 units in 2014.

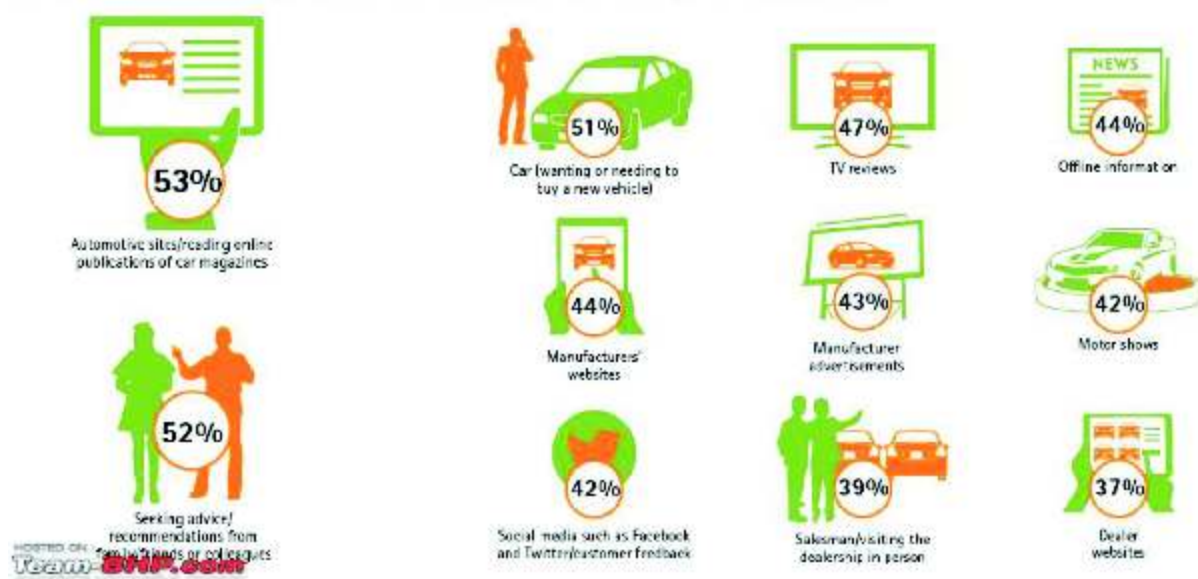Car sales up 2.46% in 2014 SIAM see FY15 growth at 1%.
PTI car sales in India got back in positive territory in 2014, with a 2.46 per cent increase on excises duty reduction brought in by the government propel the struggling industry.

Passenger's car sales during the January and December period to 18, 51,475 units against 18, 06,956 units, in 2013 a growth of 2.46 percent

Therefore the new sen said despite the expert duty concessions the industry is expected to grow marginally in the current fiscal.

Recent Changing Trends In Indian Consumer:

What factors are extremely influential on your decision when buying a car?

53% Automotive sites/reading online publications of car magazines

52% Seeking advice/recommendations from family/friends or colleagues

51% Car (wanting or needing to buy a new vehicle)

44% Manufacturers' websites

42% Social media such as Facebook and Twitter/customer feedback

47% TV reviews

43% Manufacturer advertisements

39% Salesman/visiting the dealership in person

44% Offline information

42% Motor shows

37% Dealer websites

Reading Online Publication:

This is one of the key factors which create an impact on the buying behavior of the customer. There are many automobile magazines which are available in the market and that are related to the car research. Many users have a tendency of having research on the magazine because it updates you with the current & the upcoming vehicles in the country and also the estimate cost can be obtained during the same time. These magazines are also available online. Some of examples include are autocrat, automobilemag & carmagzine.

Dealer Website:

There is the tendency of many people to read reviews about the reviews from various levels and then carry decide about the purchase of the product. The information about the vehicle can be obtained from www.carwale.com, www.cardekho.com ,www.teambhp.com etc.

TV reviews:

It is being observed that the many automobile users watch the different T.V. shows releated to the automobile industry. The Famous shows on automobile are like from NDTV channel we have Raftaar , Zee has Wheelocity and many other channel at the same time. This trend is picking up in between the users because here the users can send their query and also we are aware of the upcoming automobile vehicle in the industry.

Offline Information :

Such information are available in the newspaper where people come to know about the new vehicle that is being launched and also about the different dealership that is available in their city and the different finance options that are available to satisfy the need of the buyer. There are some news paper published only on automobile which include zig wheels .

Manufactures Website :

Now a days the consumer trends have changed before buying the product . Hence more importance is given to the website of the vehicle manufacturer and also the people are more focused on the service centers location and cost of the spare parts that are required when the vehicle is purchased. If the manufactures can tie up with the different banks and the loan facility can be displayed on the site then the transparency can be established between the buyer and the manufacturer. The good example can be website of Fiat India.

Manufactures Advertisement :

The frequent advertisement by the manufactures in the leading news paper of the country, it may be regarding the new vehicle and also the free vehicle check up camps organized by the dealers at regular intervals can bridge the gap between the customers and the automobile company and also more awareness can be created at the same time. The example can be of Sai Service the dealer for Maruti Cars , the dealer organizes the free check up camps for Maruti Vehicle in the city.

Motor Shows:

The automobile show is being organized by the name of Auto Expo where all the manufactures come together to display their product. The benefit of such shows are here the customer can be aware of the new vehicles that are to be launched and also if there is an upgrade in the technology also the customers can come to know . Now days the Financial Institutions are also participating in the show so that the different finance options can be displayed to the customer and also customer awareness is created about the go green concept.

Social Media:

The presence of social media can not be avoided in today's scenario. It is being observed that there are many people who are using twitter,Google+,linkedin,youtube,face book as a toll for socially communicating and also there are companies who are posting free advertisement in Face Book. So the views about the vehicle can be shared easily and also it becomes viral at the same time. Social Media campaigns are being also created to target the audience . Companies in order to address the customers and the consumers should create the face book presence.

Sales Man Visiting in person to prospect Customer:

This is the best and the traditional form of marketing where the sales person meets the prospect in person and then turns the prospect into the consumer. This may be also called as the direct marketing where you meet the person and carry out your presentation and also at the same time resolve the query that is being raised by the customer.

Celebrity Influence:

Indian Consumer are mainly influenced by the celebrity for purchasing vehicle. Buying behavior. With the visual media becoming more popular the use of celebrities In the TV media has increased. Celebrities create headlines. The recent examples can be Hyundai which has endorsed Shahrukh Khan as its brand Ambassador, Force Motors have endorsed Amitabh Bachan for its vehicle promotion in India .

Quality Oriented Outlet:

Indian consumers looking for quality because of the increase in the income level of the individual. Choose expensive Brands as they feel that price is an indicator of quality. However, in the absence of well known Indian brand they are compelled to buy the product which consist of the international manufacturer. So the Indian Automobile Manufacturer should prepare the products that are of the International standards.

Freebies:

The Indian Automobile company are currently offering free freebies in the form of the free service to its customers and also regular check up camps of their vehicle. If they are exchanging their vehicle with the new vehicle then the loyalty bonus is also being offered to the existing customers.

ECO Friendly Automobile Products

Now the time has come when the consumers are demanding for the hybrid cars and the electric vehicles also . Some of the leading auto mobile manufactures have started manufacturing vehicles with hybrid technology. The new launched vehicle Toyota Camry BY Toyota is the vehicle based on the hybrid fuel. Government is paying more importance to Go Green Concept which is the eco friendly concept developed for Universe.

Trendy Life Style

The current life style for the Urban and the rural customers have changed. As people are becoming more and more quality focus and the purchasing power has also increased the Indian customers are demanding high quality products and also there is an influence of the western culture and also India has become the global manufacturing hub for many of the Automobile Giants in the world. The local Indian Automobile Manufactures should prepare the vehicle with the International Standards.

Finding

As the Income level of the Indian Customers have increased hence the influencing factors are from the celebrity ,to the family for purchasing the products. It is being observed that out of 10 people every 6th Individual purchases a car after getting the survey done from online. The increase in the buying pattern of the individual has also increased the standards for buying the product. The Automobile company should focus on both the traditional and the online marketing at the same pace. Regular research should be done in order to understand the customer pattern and also the as the gap between the Urban and the Rural customer is decreasing hence company should focus on maintaining the same quality standard in both the regions.

Recomendation

On the basis of the research I would suggest that customer buying pattern has totally changed . Now with the traditional marketing we also need to focus on the online marketing. The Automobile companies should carry out the customer awareness campaign to bridge the gap between the user and the dealer. As India is becoming the global manufacturing hub for Automobile Industry across the world the possibility of the employment is getting increased and the companies should focus on the digital marketing for the product promotion and at the same time the financial Institutions of India should be made easily accessible for buying of the vehicle in the Automobile sector. As the customer pattern is changing continusily hence the proper survey should be carried out at regular intervals to know the changing trends of the customer so that quality can be delivered with the international standards.

Conclusion

Consumer behavior in India is very complex due to the divisions within the different regions across borders. The people of India Compromises of the different income, staus,class and the group level. The Automobile companies should keep all of these parameters in mind before launching the product and also pricing should be taken care with more importance as the Indian Consumer are focusing more on quality then on quantity and the online marketing should be paid more and more attention as many customers consider the views that are written online for their product buying. The Automobile companies should spend more time on the product promotion and also to bridge the gap between the dealer the customer. The regular customer research should be carried out by the company so that they can understand what customer needs and the

demand can mapped. Regular Auto shows for the customers can be a helpful toll for the product promotion and also the technology.

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Gender Bias At Workplace – A Journey To Equality

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Introduction:

We are living in an era of information technology, world has become smaller with the advent of internet, and social media (Read Facebook, Twitter, Instagram, What's app etc.) playing a vital role in communicating ideas, thoughts and processes. People have become more vocal about their opinions, rights and issues of interest owing to the amount of information they are exposed to. Voices being raised against/or in favour of issues at the drop of a hat. Internet stormed by posts, messages and articles of well known, educated and rational people on sensitive issues pertaining to religion , women, crime and a host of issues which are important and relevant in today's environment. One such issue discerning the world today is Gender bias at work place.

With the increase in the number of highly educated women equipped with technical knowledge getting conscious about their career advancement, the workplace has become a battleground in the war of gender equality. Women have to face a lot of odds (social, personal, and professional) to establish themselves as individuals capable of managing difficult tasks and in some cases superseding their male colleagues.

Interestingly, it's not just the developing countries like India and China alone that are facing this challenge but developed countries like Australia, Britain and America are facing the heat of gender inequality at workplace. In the United States, women working the same jobs as men made only 82.2% of the wages, and only 3% of the world's CEOs are women. The dilapidating condition of the women from educated and financially well off to uneducated and unsettled gives an alarming signal of the fading values and morals which were the backbone of our social system. As Clare Booth Luce correctly says:

"Because I am a woman, I must make unusual efforts to succeed. If I fail, no one will say she doesn't have what it takes. They will say, Women don't have what it takes"

<div align="right">– Clare Booth Luce</div>

Knowingly or unknowingly being a working women most of us face gender discrimination, let's see what exactly gender bias is.

Gender Bias:

Gender bias / discrimination can be defined as unusual, unethical and harsh treatment to a person of one sex as compared to the person of another sex.

Gender bias can take place can take place in various forms:

1) Discrimination on the basis of salaries/wages/bonuses paid to women employees as compared to their male counterparts on the grounds that women are inefficient or incompetent comparatively to males who are hardworking and dedicated.
2) Employers taking undue advantage of the situations/circumstances in which a women is working in order to take care of her family and thereby offering lower salaries irrespective of the qualifications and qualities that a women holds.
3) Molestation and blackmailing women for the job. Demand of sexual favours from the women / men employees in order to save their position/job by the bosses or seniors.
4) Sexual harassment is another case of gender discrimination
5) Discrimination on the basis of Age/Sex/Qualification/Disability/ Pregnancy/National origin/Race, Colour/Caste and Ethnicity

According to a survey made by Team Lease, 48% of Indians have faced some kind of discrimination or the other at work place. Most of the biases are based on Gender (25%), Age (22%), Caste and Religion (18%). Amongst the cities, employees in Delhi, Pune and Chennai faced the highest rate of discrimination, while employees in Ahmedabad faced the lowest amount of discrimination. Surprisingly, only 30% of the surveyed companies stated that they have a clear policy on discrimination.

While, certain types of discrimination is illegal in India like, equal remuneration, sexual harassment, discrimination due to pregnancy and disability. Other types of discrimination in workplace like based on ethnicity, caste or religion are not illegal in the private sector. However, in the public sector apart from the protection granted to the employees of the private sector, the employees are also protected from discrimination on the basis of caste, creed, colour, sex, religion or place of birth.

Reasons for Gender Bias:

1) **Patriarchal Society**: In Indian society women are being tagged as "home makers" and men are considered as the primary protector and provider of necessities in the family. The general notion that women are not as capable as men or cannot handle stress or difficult situations as they are not strong physically proves to be a hindrance for men acknowledging women as equals. Therefore, even though a woman is educated and competent, she has to go an extra mile to prove her mettle to be accepted as a professional and equal than her male counterparts. However, with increased efforts of the organisations and government towards gender sensitisation, over the years we have seen a dramatic shift in the traditional socio-cultural views of the society but there is still a long way to go.
2) **Pregnancy in women**: Pregnancy in women is considered as a hurdle or hindrance to one's career growth. Many female employees are denied promotions or lucrative projects on the grounds that they are pregnant and therefore would not be able to complete the task or finish the project within the required timelines or dedicate extra work hours to the job or take up extra responsibility as they would be required to spend more time to their family and would be away from the office

for a long duration (maternity leave). Some organisations even go to the extent of entering into the contract with female employees restricting them from getting pregnant or getting married.

3) **<u>Perception of Inconsistency</u>**: There is a strong perception that females do jobs out of some "need" to fulfill family requirements if the male members of the family are not capable or not present to meet the demands or out of sheer fun to pass their time and earn some pocket money as well. Women's ambition, expectations, desires are some wonder words unbelievable to some. Therefore, majority of the women despite their best efforts are not able to convince about their level of sincerity and dedication to their work and hence are left high and dry in their careers.

4) **<u>Juggling careers with family responsibilities</u>** – Women has varying roles to play from a dutiful wife to a super mom to a dedicated daughter in law and therefore has to multi task –making important presentations at work to attending PTM meetings and annual functions to getting monthly household supplies. There are times when a women has to forego annual office parties, weekend camping sessions and numerous such events wherein they miss their chance of making their presence felt and do networking with their bosses thereby, losing the opportunity to work on essential projects to their male colleagues.

Scenario of Gender bias in Indian Corporations:

A lot many debates, discussions, protests, rallies have been held on women empowerment and equality of women and with the newspapers brimming with eye rolling columns and articles on the multinational companies and large corporate houses becoming sensitive towards the needs and demands of the fairer sex and the inclusion of more and more women in top management .Gender bias in India is prevalent across organisations and levels.

1. **<u>Top Level Management</u>** - There are stunning statistics which elude the corporate world. Women account for nearly 40% of the total workforce in Indian corporate houses, but their presence is less than 7% when it comes to board level positions. According to a recent study, only 26.1 per cent of the listed companies (392 of 1,500 firms) have a woman on their boards. Out of the 278 directors on the BSE Sensex companies, there are only 10 women directors. Apart from this, women executives in India earn 40 per cent less than what men earn over their entire career. Even when compared to global counterparts, corporate India stands below average. Over 77 per cent of the 200 largest companies in the world, as ranked by Fortune, had at least one women director on their board as of 2006. Only 36 per cent of Indian companies have women holding senior management positions as compared to 91 per cent of companies in China. India is ranked 28th in terms of the presence of women directors on company boards.

In 2010, Women held only 5.3% of board directorships of BSE-100 companies.

Gender Diversity Benchmark, 2011, reports that India has the lowest national female labour force and the worst leaking pipeline for junior to middle level position women.

28.71% of those at the junior level of the workplace
14.9% of those at the middle level.
9.32% of those at the senior level.

Out of 323 total executive directorship positions (generally considered to be prerequisites to holding the CEO position) on the Bombay Stock Exchange 100, just eight (2.5%) are held by women.

54% of companies on the Bombay Stock Exchange 100 have no women board directors. Women trying to reach the top management level are faced with a barrier often referred to as the "glass ceiling" which means "the unseen, yet unbreachable barrier that keeps women from rising to the upper rung of the corporate ladder, regardless of their qualifications or achievements". Even if some of them are able to break this barrier, it comes at a cost. These women carry burdens such as stereotyping, prejudice, tokenism and isolation. There is another herculean task of proving themselves time and again as leaders and are frequently being questioned on the decisions they take, as organisations often associate good qualities of a manager to masculine characteristics and this impact of negative stereotyping limit challenging job assignments for women that eventually hinders women executive's career advancement.

2. **Middle level Management** – Women at the middle level management are often given not so lucrative or almost dubious assignments in this male dominated business environment on the pretext that women also need to concentrate on the role of being the caretaker of the family/Personal life and cannot devote extra work hours/late nights. Therefore, women are given relatively easier tasks completion of which hardly gives them any leverage in their future promotions and career advancement. Secondly, the expectations from a women and the pressure to perform in a task designated is typically higher and different in comparison to males. Thirdly, Demand for sexual favours in lieu of promotion is very common at this level.

3 **Lower level Management** – Women at this level are subjected to varied level of discrimination starting from low salary or wages in comparison to their male counterparts to not being given lucrative work profiles irrespective of the level of expertise and qualification to being taken for granted. Employers taking undue advantage of the situation or circumstances in which women are working is again a common sight. Sexual harassment and molestation is at the peak at this level of management. Cases of Women being lured to unethical practices for salary hike or bonus can be heard every now and then. Pregnancy is considered as a road block and the career path fades away to anonymity even before taking off.

Effects of Gender Bias:

1. **High Turnover Ratio** - When employees are not satisfied with their work and don't feel that they are a part of the organization they are likely to leave the organization the first chance they get. Women who think they are not being treated fairly would leave the organizations which would lead to high turnover ratio.

2. **Low Morale** – When employees in the organizations are not given their due and are not acknowledged for their contribution the self- esteem of the employees get affected which lowers down the morale of the employees.

3. **Employee conflict** – Workplace discrimination may fuel jealousy and pit employees against one another if they feel they aren't appraised solely on their merits/qualifications and accomplishments. Instead of working together they begin competing against each other to get ahead. Employees who feel they're the subjects of discrimination may grow increasingly angry or depressed and may take out their negative feelings on co-workers or worse even on customers and clients.

4. **Affects productivity** – When the employees are not happy it gets reflected in the quality and quantity of their work. The organizations should attempt in making workplace as stress-free and as conducive as possible

Steps organisations take to reduce Gender discrimination at workplace:

1 Educate, Train and sensitise employees on the importance of diversity at workplace male or female both bring their own set of ideologies and unique attributes in handling issues at work place. Both should be considered equitable and treated in a fair manner. Training and sensitizing leads in better understanding of the other gender and hence, employees become more accommodative and receptive to each other's views.

2 Establishing clear criteria for evaluation help in unbiased assessing of the employees irrespective of their gender, caste, creed, religion.

3 Holding the decision makers accountable for any errors, irrespective of the gender.

4 Transparency in all the policies, processes and procedures related to work and all the duties and task assigned to all employees equally.

5 Stress on Improving Work life balance by giving flexible work schedules, compressed work weeks all of which offer employees the flexibility to manage home-work conflicts as best suits them, while maintaining productivity levels.

6 Including more women at the top management level as they bring with them a creative dimension to resolving work related issues. Additionally, with women on board the top management level can put forward issues and challenges faced by women in climbing up the ladder at workplace and can help in formulating policies and procedures benefiting the women.

7 Establish women targeted recruitment programmes to encourage talent and foster diversity in the organisation.

8 Identify and track women employees with high potential and provide them with

mentors or coaches to support and assist in propelling their careers forward.

9 Women having potential should be allocated critical business projects or roles to give them visibility.

10 Provide women with line experience and cross training.

Conclusion

Although organisations across all sectors in the whole world have realized the importance of diversity in an organisation there is still a long way to go to bring about the desired changes. The change in the mindset of the employees and the readiness to accept each other will bring positive change in the way organisations work and help in reaching organisational goals and objectives   effectively. Undoubtedly, there is a flip side also attached to it, with female employees taking undue advantages of the policies and framework established by the organisations for their benefit. The real change would come when employees accept their roles and responsibilities towards their organization and work together as a team towards success.

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Customer Satisfaction In Automobile Industry

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The Automobile Industry

Automobile industry is not new for all, the business of producing and selling self-powered vehicles, including passenger cars, trucks, farm equipments and other commercial vehicles, by allowing consumers to commute long distances for work, shopping and entertainment. The auto industry has become one of the largest purchasers of many key industrial products such as steel and batteries. As well as to create a large number of employments, this is the key of determinant of economic growth. Automobiles play an unimaginable role in the social, economic and industrial growth of any country.

Let's go with past, the invention of the wheel in 4000 BC, man's journey on the road of mechanized transport had started. Since then he continually sought to devise an automated, labour saving machine to replace the horse. After Lots of attempt, French Captain Mr. Nicolas Jacab Cugnot reached conclusion in the early 1760s with the building of the first steam driven tractor. It was however left to Karl Benz and Gottlieb Damlier to produce the first vehicles powered by the internal combustion engine in 1885. It was then that the petrol engine was introduced, which made the car a practical and safe. These cars in this period were more like the cars on our roads today, with cars came the era of speed. The first ever land-speed record was established about a 100 years back, in 1898. Count Gaston de Chasseloup-Laubat of France drove an electric car (in Acheres near Paris) at a speed of 39.24 miles per hour. This flagged off the era of 'wheels racing', which lasted till 1964, after which jet and rocket -propelled vehicles were allowed. Then onwards, it has been one big journey...on the roads.

The automobile is the greatest mechanical engineering achievement of the 20th century. The automobile, airplane, Apollo, air conditioning and other technologies made major contributions to engineering progress and economic and social development in the last 100 years. The automobile also spurred transportation and provided a means of efficient and enjoyable travel for the peoples.

The automobile has been a key force for change in twentieth-century world. During the 1920s the industry became the backbone of a new consumer goods-oriented society. The automobile became the lifeblood of the petroleum industry, one of the chief customers of the steel industry, and the biggest consumer of many other industrial products. The technologies of these ancillary industries, particularly steel and petroleum were revolutionized by its demands. The automobile stimulated participation in outdoor recreation and spurred the growth of tourism and tourism-related industries, such as service stations, roadside restaurants, and motels, the construction of streets and highways one of the largest items of government expenditure.

The automobile ended rural isolation and brought urban amenities—most important, better medical care and schools—to rural area. The modern city with its surrounding industrial and residential suburbs is a product of the automobile and trucking.

Customer Satisfaction

Customer satisfaction is a term frequently used in <u>marketing</u>. While it's often abbreviated as CSAT, it is more correct to abbreviate it as CSat. It is a measure of how products and services supplied by a company meet customer expectation. Customer satisfaction is defined as "the number of customers or percentage of total customers, whose reported experience with a firm, its product or its services exceeds specified satisfaction goal"

Customer satisfaction measures how well the expectations of a customer concerning a product or service provided by your company have been met. Customer satisfaction is an abstract concept and involves such factors as the quality of the product, the quality of the service provided, the atmosphere of the location where the product or service is purchased, and the price of the product or service. Businesses often use customer satisfaction surveys to gauge customer satisfaction. This survey helps to gather information about customer satisfaction. Typical areas addressed in the surveys include:
- Quality of product
- Value of product relative to price - a function of quality and price
- Time issues, such as product availability, availability of sales assistance and delivery time
- Service personnel issues, such as politeness, attentiveness and helpfulness
- Convenience such as location, parking and operations.

Satisfaction is a person's feeling of pleasure or disappointment resulting from a comparing perceived performance in relation to his or her expectation. If the performance falls short of expectation, the consumer is dissatisfied. If the performance matches the expectations, his consumer is satisfied. If the performance exceeds expectation, the customer is highly satisfied or delighted.

Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviours. The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare the organization's products.

"Customer satisfaction provides a leading indicator of consumer purchase intentions and loyalty." "Customer satisfaction data are among the most frequently collected indicators of market perceptions. Their principal use is twofold:"
1. "Within organizations, the collection, analysis and dissemination of data send a message about the importance of tending to customers and ensuring that they have a positive experience with the company's goods and services."
2. "Although sales or market share can indicate how well a firm is performing

currently, satisfaction is perhaps the best indicator of how likely it is that the firm's customers will make further purchases *in the future*. It has focused on the relationship between customer satisfaction and retention.

Customer satisfaction can evolve over time as customers repeatedly use a product or interact with a service. The satisfaction experienced with each interaction (transactional satisfaction) can influence the overall, cumulative satisfaction. It is not just overall customer satisfaction, but also customer loyalty that evolves over time.

It is seen as a key performance indicator within business and is often part of a Balanced Score card. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy.

Satisfaction understood an emotional state shall be held by people, who are willing to develop successfully personal relations, but has also been of utmost importance in business and professional situations. The latter will be of our interest in the further course of this work. In general, satisfied customers, satisfied employees and satisfied shareholders all have one common characteristic – they are positive and enthusiastic about the company they are dealing with. Talking in more detail, they shall behave in a way desired and understood by a firm, when it comes to making decision about further cooperation with the company. Specifically, they will be making repeat purchases, delivering best quality of work and investing additional funds in the company stocks. Such behavior of satisfied customers, employees and shareholders will contribute to business growth. Therefore satisfaction, understood in such a wide context, shall definitely be on the top of board of directors' list as it has strong positive impact on business results.

To summarize, a customer oriented company has one primary goal – to satisfy its customers, which is realized by getting to know customer needs and values, sharing this knowledge throughout the company and translating it into improved products and services, which are able to satisfy the customer to largest possible extent. Satisfying the customers is a never ending process. As the customer grows up, gets older and ages, his or her needs and values change. Moreover, as the economies develop, mature and decline, the wants of human beings also change. As a result, companies are forced to follow or even be ahead of customer's needs in order ensure business growth.

Customer Satisfaction in Automobile Industry

In today's competitive scenario firms consistently tries to satisfy his existing customer to get more customers in every regards. To meet the desired expectation of customers companies has to look around all aspects of products / services and of course market condition, otherwise they may be out of the race. Automobile industry has the same competitiveness and every firm in the industry is consistently working for enhancing their product and services.
All automobile manufacturers and suppliers are involved in the product planning process, it is critical to understand what satisfies customers, what they like and dislike

about their vehicles, where the market is headed, and how to strategize for the long run.

J.D. Power is the Global Research Company who will answers these important questions and helps to understand customers, market trends as well as current and future market drivers, which may help to advance business and, ultimately giving comprehensive set of product planning solutions. J.D. Power Product Improvement solutions align the product/process improvement plan with key factors that affect customer satisfaction. J.D. Power delivers consulting and training services to help clients develop, optimize, and execute plans to increase customer satisfaction and improve business results. Giving customers exactly what they want is a helpful way to improve customer satisfaction in any industry.

Previously automobile industry was focused or described as a product orientation, while today the industry focuses on maintaining or establishing long term customer relationship with at all levels. However, by creating a long term relationship with the customer is a difficult process with the mass production, it is better to have knowledge about the customer and focus on their needs is considered to contribute a competitive advantage for automobile industry.

Nowadays acquiring an automobile is not restricted to only its usage but also a matter of status symbol and self expression. Although there are a lot of different choices to have a vehicle but then also some people prefer to be loyal to the previous brand as they believe that these products are tested as well as more reliable because the services they received from the brand satisfy's them. The loyal customers are always purchasing a specific brand and are more likely to introduce it to their friends and tend to be concerned in the feedback. This will help to understand customer satisfaction level and their expectations from the product or services.

Earlier industry is running behind to satisfy or to maintain long relationship with the customer as the loyal customers are leads to increased revenues for the company by purchasing their product and services.

But now market research and the trend shows that automobile industries are now only focused on sales conversions rather than satisfying the customers. "Intense competition and pressure to maximize sales conversions has shifted focus from a customer-centric approach to a sales-driven approach for dealers, impacting customer satisfaction," said Mohit Arora, (Executive director, J.D. Power Asia Pacific, Singapore). "Original equipment manufacturers (OEMs) need to provide a pressure-free environment that is conducive to sales, which can lead to a positive and lasting impression of the brand in the minds of customers.

The industry and customers are agreed that product quality, service quality and price have the huge impacts on customer satisfaction. It is very important that these factors have been contributed great role into business operation and particularly in marketing aspects in order to improve customer satisfaction. After overview of industry it is found that product quality is the most important factor that affects customer satisfaction. Following the important rank is service quality and then price. Generally, high quality of

product and service often lead to high customer satisfaction. Furthermore, low price is also enhances customer satisfaction. As well as price is also very important and contributing the great role for customer satisfaction in some cases such as underdevelopment economic countries and low income people. Therefore, in order to be successful in business operation or in marketing aspects, it should consider all the impacts of service quality, product quality and price on customer satisfaction.

Industry need to realize that customer relationships are based on trust, which is hard to achieve but easy to destroy. It does not occur within a moment; instead it requires many interactions within a long time. According to this fact industry needs to retain existing customers while targeting new customer. Industry has to pay attention to the image of brand as well as pre sales and post sales services which they offer to the customers. After analyzing the trend of market, prioritization of action has been set which helped to concentrate on those areas that have the strongest influence on quality of pre sales and post sales services. This will hopefully turn into the long term relationship with the customer.

As well as industry has to do regularly performance evaluation in the different areas which will helps to understand the overall satisfaction and for loyalty generation. The knowledge about the customer satisfaction needs to spread across the entire industry so every person who worked for this industry will understand the importance.

Reasons for importance of customer satisfaction:
1. Customer satisfaction increases the lifetime value of the customer.
2. Customer satisfaction is a point of differentiation.
3. Customer satisfaction helpful to reduce the negative communication of word to mouth.
4. It shows the loyalty and repurchases intentions of the customer.
5. For reducing customer churn customer satisfaction is important.

Finally, the truth is that, we cannot live without food and industry cannot exist in market without customers. Due to this fact industry has to think and work on out of the box to understand the customer needs and try to full fill their expectations.

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Public Sector Insurance Companies: A Post Liberalisation Perspective

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Abstract

The insurance sector has an important role to play in the Indian economy. Manyreforms have been introduced in this sector to meet the ever changing economic environment. This paper endeavours to show that despite liberalization and the opening up of the insurance sector to private entities, the domination of public sector insurance companies continues. The study, based on secondary resource encompasses public sector insurance companies and private sector insurance companies both in life and general insurance segment. The findings portray a rather upbeat perspective and reveals that even after relaxation of laws and rules for new entrants,the domination of public sector insurance companies continues over private sector insurance companies both in life and non-life insurance segment.

Keywords: Need, Impact, Economic Development, Post-liberalization, Market share, Insurance, Public sector, Private sector.

Introduction

The economic reforms initiated in the early 90s paved the way for growth and opening up of financial sector, which has led to a sustained period of economic growth. The passage of the Insurance Regulatory and Development Authority Act in 1999 opened up the industry for private and foreign insurance companies. Today the insurance sector has come a long way from liberalization of Indian economy to rise in FDI cap from 26 to 49 %. The industry contributes to the financial sector of an economy as well as provides an important social security protection. Thus the need of insurance sector has increased more than ever before. Though, Insurance companies have managed to widen their horizons, there are many untapped regions which needs to be explored. There are numerous private and government insurance companies in India that have become synonymous with the term insurance over the years.

The evolution of the insurance industry in india

Figure No. 1
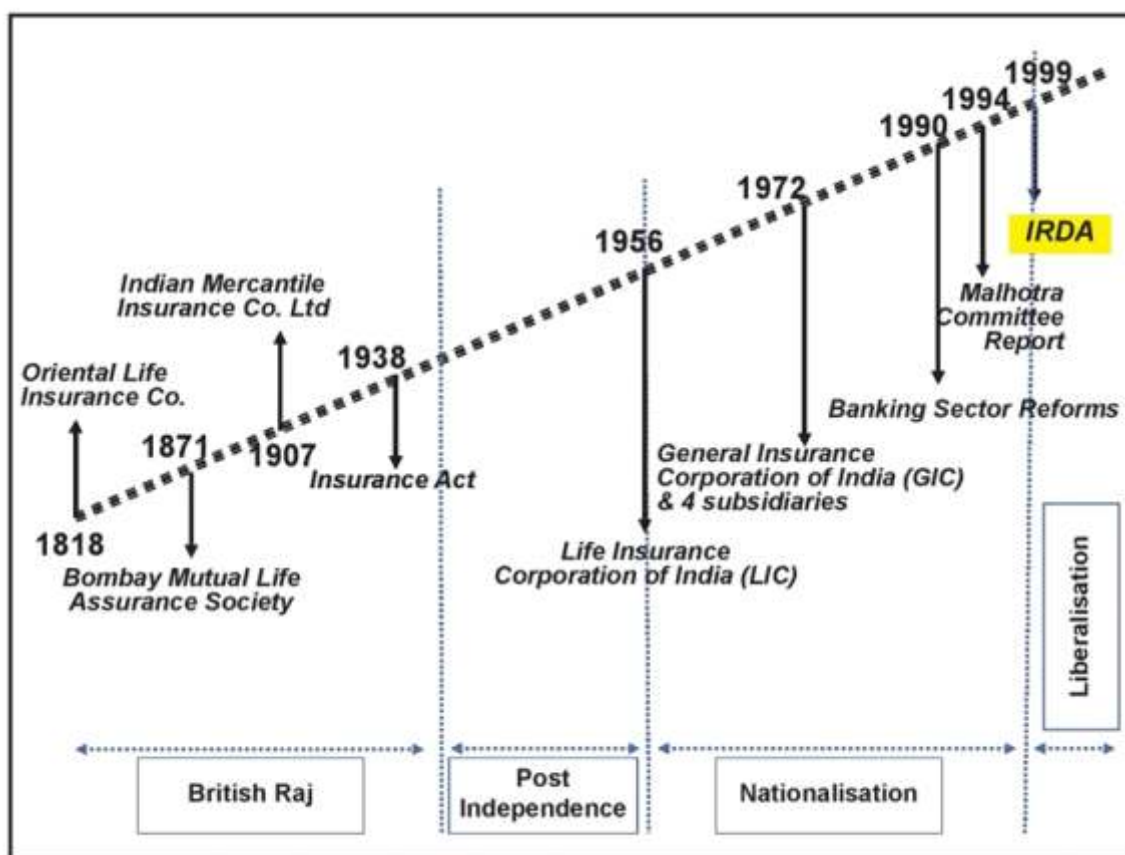
Source: Growth of Indian Insurance Industry and Determinants of Solvency

The concept of Insurance in India started with a typical story of a British colonial raj. In 1818, the British government introduced life insurance to India, with the establishmentof the Oriental Life Insurance Company at Calcutta.At that point of time there were a very few insurance companies and it was mostly dominated by the British insurance companies especially in large urban centres.The Bombay Mutual Life Assurance society, started in 1871,was the first Indian-owned life insurance, and Indian Mercantile Co. Ltd, started in 1907, was the first Indian non-life insurer. In 1912, the Indian Life Assurance Companies Act and Pension Fund Act was passed. Later the insurance act of 1938 was passed to legalize and control insurance sector which was the beginning of formal insurance regulation.

In 1956, life insurance business was nationalized, and Life Insurance Corporation (LIC) came into existence in the same year. LIC absorbed 154 Indian, 16 non-Indian insurers and 75 provident fund companies, a total of 245 Indian and foreign insurers in all.

In 1972, the General Insurance Business (Nationalisation) Act was passed and the general Insurance business was nationalized. The General Insurance Corporation (GIC) of India was formed and 107 insurers were amalgamated and grouped into four subsidiary companies of GIC, namely National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd and the United India Insurance Company Ltd.

Later, when India faced the problem of acute balance of payment deficit, it became imperative to take immediate action. This was when Government of India took steps for liberalizing Indian economy. The Malhotra committee was set up to suggest reforms to bring the economy on track. Malhotra committee in its report proposed in 1994 to make insurance regulatory body for insurance sector. It took almost five years to pass the Insurance Regulatory and Development Authority (IRDA) bill in the parliament. After the bill was passed in 1999, it allowed private and foreign companies to enter the insurance sector.

Objectives of the study

While providing a perspective of growth of the Indian insurance sector, this study attempts to show that, despite liberalization and opening up of the insurance sector to private entities, the domination of public sector insurance companies continues.

Hypothesis of the study

Null Hypothesis: The domination of public sector insurance companies continues over private sector insurance companies.

Methodology

This research deals with the entire life and non-life insurance sector in India. In this research study, comparison of market share of public and private insurance companies are done after economic liberalization. Since in insurance, number of policies issued and total premium collected plays an important role along with market share, thus these parameters are taken into consideration while doing the analysis. This research is drawn with the help of a broad literature review and information obtained through quantitative secondary sources. A comparison of performance parameters of companies has also been done.

Literature review

Sharma and Chowhan (2013) in their study of Public & Private Life Insurance said that insurance sector, along with other elements of financial infrastructure, have been touched and influenced by the process of liberalization and globalization in India. The customer is the king in the market. Life insurance companies deal in intangible products. With the entry of private players, the competition is becoming intense. In order to satisfy the customers, every company is trying to implement new creations and innovative product characteristics to attract customers.

Sharma and Sikidar (2014) in their research paper "Performance Measurement of Public Sector Insurance Units after De-Tariffication" attempted to examine the growth and performance of the public sector insurance companies operating in India in the competitive scenario especially in the non-life insurance sector.

Type of insurers

Life Insurer

Out of the twenty four total companies in life insurance business, there is only one public sector

company and rest twenty three companies are private sector companies. Among twenty four companies doing business in life insurance, only three companies have 100 % shareholding with no joint venture with foreign companies. Most of the other joint venture companies either have   74:26 % share ratio or share distribution between two or more companies between Indian and foreign companies, Indian companies holding majority of the shares.

Non-Life Insurer

Similarly, in general insurance business, out of the twenty seven total companies, only six are public sector companies (including specialised insurers) and the rest (twenty one companies) are private sector companies (including standalone health private). Among twenty seven companies doing business in general insurance, only ten companies have 100 % shareholding with no joint venture with foreign companies. Most of the other joint venture companies either have 74:26 % share ratio or share distribution between two or more companies between Indian and foreign companies, Indian companies holding majority of the shares.

Re-Insurer

In re-insurance, there is only one company, which is General Insurance Corporation of India. It is wholly owned by the Government of India.

Thus out of fifty two total insurance companies operating in India, only eight are public sector companies and the rest forty four companies are private sector companies.

Need of insurance sector in India

Essentially, in insurance, people pay premium to insurance companies for transferring the burden of uncertainty of risk to that insurance company. The policyholder pays a premium with the intention that, in case of any eventuality, the financial implication of that unfortunate event will be borne by the company. The insurance companies operate on the principle that when a large number of people pay them premium, not all of them would face such an eventuality. In the process, the companies command large quantum of premiums which they are able to invest in various investments and earn long term returns.

For rapid economic growth, such investments are imperative. Insurance Companies play a major role in mobilizing savings of people which they pay as premium, particularly from the middle and lower groups. These funds are invested in ways that contribute substantially to the economic development of the country in which they do business. Without insurance, business and trade would find it difficult to face unforeseen events like fire, earthquake, and floods etc. Financiers like banks would collapse if the firm financed by it is reduced to ashes by a fire or accident. The system of insurance provides many direct and indirect benefits to the individuals and their family. It helps industries and commerce to flourish and accelerates the nation's growth.

Need of public sector insurance companies in India

The two hundred years of colonial rule had completely crushed the Indian industry and exhausted the resources at the dawn of the independence. It was felt that political freedom

would not be of much use if economic independence was not achieved. The state political leadership had the ideological conviction that an equitable and socialistic society could be built only by adopting to a mixed pattern. It was under these circumstances that the Indian government had to enter into the business. The main objective of doing so was to build a solid base, bring about a planned development of the entire country and improve living conditions of the masses. In many ways, the public enterprises were used as extended arms of the government for development (Rama Prasad Rao). Public enterprise without a plan can achieve something; a plan without public enterprises is likely to remain on paper (Hanson, 1954).

Government of India has leveraged the public sector enterprises to achieve desired socio-economic objectives (Dr.S.MD.Ghouse). Profits made by public enterprises are utilized towards financing the economic development of the country. Thus the purpose for which an industry in public sector is set up is primarily for the welfare of both the workers and the society. The basic difference between private and public ownership is the difference in objectives, viz welfare maximization by the public sector and profit maximization by the private sector (Dr. B. Abdul Azeem).

Market share of life insurance business prior to liberalization

Life Insurance Corporation of India (LIC) is an Indian, state-owned insurance and investment company. It is also the largest life insurance company in India. Over 245 insurance and provident fund companies were merged to create the state owned Life Insurance Corporation.

For long, Life Insurance Corporation of India had monopoly from the time of inception till the insurance sector was opened up for the private companies. By this time, LIC had already created a huge surplus, and by 2006 was contributing around 7% of India's GDP. At this time the market share of LIC can be seen as total i.e. almost 100%

Market share of life insurance business after liberalization

Figure no 2
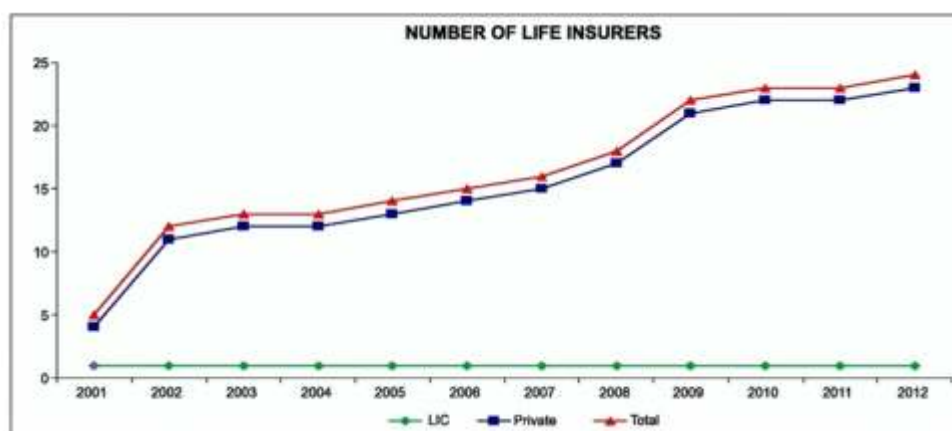
Source: IRDA

In August 2000, the Indian Government embarked on a program to liberalise the Insurance Sector and opened it up for the private sector. From the year 2000, twenty three private insurance companies came into existence and LIC was the only public sector company among them.
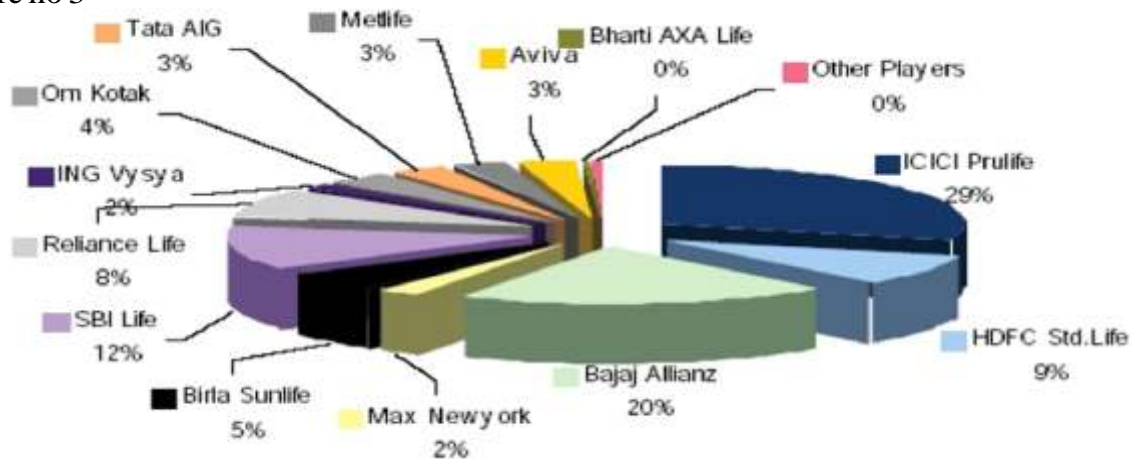
Figure no 3

Fig: Share of private life insurers only excluding LIC

Source: Competition in Life Insurance Sector of India, research paper prepared under the internship programme of competition commission of India

Among the twenty three private life insurance companies, the top five private life insurance companies in India control 78% out of the 23.09% of the market share which the private sector companies control. While the remaining dozen are still struggling to setup their operation. If we see the entire market amongst private players only excluding LIC in life insurance sector we would see there is hardly any private player who has a grip over the insurance market.

Figure no 4
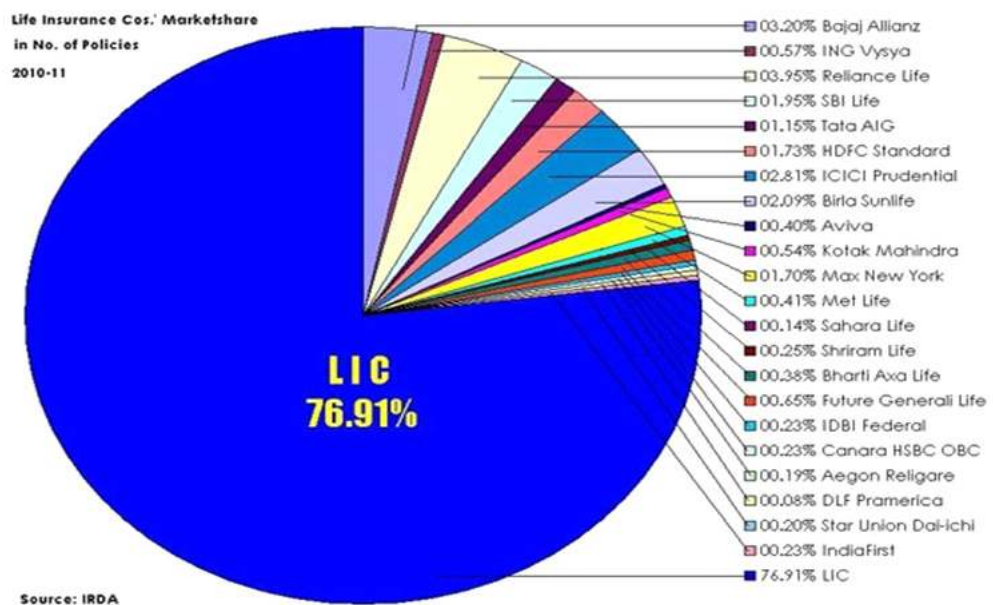
It can be seen from the above illustration that market share of more than 76% is still with LIC. It clearly depicts that LIC has lucrative market dominance and other private players have a small market share. It indicates post liberalization, LIC is still a dominant entity in life insurance business. Though the market share of LIC has come down from 100% to 76.91%, it is still the dominant company. A share of over $3/4^{th}$ of the market is unprecedented. Hence it can be shown that liberalization process, though it opened up the market, has not really changed the numerouno presence of LIC.

Figure no 5
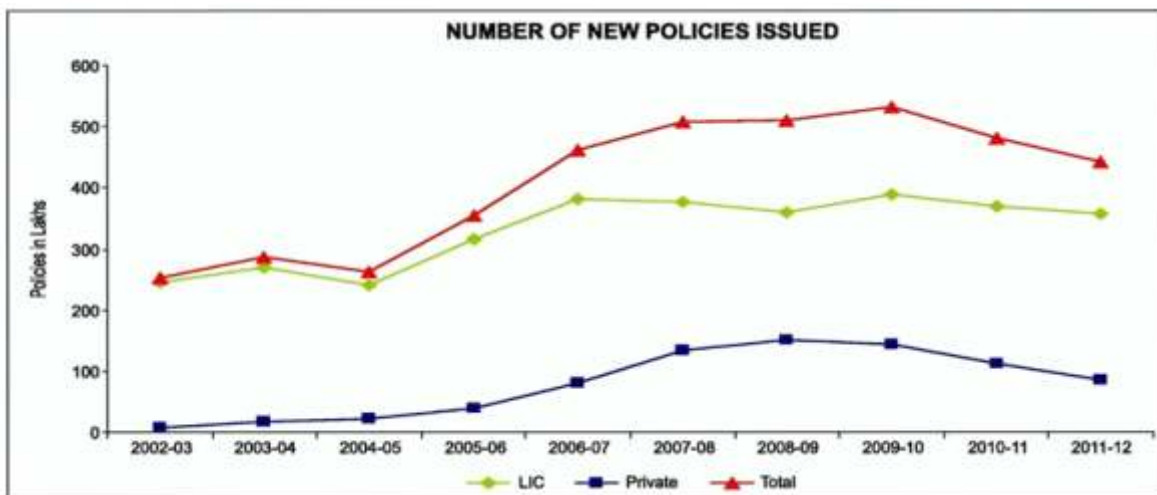
Source: IRDA

Though the number of policies issued in the market has come down from a high in 2009-10, the rate of new policies issued by LIC has remained steady while that of private players has come down.

Figure no 6
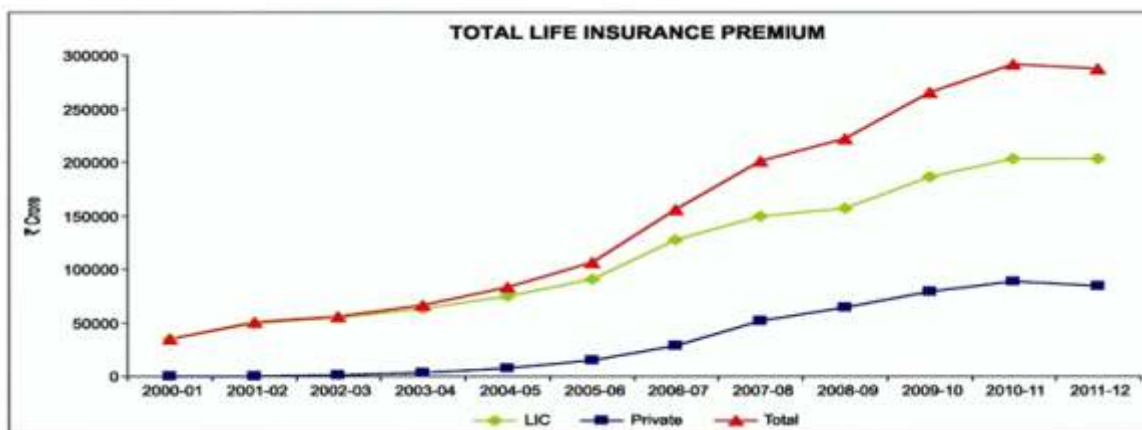
Source: IRDA

The total aggregate of premium issued by LIC has grown faster than private companies.

Market share of non-life insurance business prior to liberalization

The general insurance business was nationalised in 1972. Through nationalisation, Government of India (GOI) took over the shares of 55 Indian insurance companies and the undertakings of 52 insurers carrying on general insurance business. As soon as General Insurance Corporation of India (GIC) was formed, GOI transferred all the shares it held of the general insurance companies to GIC. Purpose of forming GIC was to supervise, control and carry out general insurance business. After a process of mergers among Indian insurance companies, four companies were left as fully owned subsidiary companies of GIC, National Insurance Company Limited, New India Assurance Company Limited, Oriental Insurance Company Limited and United India Insurance Company Limited. These companies had monopoly on general insurance business till Insurance Regulatory and Development Authority (IRDA) came into force.

Market share of non-life insurance business after liberalization

After the insurance regulatory and development authority (IRDA) bill was passed in the parliament in 1999, it allowed private and foreign companies to enter the insurance sector. This bill removed the exclusive privilege of GIC and its subsidiaries carrying on general insurance business in India. GIC was made as the Indian Reinsurer (GIC Re) and its supervisory role over the four subsidiaries was ended. The ownership of the four erstwhile subsidiary companies was vested with Government of India. GIC Re is a wholly owned company of Government of India. This allowed private companies to enter general insurance business.

Figure no 7
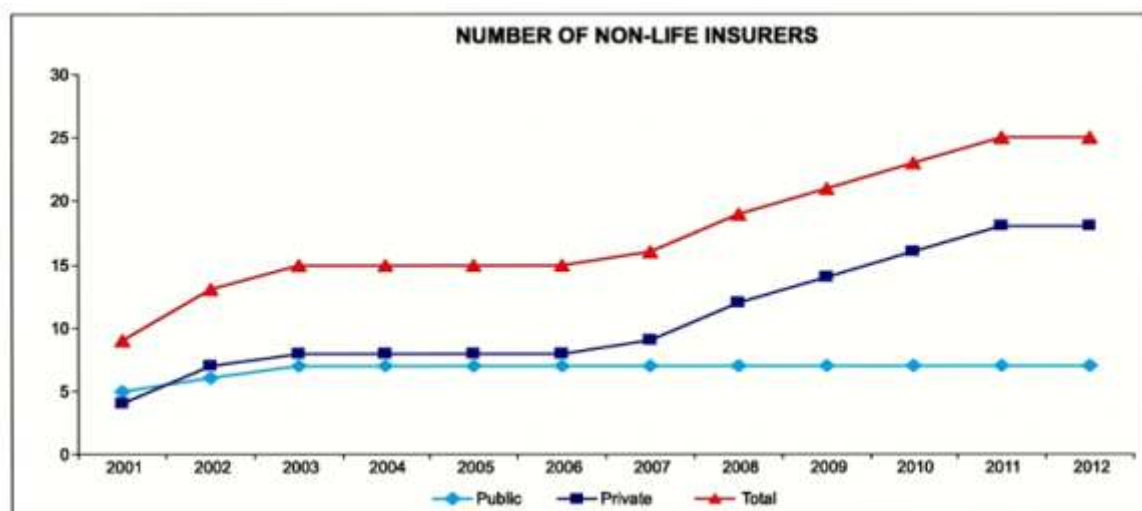
Source: IRDA

After the liberalization of non-life insurance business in India, twenty one private sector companies came in to existence. Whereas there are six public sector companies, these companies are National Insurance Company Limited, New India Assurance Company Limited, Oriental Insurance Company Limited, United India Insurance Company Limited, Export Credit Guarantee Corporation of India Ltd and Agriculture Insurance Co. of India Ltd.

Figure no 8

Non-life Insurer Market Share
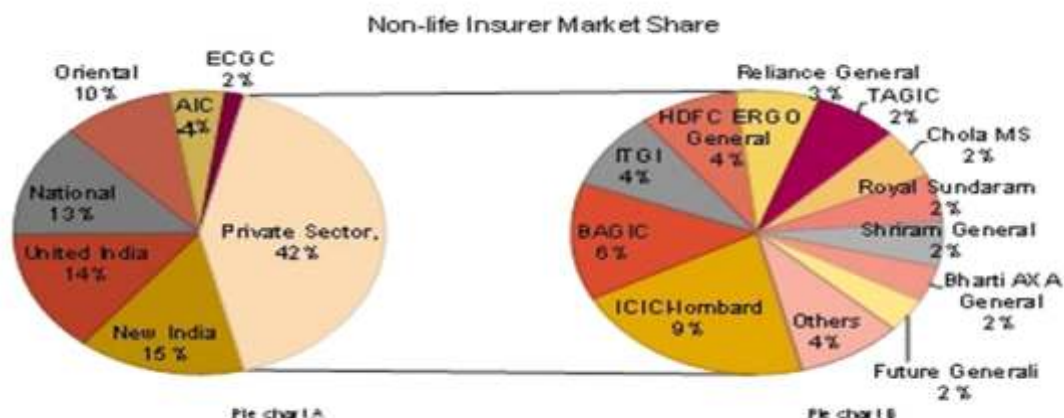
Source: IRDA

The market continues to be dominated by public sector companies, including Agriculture Insurance Company (AIC) and Export Credit & Guarantee Corp. (ECGC) at 58% and the rest is divided between private players. Pie chart A, shows the split of four public sector companies, AIC, ECGC and all private sector general insurers as a block at 42%. Pie chart B, further elaborates the respective market shares of various private players, notable among which are ICICI Lombard, BAGIC, ITGI and HDFC ERGO with market shares of 9%, 6%, 4% and 4% respectively. 'Others' in the chart include Star Health, SBI General, Universal Sompo, Apollo Munich, L&T General, Max Bupa, Raheja QBE, Religare and Magma HDI.

Limitations &Recommendations of the study
1. There are quite a few limitations in this study as in that the "life Insurance" segment was wholly dominated as a monopoly earlier to liberalization.
2. The data on insurance industry is not detailed before liberalization.
3. The period of post liberalization study could be shorter to exact a more meaningful analysis.
4. Feasible strategies should be made and implemented so as to increase the number of policyholders and to create good brand image of the company.
5. Insurance companies should make sincere effort in educating the general public about the importance of insurance.
6. Since insurance sector is a part of service industry which is intangible by nature, proper service should be provided to the customers so that they can have a tangible feeling of satisfaction in their minds.

Conclusion
1. The strength of the public sector insurance company is very clear. Despite competition they have held their own.
2. After a comparative study of private and public sector companies in terms of market share, it is clear that, public sector companies dominated the post-liberalization period.

3. Through research findings, it can be seen that, number of new policies issued and total insurance premium are greater in public sector insurance companies in post-liberalization period.

It can be clearly concluded that despite liberalization and the opening up of the insurance sector to private entities, the domination of public sector insurance companies continues both in life and non-life insurance segment. Thus the null hypothesis "The domination of public sector insurance companies continues over private sector insurance companies" holds true.

Further studies on the role of FDI in enhancing insurance penetration, the need for transparency in settlement of claims and better customer orientation can be made. There are more such studies possible especially when one can analyse claims. Since claims are an indicator of customer service, this could be studied to arrive at a conclusion on brand equity of public sector insurance companies.

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