

# Prabandhan Guru

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**Shri Ram Group of Colleges**  
**Muzaffarnagar, U.P. (INDIA)**

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# Parbandhan Guru

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**Shri Ram Group of Colleges**  
**Muzaffarnagar, U.P. (India)**

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Muzaffarnagar, U.P. (India)

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## 'A STUDY ON THE COFFEE CHAIN MARKET IN CHANDIGARH'

**\*Ramanjeet Singh, \*\*Dr.Vimal K.Aggarwal**

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### **ABSTRACT**

*A major shift in the Indian consumer's behavior has been observed which has resulted in change in his buying habits and lifestyle. Post liberalization and globalization, the country's economic standing has witnessed a substantial upward movement. India's economic growth is an exciting new playing field for the retail industry and for entrepreneurs looking to get in on the ground level. The new economy has brought along with it a major shift in the consumer's behavior pattern, resulting in change in the buying habits and lifestyle of the consumer.*

*The modern world is full of coffee moments..... Coffee wakes us up, perks us up and brings clarity to our senses. It gets us moving and ready to face the tasks ahead. Coffee can be a break, a chance to relax and reflect, or to share a moment together.*

*Clearly, with India's middle class aspiring to be in sync with global culture, coffee retailers are looking at expanding their market share by offering that "total experience" -- right coffee, food and ambience with Wi-fis and jukeboxes -- to pull customers.*

### **INTRODUCTION**

#### **1.1 Overview: Market**

Today, coffee is one of the world's largest trading commodities - second only to oil. It is worth more than \$12 billion dollars in trade every year, mainly between developing countries, where it is grown, and industrialized countries, where it is consumed. The price of coffee remains highly volatile. Being an agricultural commodity, coffee suffers from sharp variations in supply as a result of changes in environmental conditions. Most of the world's coffee crop is produced in Southern and Central America, Asia and Africa.

Coffee is the 2nd most consumed beverage worldwide, after water. The United States is the biggest importer of coffee, taking around a sixth of the world's yearly crop. However, the nation that consumes the most per capita is Finland, with the average Finn drinking around 1400 cups each year! The modern world is full of coffee moments..... Coffee wakes us up, perks us up and brings clarity to our senses. It gets us moving and ready to face the tasks ahead. Coffee can be a break, a chance to relax and reflect, or to share a moment together.

Coffee has been around in India since the 17th

century. Despite this long association, its consumption has been restricted to the South Indian states of Tamil Nadu, Karnataka and Andhra Pradesh, and as a limited urban phenomenon in the rest of the country.

With the advent of the young, upwardly mobile brigade, the demand for innovative, sophisticated products and specialty cuisines and beverages has become more apparent. There is a greater willingness, today, to find modern expression through conspicuous consumption.

The coffee chain market in India, at 6.5% of the total coffee market, is valued at Rs.400 crore (US\$ 89 million). Coffee consumption in India currently stands at 68 grams per head, as compared to 1.2 kilos in the US. Clearly, the market is still very nascent and represents a huge opportunity for growth. The Indian coffee market after being stagnant in the early 2000's has grown upwards of 5% in the last two years.

Out of home consumption has played a significant role in driving this growth. The spread of coffee chains has led to coffee being perceived as an aspirational and lifestyle product.

A major shift in the Indian consumer's behavior has been observed which has resulted in change in his buying habits and lifestyle. Post liberalization and globalization, the country's economic standing has witnessed a substantial upward movement. India's economic growth is an exciting new playing field for the retail industry and for entrepreneurs looking to get in on the ground level. The new economy has brought along with it a major shift in the consumer's behavior pattern, resulting in change in the buying habits and lifestyle of the consumer.

With increase in urbanization and the higher levels of income due to the new areas of employment in the IT / ITES and BPO sectors, the Indian consumer has higher disposable income. Indians have per se grown richer and this can be clearly seen in their spending habits on luxury items

Gone are the days when eating out was something that would happen once in a while, involving the whole family. Now, eating out has become an everyday casual affair, more specially due to the coming up of nuclear families, and working parents. Over recent years, two kinds of eating habits have evolved: Food on the move, and proper dining restaurants.

Though the food and beverages segment is popular with customers, it is, simultaneously, a very sensitive business where the final judgment lies with the customer, based on his experience at the outlet. The success of an eating outlet depends on whether it is able to offer quality food at low prices and excellent service. Among the various food and beverages outlets, coffee chains are doing the best in India. From scruffy roadside Chai (tea) shops and government-run coffeehouses to swanky, air-conditioned, branded coffee bars and lounges, Indians are catching on to the worldwide passion for coffee. Coffee bars today are a venue to socialize, finalize business deals, conduct interviews, listen to music and read in, be it a 15 year old student, a BPO employee or an old couple wanting to spend some quality time. Coffee houses serve as social hubs, with the retail experience often sweetened by

little extras like wi-fi access and clever brand extensions. For the new age consumer partying does not require a reason. He wants to celebrate each and every moment in his life. The companies are keeping up with trend by opening more locations and introducing blends, flavors and new beverages that get customers exactly what they want.

Coffee houses are extending their network. Coffee bars have now sprung up in an unprecedented numbers in every major Indian city. Few years ago it wasn't this way. Coffee consumption in India, a predominantly tea drinking nation is on a clear ascend with consumption increasing from 55,000 tonnes to 75,000 tonnes in the last three years. Industry sources say the niche coffee retail format is growing at 10-12% a year, with branded coffee accounting for 53% of sales, unbranded 40% and cafes 7%. The activity has come after years of stagnation in the coffee market in India. Retail industry sources say the niche coffee retail format is growing at 10 to 12 per cent a year. The coffee chain market in India, at 6.5 per cent of the total coffee retail market, is valued at Rs 400 crore, according to the retail consultancy KSA Technopak. Growing currently at 25-30 per cent, the market will grow much more with the entry of new players. Today, there are an estimated 500 cafe outlets in the organized sector but the country can take several hundred more coffee cafes. Calling it a coffee retail revolution at this stage may be an exaggeration, but domestic players like Barista, Cafe Coffee Day, Café Mocha, Nescafe, Mr. Beans and the new foreign entrants like Bernie's, Café Costa, Starbucks, Gloria Jeans are definitely gearing up to expand.

### **1.2 Need for the study:**

1. The coffee market in India is expanding fast. Now is perhaps the best time to build a base in India. That is why, global coffee giants are coming to India now.
2. Urbanization is expanding and more and more people are getting exposed to the taste of coffee. It is natural that some of them are becoming consumer of coffee.

3. Coffee chain stores are perhaps the next big thing in Indian society. Drinking coffee is becoming a fashion for the urban young generation.
4. With continuous high economic growth, the number of people with disposable income is growing. So, the demand of coffee can go only up for the next many years to come.

### 1.3 Objectives of the study:

1. To identify the market and brand leaders in the coffee retail sector.
2. To understand the competitive environment in the coffee chain market.
3. To study the consumer behavior and perception towards the emerging coffee chain trend.
4. To analyze the factors influencing the coffee retail market.
5. To compare the branded and non branded cafés from consumers' point of view.

### Major Domestic Players in the field:

- **Barista:** Barista is a wholly owned subsidiary of the Sterling InfoTech Group based in Chennai.
- **Café Coffee Day:** Café Coffee Day is a division of India's largest coffee conglomerate, Amalgamated Bean Coffee Trading Company Ltd. (ABCTCL), popularly known as Coffee Day, a Rs. 300 crore ISO 9002 certified company. It is one of India's leading coffee exporters with clients across USA, Europe & Japan.
- **Indian Coffee House:** The legend of the Indian coffee house began when the dismissed employees from the India Coffee Board registered the India Coffee Board Workers' Co-Operative Society with its office in Thrissur. The society made its presence in the industry with a humble beginning in Mangalodayam buildings, Thrissur on 12th February 1958. The Indian coffee house is completely owned and managed by its employees. The society is governed by an eleven member managing committee elected from the employees

- **Nescafe:** The beginnings of NESCAFÉ can be traced all the way back to 1930, when the Brazilian government first approached Nestlé. The Brazilian government gave the job to the inventor of NESCAFÉ, Max Morgenthaler, and it soon became one of the World's favorite beverages.
- **Café Mocha:** Impressario Entertainment & Hospitality, the company that owns the buzzing Mumbai-based coffee bar brand Mocha Coffee and Conversation, plans to take the number of outlets from the current 12 to 65 by end-2009.
- **Mr. Coffee Bean:** Tata Coffee Ltd, one of the world's largest integrated coffee companies, is working on strengthening its umbrella brand Mr Bean, by introducing more coffee variants and retail formats under the brand

### Research Methodology

#### 3.1 Research Design: Exploratory Research Design.

The research is designed in order to gain insight into the prevailing prospects of coffee retail industry and coffee chain market in India.

**3.2 Sampling Design:** The population for collecting the data consists of any consumer who visits the various coffee bars for any one or more reasons. The sample size is 50. The sampling technique applied is Non-probability Convenience sampling.

**3.3 Data Collection:** The data collected is primary in nature.

**3.4 Analysis:** For the analysis of the data, various statistical tools like mean, frequency, correlation, standard deviation, z-test, factor analysis have been used. The software used for the analysis is SPSS (Statistical Package for Social Sciences).

### Analysis and Discussion

The research tool used was the questionnaire containing ten questions covering almost all important aspects to study the coffee chain market in Chandigarh. The questionnaire was designed after conducting a pilot survey which included visiting various coffee cafés in Chandigarh and studying their environment, facilities and other

offerings. Also few connoisseurs were asked for their points of views which helped greatly in designing an effective questionnaire.

The research was then conducted by visiting the same coffee café s and getting the questionnaires filled by the customers there over a period of few days. The selection criterion was same in all the café s i.e. distributing one questionnaire each at every table which was filled by any one person on that table whoever the team chose to.

Gender	Frequency	Percent
Male	25	50.0
Female	25	50.0
Total	50	100.0

**Table 4.1**

The respondent gender ration was luckily exactly 50:50. This indicates that the traffic in the coffee café s is evenly distributed in terms of gender. Almost equal number of men and women move in to the café s daily.

**AGE OF THE RESPONDENTS.**

Age	Frequency	Percent
17	1	2.0
18	2	4.0
19	2	4.0
20	2	4.0
21	2	4.0
22	9	18.0
23	11	22.0
24	7	14.0
25	2	4.0
26	1	2.0
27	2	4.0
28	1	2.0
31	2	4.0
34	1	2.0
45	1	2.0
48	1	2.0
58	1	2.0
62	1	2.0
65	1	2.0
Total	50	100.0

**Table 4.2**

By looking at the above table we can easily conclude that the major traffic at the coffee café s is constituted by the age group 21-25, almost 62%. Thus we can see that mostly the young crowd likes visiting coffee café s.

**OCCUPATION OF THE RESPONDENTS**

Occupation	Frequency	Percent
Artist	1	2.0
Business	2	4.0
Dentist	1	2.0
Doctor	1	2.0
Hotelier	1	2.0
Housewife	4	8.0
Insurance agent	1	2.0
Lecturer	1	2.0
Manager	2	4.0
Retired	2	4.0
Service	8	16.0
Student	26	52.0
Total	50	100.0

**Table 4.3**

It is quite evident from table 4.3 that the more than 50% of the café visitors are the students.

Combining the results of Table 4.2 and table 4.3 we conclude that the café visitors are mostly youth and that too mostly students. But a substantial percentage is made by the people like service men including other categories like Lecturer, Insurance agent, managers which are mentioned separately. Also retired personnel and various entrepreneurs often visit the coffee café s.

**FREQUENCIES OF THEIR VISITS**

Response	Frequency	Percent
Rarely	6	12.0
Occasionally	8	16.0
Monthly	14	28.0
Weekly	17	34.0
Daily	5	10.0
Total	50	100.0

**Table 4.4**

Mostly café visitors frequent to the café s on the weekly basis. But a major portion of respondents even frequent on the monthly basis also. Also applying the one sample student's t-test,

**t-Test**

**Hypothesis: Most respondents visit the café s weekly**

**One-Sample Statistics**

N	Mean	Std. Deviation	Std. Error Mean
50	3.14	1.18	.17

**Table 4.5**

**Test Value = 3 Weekly**

t	Degrees of freedom	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference
.840	49	.405	.14	Lower: -.19 Upper: .47

**Table 4.6**

**t (table value)= 2.40**

**Inference:** Since t (table value) is more than t (calculated), hence the value, at which we are testing the hypotheses i.e. 3(weekly), holds true. This means that people mostly visit the coffee café s at a weekly basis.

When asked about with whom do people generally visit the coffee café s , following are the results:

Companions (code)	Frequency	Percent
Family(1)	6	12.0
Friends(2)	38	76.0
Business Clients(3)	2	4.0
Alone(4)	4	8.0

Total	50	100.0
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**Table 4.7**

Mostly people prefer visiting the coffee bars with their friends, followed by their families and rarely people come alone or with business clients.

**REASON THAT DRIVES THEM TO A COFFEE CAFÉ**

Reason (code)	Frequency	Percent
To socialize/freak out (1)	23	46.0
To carry some business interaction (2)	4	8.0
To quench my thirst for coffee (3)	5	10.0
For refreshment (4)	13	26.0
To celebrate (5)	5	10.0
Total	50	100.0

**Table 4.8**

Almost 50% people visit coffee café s to socialize or to freak out. This includes socializing with old and new friends, gathering for get togethers or to simply have fun.

**WHICH COFFEE CAFÉ CHAIN THEY VISIT MOST OFTEN.**

Coffee café (code)	Frequency	Percent
Barista (1)	10	20.0
Café Coffee Day (2)	19	38.0
Nescafe (3)	6	12.0
Café Mocha (4)	8	16.0
Indian Coffee House (5)	3	6.0
Non-branded outlets (6)	4	8.0
Total	50	100.0

**Table 4.9**

The most traffic is generated by Coffee Café Day, facing competition by Barista. Laos the newly opened coffee bistro Café Mocha is coming up generating good number of visitors. Nescafe also

is not lagging far behind. Indian Coffee House and other non branded outlets fail to generate too many customers.

Once asked for the vital characteristics of coffee café visits of respondents, we come to the more focused study as on the factors influencing their café selection, café image, and motivation or choice for any particular coffee café.

These factors were listed after conducting a pilot survey of what all possible factors can influence the decision of a consumer who visits a coffee café. The following factors were asked for the rating - ambience, brand name, location of the café, social status, menu items or expertise of café s, service

quality, price, extra facilities like wifi, games, purchase items like coffee powder, mugs, T-shirts etc., past experiences, references and recommendations.

The respondents were asked to rate each and every factor on the scale of 5 with 1 as the lowest score and 5 as the highest score. The response was supposed to be generated after generalizing the perception about all the coffee café s or say any coffee café irrespective of its brand name.

All the factors are analyzed and compared by simple statistics like mean, mode and frequencies.

The responses were as follows:

**Statistics**

<b>FACTORS</b>	<b>AMBIENCE</b>	<b>BRAND NAME</b>	<b>LOCATION</b>	<b>SOCIAL STATUS</b>	<b>MENU VARIETY/ EXPERTISE</b>
N	50	50	50	50	50
Mean	3.92	3.62	3.76	3.04	3.26
Mode	4	4	*4 and 5	4	4

**Table 4.10**

<b>FACTORS</b>	<b>SERVICE</b>	<b>PRICE</b>	<b>EXTRA FACILITIES</b>	<b>PAST EXPERIENCES</b>	<b>REFER ENCES/S RECOMME DATIONS</b>
N	50	50	50	50	50
Mean	3.32	3.08	2.42	3.64	2.56
Mode	*2, 3 and 4	4	2	3	1

**Table 4.11**

\*multiple modes exist.

From the above table we infer that all the factors have a substantial influence the consumers' decision on visiting a particular coffee café. This can be easily seen in the means of all the factors whose mean score more than half on the scale of 5. And also seeing the modes of the various factors, we see that most of the factors have the mode value 4 which is quite high on the scale of 5.

**Now let us see how these factors weigh individually on the scale of 5.**

**AMBIENCE**

<b>Rating</b>	<b>Frequency</b>	<b>Percent</b>
1	0	0.0
2	2	4.0
3	13	26.0
4	22	44.0
5	13	26.0
Total	50	100.0

**Table 4.12**

**Inference:** Ambience has maximum frequency of 4 out of 5. Almost half of the sample population

rates it at 4. This shows that ambience plays a very major role in the selection of a coffee café.

**BRAND NAME**

Rating	Frequency	Percent
1	0	0.0
2	9	18.0
3	12	24.0
4	18	36.0
5	11	22.0
Total	50	100.0

**Table 4.13**

**Inference:** Brand Name has maximum frequency of 4 out of 5 followed by 3 and 5. This shows that Brand Name also plays a very major role in the selection of a coffee café as the rating is towards the higher side of the scale.

**LOCATION**

Rating	Frequency	Percent
1	3	6.0
2	4	8.0
3	11	22.0
4	16	32.0
5	16	32.0
Total	50	100.0

**Table 4.14**

**Inference:** Location has maximum frequency of 4 and 5 which are also the mode values. This shows that location convenience plays a very major role in the selection of a coffee café as 64% people rate this factor on the two highest points on the scale.

**SOCIAL STATUS**

Rating	Frequency	Percent
1	4	8.0
2	13	26.0
3	14	28.0
4	15	30.0
5	4	8.0
Total	50	100.0

**Table 4.15**

**Inference:** Social status plays a major role in the selection of a coffee café. As we can see that the

rating is widely and evenly distributed across the scale. For some people it is very important but for some it is not very essential when it comes to selection of a coffee café.

**MENU VARIETY/EXPERTISE**

Rating	Frequency	Percent
1	0	0.0
2	12	24.0
3	16	32.0
4	19	38.0
5	3	6.0
Total	50	100.0

**Table 4.16**

**Inference:** Menu Variety has maximum frequency of 4 followed by 3. This shows that menu variety or the expertise of a café plays moderate role in the selection of a coffee café.

**SERVICE QUALITY**

Rating	Frequency	Percent
1	0	0.0
2	14	28.0
3	14	28.0
4	14	28.0
5	8	16.0
Total	50	100.0

**Table 4.17**

**Inference:** Service quality at any cafe has maximum frequency of 2, 3 and 4. The rating of this factor is most evenly spread across the rating scale. For some people it is very important but for some it is not very essential when it comes to selection of a coffee café.

**PRICE**

Rating	Frequency	Percent
1	5	10.0
2	11	22.0
3	13	26.0
4	17	34.0
5	4	8.0
Total	50	100.0

**Table 4.18**

**Inference:** Price has maximum frequency of 4 followed by 3. This shows that pricing at a café plays moderate role in the selection of a coffee café.

**EXTRA FACILITIES**

Rating	Frequency	Percent
1	13	26.0
2	15	30.0
3	14	28.0
4	4	8.0
5	4	8.0
Total	50	100.0

**Table 4.19**

**Inference:** Extra facilities have comparatively lower ratings. This shows that extra facilities play somewhat insignificant role when it comes to the selection of a coffee café. People at Chandigarh are not very conscious of the extra facilities that any coffee café offers.

**PAST EXPERIENCES**

Rating	Frequency	Percent
1	3	6.0
2	3	6.0
3	16	32.0
4	15	30.0
5	13	26.0
Total	50	100.0

**Table 4.20**

**Inference:** Past experiences have comparatively higher ratings. This shows that past experiences of the consumers at coffee café s play a very significant role when it comes to the selection of a coffee café. People at Chandigarh are greatly influenced by their past experiences and like to visit the café s where the experience earlier was good.

**REFERENCES / RECOMMENDATIONS**

Rating	Frequency	Percent
1	19	38.0
2	5	10.0
3	12	24.0
4	7	14.0
5	7	14.0

Total	50	100.0
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**Table 4.21**

**Inference:** References and recommendations by acquaintances have comparatively lower ratings with the maximum frequency of 1. This shows that they play the most insignificant role when it comes to the selection of a coffee café.

Further the respondents were asked to rate certain extra facilities on the basis of the contribution they make in the success of a coffee café.

These extra facilities were: availability of reading material like newspapers, magazines etc, table games like scrabble, chess, ludo etc, the facility of wi-fi access, availability of gift items like T-shirts, Coffee mugs, Coffee powder, cookies , caps, smoking zone and hookah facilities, juke box or music, television, plug ins for laptops, mobile chargers, CD players etc. These facilities were generalized and included in the questionnaire after conducting the pilot survey to various coffee café s at Chandigarh. More and more café s are coming up with newer facilities which give added advantage over other coffee café s. Sometimes these facilities become the Unique Selling Proposition for a particular coffee café. The rating was again done on the scale of 5. The rating was made entirely on the perception of each respondent as to different extra facilities. The responses are analyzed by means of simple statistical tools like mean, mode and frequency. The findings were as follows:

Out of the seven total categories made of the extra facilities that various coffee café s offer to its customers, all the seven have average score of more than 50%, which explains that all these facilities have some substantial impact on the success of a coffee café. The highest scorer and the most determining facility is the music or the juke box facility which has the highest mean score of 3.82 followed by plug-ins and wifi access. This shows that coffee consumers at Chandigarh have inclination towards gadget supporting coffee café s. also if we see the modal values of wifi and music

**Statistics**

<b>EXTRA FACILITIES</b>	<b>READING MATERIAL</b>	<b>TABLE GAMES</b>	<b>WIFI ACCESS</b>	<b>GIFT ITEMS</b>	<b>SMOKING ZONE</b>	<b>MUSIC/ JUKE BOX</b>	<b>PLUG INS</b>
N	50	50	50	50	50	50	50
Mean	2.90	2.94	3.50	2.56	3.12	3.82	3.60
Mode	3	3	5	2	3	5	3

Table 4.22

box facility it is the highest on the scale of 5 i.e. 5 itself. Further smoking zone also has some deciding role in the café's success as determined by the respondent population. The least scorers are reading material and table games and various gift items.

**READING MATERIAL**

<b>Rating</b>	<b>Frequency</b>	<b>Percent</b>
1	7	14.0
2	10	20.0
3	16	32.0
4	15	30.0
5	2	4.0
Total	50	100.0

Table 4.23

**Inference:** Reading material is one of the low scoring factors. It has less role to play in the success of a coffee café as the maximum frequency score is quite moderate i.e. 3.

**TABLE GAMES**

<b>Rating</b>	<b>Frequency</b>	<b>Percent</b>
1	8	16.0
2	11	22.0
3	14	28.0
4	10	20.0
5	7	14.0
Total	50	100.0

Table 4.24

**Inference:** Table games have the rating frequencies distributed widely across the rating scale. This shows that they appeal to few people and do not appeal to the other few.

**WIFI ACCESS**

<b>Rating</b>	<b>Frequency</b>	<b>Percent</b>
1	5	10.0
2	7	14.0
3	13	26.0
4	8	16.0
5	17	34.0
Total	50	100.0

Table 4.25

**Inference:** Wifi access facility is one big facility that has the potential to drive a huge chunk of gadget freak consumers to the coffee café.

**GIFT ITEMS**

<b>Rating</b>	<b>Frequency</b>	<b>Percent</b>
1	10	20.0
2	16	32.0
3	13	26.0
4	8	16.0
5	3	6.0
Total	50	100.0

Table 4.26

**Inference:** Gift items are the facility that scores very less in the minds of almost all the respondents. So they have a very insignificant role to play in determining the success of a coffee café.

**SMOKING ZONE**

<b>Rating</b>	<b>Frequency</b>	<b>Percent</b>
1	9	18.0
2	7	14.0
3	14	28.0
4	9	18.0
5	11	22.0

Total	50	100.0
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**Table 4.27**

**Inference:** Smoking zone facility has the rating frequencies distributed widely across the rating scale. This shows it appeals to few people and does not appeal to the other few.

**MUSIC/ JUKE BOX**

Rating	Frequency	Percent
1	4	8.0
2	5	10.0
3	8	16.0
4	12	24.0
5	21	42.0
Total	50	100.0

**Table 4.28**

**Inference:** Music availability or the juke box facilities have tremendous impact on the consumers' satisfaction. It has voluminous potential to drive a huge chunk of music lovers to the coffee café.

**PLUGINS**

Rating	Frequency	Percent
1	1	2.0
2	6	12.0
3	17	34.0
4	14	28.0
5	12	24.0
Total	50	100.0

**Table 4.29**

**Inference:** Availability of plug-ins has a considerable impact on the consumers' satisfaction. It has a major role to play in determining the success of coffee café s.

**PERCEPTIONS THEY HOLD ABOUT BRANDED AND NON BRANDED COFFEE CAFÉ S.**

Response	Frequency	Percent
Strongly Disagree	0	0.0
Slightly Disagree	3	6.0
Neutral	13	26.0
Slightly Disagree	16	32.0

Strongly Disagree	18	36.0
Total	50	100.0

**Table 4.30**

Also verifying through t-test:

**Hypothesis: People slightly agree that the branded coffee café s are better than the non-branded coffee café s**

**One-Sample Statistics**

N	Mean	Std. Deviation	Std. Error Mean
50	3.98	.94	.13

**Table 4.31**

Test Value =4(Slightly agree)

t	df	Sig.	Mean	95%	
(calculated)		(2-tailed)	Difference	Confidence Interval of the Difference	Lower Upper
-.151	49	.881	-2.00E-02	-.29	.25

**Table 4.32**

**t (table value) = 2.40**

**Inference:** Since t (table value) is more than t (calculated), hence the value, at which we are testing the hypotheses i.e. 3(slightly agree), holds true. This means that people visiting the coffee café s slightly agree that the branded coffee café s are better than the non-branded coffee café s.

Now the respondents were asked to rate both branded coffee café s as well as non branded coffee café s on the scale of 5 for 5 main parameters considered vital for considering the impression of a coffee café.

The simple statistics like mean and mode were calculated for each parameter for both the café categories and the results were arrived at.

Now discussing each parameter for both types of

cafés -branded as well as non-branded:

**MENU**

	<b>Branded cafe</b>	<b>Non Branded cafe</b>
N	50	50
Mean	3.92	3.36
Mode	4	4

**Table 4.33**

**Inference:** In the menu variety both types of cafés are almost rated similarly, with modal values 4 for each of them but branded cafés doing slightly better with a better mean value.

**TASTE / EXPERTISE**

	<b>Branded cafe</b>	<b>Non Branded cafe</b>
N	50	50
Mean	4.32	3.42
Mode	5	3

**Table 4.34**

**Inference:** For expertise of taste branded coffee cafés boldly outshine the non-branded coffee cafés with a high mean and high modal value of 5.

**PRICE**

	<b>Branded cafe</b>	<b>Non Branded cafe</b>
N	50	50
Mean	4.22	2.88
Mode	5	3

**Table 4.35**

**Inference:** When it comes to price, consumers feel that branded coffee cafés are much heavier on pocket than the non -branded coffee cafés.

**SERVICE**

	<b>Branded cafe</b>	<b>Non Branded cafe</b>
N	50	50
Mean	3.72	3.12
Mode	4	3

**Table 4.36**

**Inference:** For the service quality both types of cafés are almost rated similarly, but branded cafés doing slightly better with a better mean and modal values.

**SOCIAL STATUS**

	<b>Branded cafe</b>	<b>Non Branded cafe</b>
N	50	50
Mean	3.96	2.50
Mode	5	2

**Table 4.37**

**Inference:** In terms of social status, branded coffee cafés outshines the non-branded coffee cafés with a high mean value and high modal value of 4 as compared to low modal value for non branded cafés i.e. just 2.

Now focusing on consumers' perception about the break out of the coffee café chains in India or more specifically Chandigarh, first the respondents were asked about what change has this break out brought in their coffee consumption behavior.

<b>Change</b>	<b>Frequency</b>	<b>Percent</b>
I still do not drink coffee	2	4.0
From a coffee non-drinker to a coffee drinker	4	8.0
My coffee consumption is just the same	23	46.0
There is a little rise in my coffee consumption	14	28.0
I have become a coffee addict	7	14.0
Total	50	100.0

**Table 4.38**

Also checking through student's t-test,

**Hypothesis:** My coffee consumption is just the same

**One-Sample Statistics**

<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Std. Error Mean</b>
50	3.40	.97	.14

**Table 4.39**

**Test Value = 3 (My coffee consumption is just the same)**

t (calculated)	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	Lower	Upper
2.919	49	.005	.40		.12	.68

**Table 4.40**

**T (table value) = 2.40**

**Inference:** Since t (table value) is less than t (calculated), hence the value, at which we are testing the hypotheses i.e. 3(My coffee consumption is just the same), does not hold true. This means that the coffee consumption of people is not just the same. Alternately there has been a marked difference in the coffee consumption behavior. This behavior can be either of the other four options and the change can be either towards drinking more coffee or may be even still not drinking coffee at all. Although statistically we see that most people felt that there coffee consumption is just the same but after applying t-test we conclude that the factor does not validate the behavior of the entire population.

Further the respondents were asked for their behavior or excitement towards newer and newer coffee chains which are of international big brands like Barnies, Costa Coffee, and Starbucks etc. The responses were as follows:

Excitement level	Frequency	Percent
Neutral	11	22.0
Slightly Excited	23	46.0
Extremely Excited	16	32.0
Total	50	100.0

**Table 4.41**

Verifying through student's t-test

**Hypothesis: Coffee café visitors are slightly excited about the new entrants in the coffee café chains in India.**

### One-Sample Statistics

N	Mean	Std. Deviation	Std. Error Mean
50	1.10	.74	.10

**Table 4.42**

Test Value = 1 (Slightly excited)

t (calculated)	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	Lower	Upper
.962	49	.341	.10		-.11	.31

**Table 4.43**

**t (table value)= 2.40**

**Inference:** Since t (table value) is more than t (calculated), hence the value, at which we are testing the hypotheses i.e. 3(slightly excited), holds true. This means that people visiting the coffee café s are slightly excited about the new entrants in the coffee retail market in India.

### Conclusion

- A quiet cafe revolution is sweeping urban India with the proliferation of Italian-style corner coffee bars. And coffee bars, an unheard of concept till a couple of years ago, are suddenly a big business.
- People do not mind frequenting the coffee café s more frequently than they ever did in the past. Coffee café s is being visited as soon as several times in a single week. Hardly people would resist visiting coffee café s at times less often.
- An increasing number of young urban Indians favor coffee shops as a place to meet and socialize. They are usually or say mostly accompanied by friends and lesser by families. This shows the increased independence of youth for choosing how to spend their time socializing and getting along with people.
- The modern world is full of coffee moments. Coffee can be a break, a chance to relax and reflect, or to share a moment together. People

visit coffee café s for various reasons, be it to socialize (the most commonly found in the research). The socializing is effectively done by all the age groups people from 18 to 65. Also coffee café s have gained importance as popular place for conducting business interactions.

- The Chandigarh organized coffee retail market is currently dominated by Café Coffee Day and Barista with Café Mocha catching up really fast compared to the short duration since it has opened up. Non branded café s score very low in the eyes of the Chandigarh population. Coffee café s like Nescafe and Indian Coffee House are preferred by very selected segment of population. Nescafe being the choice of college going people and Indian Coffee House being the choice of the senior citizens.
- Coffee bars today are a venue to socialize, finalize business deals, conduct interviews, listen to music and read in, be it a 15 year old student, a BPO employee or an old couple wanting to spend some quality time.
- The café is a meeting place for 21-25 year olds, both male and female who are served the best coffee by friendly and informed staff, in an uplifting and invigorating ambience.
- Though the food and beverages segment is popular with customers, it is, simultaneously, a very sensitive business where the final judgment lies with the customer, based on his experience at the outlet. The success of an eating outlet depends on whether it is able to offer quality food at low prices and excellent service besides other factors.
- Coffee houses serve as social hubs, with the retail experience often sweetened by little extras like wi-fi access and clever brand extensions. The sample population indicated a strong inclination towards gadget friendly environment of the coffee café s. From wifi access to various plug-ins, people have fetish for such atmosphere.
- The research highlights the strategies employed by the prominent players to differentiate themselves on the basis of ambience, décor,

service, price, quality, and customer relationships.

- Despite coffee consumption stagnating, coffee houses are finding it lucrative to add value activities -- book clubs, film clubs, social activities, merchandise, and food.
- The out break of the coffee café s has certainly increased the overall consumption of coffee among the population. People have either become addicted to coffee or they have become coffee drinkers from coffee non-drinkers earlier.
- The branded coffee bars outshine the non-branded coffee bars in terms of menu variety, the expertise of preparation, the service quality, and the social status.
- The one place where the non-branded coffee café s outweighs is when it comes to price.
- On the onset of more and more coffee outlets which include various international entrants mainly, people are generally excited about these new social hubs catering to their emerging socializing and freak out avenues.

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# AN EMPIRICAL STUDY ON ENVIRONMENTAL AWARENESS OF MATHURA BASED CONSUMERS IN STRATEGIC CONTEXT OF LAUNCHING A LOW COST FOUR WHEELER

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## **ABSTRACT**

*Tata's entrepreneurial innovation resulted in creating Nano-World's cheapest car (Prahalad C.R., 2008). It augmented a race among automobile manufacturers to create low cost four wheelers for attracting a new segment of consumers. According to a CRISIL report, Nano may bring 65 percent more families into the range of those who can afford a car. Environmentalists have raised their objections on the movement of auto manufacturers for promoting four wheelers in a mass market. Considering the impact of global warming in world economy, some have suggested to promote public transport in spite of four wheelers. Some are for bringing more eco friendly technology. But nowadays global warming is not a corporate social responsibility issue. Business leaders need to approach it in the same hardheaded manner as any other strategic threat or opportunity (Porter M.E. and Reinhardt F.L., 2007).*

*This paper aims to have more insight about the level of consumer awareness regarding environmental threats caused by mass marketing of four wheelers. It also tries to judge the impact of environmental issues on their purchasing behavior of buying a four wheeler. We focus on empirical study on lower and middle income group consumers of Mathura. The paper has examined the extent of democratization of consumer opinion towards environment and decision to purchase a four wheeler in the context of environmental issues via large sample Z test.*

*The researchers plan to interview a good number corporate strategist and experts of strategic management to discuss about the newly found consumer opinion on environmental issues and to provide a few generic strategies to Indian automobile Industry.*

## **INTRODUCTION**

Nano's launch is undoubtedly one of the significant launches in the history of automobile industry. The self imposed constraints of delivering a car of Rs. 1 lac price range, have created a huge innovation platform in Nano's value chain. Tata Motors, with the leadership of Ratan Tata, has introduced a whole new consumer segment to global auto industry, which may be the fuel for future growth of automobile industry (Prahalad C. K., 2008).

Joseph Schumpeter is probably the first scholar to develop the theories of Entrepreneurship. In his earlier contributions, Schumpeter argued the innovations come from entrepreneurs. But in his later contribution, Schumpeter stressed the role of large companies as main driver of Innovation

(Hagedoom J., 1996). When we study the endeavor of Ratan Tata and Tata Motors in creating Nano, the world's cheapest four wheeler, we find the relevance of Schumpeter's argument on innovation and entrepreneurs.

## **ENVIRONMENTAL ISSUES**

Maintaining natural environment and taking care of it is a major challenge for the industry. Greenhouse gas emissions will be increasingly analyzed, regulated and priced.

Periodically, major new forces dramatically reshape the world of business as the globalization and the information technology revolution have been doing for the past few decades. Global warming and

climate change, in its complexity and potential impact, may exceed the impact of two earlier forces—globalization and I.T. revolution (Porter M.E. & Reinhardt F. 2007). Naturally, in the context of launching Nano, which may bring 65 percent more families into the range of those who can afford a car (CRISIL Report, 2008), environmentalists have raised their voice and they are advocating for public transport. Tata Motor has argued that the car conforms the environmental protection and it has lower emissions in comparison to motorcycles manufactured in India.

## **STRATEGIC RESPONSES TO CLIMATE CHANGE IN GLOBAL AUTOMOBILE INDUSTRY**

The formulation of strategy is generally seen as a rational process of matching capabilities of the corporation to market demands. But it does not fit well for the heterogeneity observed in corporate strategies toward complex environmental issues like climate change (Levy & Rothenberg, 2002).

Globally, automobile companies show considerable variations in their strategic response to climate change. US Companies responded relatively early to this issue in comparison to their European or Asian counterparts. The Research Divisions at Ford and GM had been aware of the issue since the late 1970s. But the US automobile companies paid much more attention to the national media and political events in Washington D.C. than to the development of scientific concern to solve the issues of green house gases (Edward and Lahsen). Helen Petrauskas, a Ford Vice President, concurred, "Climate did not require a step function change in strategy". American Companies shifted very slowly their technological strategies towards carbon reduction due to their fragmented regulatory system paying very less attention to CO<sub>2</sub> release.

Though European companies became aware later, but their responses were far more strategic. European Companies concern about resource depletion and congestion instead of focus on local air quality like

their US counterparts. Policies like high fuel prices and investment in public transportation reduced fuel consumption and vehicle use in Europe. Innovation efforts were, therefore, already more directed towards fuel efficiency. Companies were more aware of potential challenges of private automobile in broader transportation system.

Tata Motors, innovator of Nano, introduced cleaner engines and it is the first Indian company to introduce vehicles with Euro norms all ahead of the mandated dates. Tata Motors' joint venture with Cummins Engine Company, U.S.A., in 1992, was a pioneering effort to introduce emission control technology for India. Tata Motor also set as advanced emission testing laboratory. It is also working towards developing alternative fuel for automobiles. Apart from little sporadic information from different corporations' website, there are few studies on Indian Corporations' response toward climate change issue. There are also less no. of academic researches on developing a strategic path for Indian entrepreneurs and companies for managing the climate change issues.

Our research aims to bridge this gap.

## **CORPORATE PERSPECTIVES ON CLIMATE CHANGE: THEORETICAL BACKGROUND**

Institutional theory argues that corporate perspectives on climate change are likely to be premised upon views of climate science, expectations of regulatory responses and the market potentials for mitigation technologies. These perspectives are mediated by the institutional environment including competitors, industry associations, consumers, NGOs, regulatory agencies and the media (DiMaggio 1988; Powel & DiMaggio 1991; Scott & Meyer 1994)

Oliver (1997) argues that uncertainty increases the influence of the institutional environment and reduces the impact of economic and competitive factors. Given the high level of uncertainty concerning climate change and policy responses,

car makers can not easily make a rational decision to optimize their economic interests.

Few authors argued the need for conceptualizing heterogeneity among organizational players. According to Oliver (1996), "Firm heterogeneity is explained, at least in part, by variation in the degree of connectedness between firms and their institutional environment". There are few specific arguments which are developed to account for heterogeneous and strategic responses to climate change. Firstly, each company interprets the institutional environment through a unique vision, which is constituted by its history, organizational culture and market positioning. Secondly, organizations often operate with multiple overlapping institutional fields which create heterogeneity. Ford, for example, until the end of 1999 was a member of the Global Climate Coalition (GCC), the leading industry association opposed to mandatory curbs on emissions of green house gases. General Motors was also a member of GCC, but joined an initiative of the World Resources Institute called "Safe Climate, Sound Business". Thus GM has developed a heterogeneous response on climate change issue than Ford.

Michael E. Porter and Forest Reinhardt (2007) argue a new strategic approach to climate named as 'Inside out & Outside in'. To set a firm's approach to climate change and assess the strategic opportunity, business leaders require to look "inside out" to understand the impact of the firm's activities on the climate and "outside in" at how changing climate (in both its physical and its regulatory manifestations) may affect the business environment in which the firm competes.

To understand the inside out impact, managers need to study the firm's value chain. Any value chain activities - inbound logistics, operations, outbound logistics, market sales, and after sales service - can generate emissions. The simple ratio of profits to total emissions in the value chain can be a quantitative measurement of potential climate impact.

There were many studies on working managers' perception on climate change. Earlier study showed US managers perceived climate change as an economic threat. These perceptions did not help the managers to work the climate change issues by considering the whole range of strategic options (Di. Maggio & Powell, 1983). But a recent study in Mckinsey Quarterly (2008) finds that 60 percent of global executives view climate change as important to consider within their companies' overall strategy and 61 percent of executives view the issues associated with climate change has a positive effect on profits if managed well. All the companies considered that the consumer acceptance was the single biggest factor to innovation efforts for managing climate change. Marina Whitman, GM's former Chief Economist, expressed the widely held view that consumer sovereignty world eventually triumph in the market place.

But there are very few empirical studies on consumers' perception on climate change issues. So, there is a need of empirical studies to know consumers' perception on climate change and how it affects the purchase behavioral patterns of the consumers.

## **OBJECTIVES OF THE STUDY**

1. The paper aims to have more insights about the consumer awareness regarding environmental threats like climate change in the context of mass marketing of four wheelers.
2. It also tries to judge the impact of environmental issues on their purchasing behavior of buying a four wheeler.
3. To provide few generic strategies to automobile industry with this newly found consumer insights and by interviewing few strategic management experts and strategic managers from automobile industry.

## **RESEARCH DESIGN**

Sampling Design: We selected 435 people from

Mathura through snow ball sampling method. Statistical Design: Extent of democratization of consumers' opinions will be examined via large sample Z test, where Z statistic is  $(p^*-p)/\{p(1-p)/n\}^{0.5}$ , where  $p^*$  stands for sample proportion,  $p=0.5$  and  $n$ =sample size. Critical value (1.6449) of the corresponding right tail test at 5% level of significance has been compared with the calculated Z statistic.

After getting the consumer insight from empirical study, few strategic management experts and industry leaders are to be interviewed to provide few strategies for automobile industry in the era of climate change.

**PRIMARY HYPOTHESIS**

**H0:** Consumers are not environment sensitive.  
**Ha:** Consumers are environment sensitive.

**SUB HYPOTHESES**

**H01:** 50% consumers are aware of climate change and global warming issues.  
**H02:** 50% consumers have affirmative opinion about low cost four wheelers contribution towards global warming.  
**H03:** 50% consumers are willing to buy Nano.  
**H04:** 50% have affirmative opinion about buying more environment friendly low cost four wheelers with 25% more prices.

**OBSERVATIONS**

1. 78% of the respondents are aware of environmental threats which lead to global warming & climate change.
2. 63% of the respondents believe these low cost cars like Nano will create more environmental problem and pollution.
3. 54% of the respondents like to purchase Nano in spite of the pollution issue.
4. 64% of the respondents would like to purchase the more environmental friendly car with 25% more price as compared to Nano's price.

**ANALYSIS**

Hypothesis	P* value	P Value	Z Calculated value	Z Tabulated value at 5% level of significance
H <sub>0</sub> 1	0.78	0.5	11.72	1.6449
H <sub>0</sub> 2	0.62	0.5	5.44	1.6449
H <sub>0</sub> 3	0.54	0.5	1.67	1.6449
H <sub>0</sub> 4	0.6	0.5	5.86	1.6449

Hypothesis	Result	Decision
H <sub>0</sub> 1	Z cal > Z tab	Rejecting H <sub>0</sub> 1
H <sub>0</sub> 2	Z cal > Z tab	Rejecting H <sub>0</sub> 2
H <sub>0</sub> 3	Z cal > Z tab	Rejecting H <sub>0</sub> 3
H <sub>0</sub> 4	Z cal > Z tab	Rejecting H <sub>0</sub> 4

**FINDINGS**

1. More than 50% consumers are aware of climate change and global warming issues.
2. More than 50% consumers have affirmative opinion about low cost four wheeler's contribution towards global warming.
3. More than 50% consumers are willing to buy Nano.
4. More than 50% consumers have affirmative opinion about buying more environment friendly low cost four wheelers with 25% more prices.

With this newly found consumer insights, we would like to form few generic strategies for four wheeler makers through focus group interviews (Malhotra, 2007). We interviewed 12 strategic management experts after informing them our findings on consumer opinion toward global warming and Nano. Their suggestions to automobile industry are as follows:

1. Though in short run, automobile industry may focus on low cost cars to capture new market segment, but in long run auto industry should

focus on eco friendly cars as environment issues have been emerging as a very important factor. Our findings have shown consumers are also willing to pay more (at least 25%) to have eco friendly cars.

2. All Industry experts and academicians have advised automobile industry to produce vehicles for public transport as an alternative growth strategy. Our empirical studies on consumers have found that consumers are aware of climate change issues.

## CONCLUSION

Nano's introduction to Indian market challenged the age old wisdom of the industry drastically. Nano

has proved that self imposed constraints (Manufacturing a car of Rs. 100,000) may be used as levers for breakthrough thinking and innovation (C. K. Prahalad, 2008) termed this process of constrained innovation as working with in the innovation sand box.

We suggest the same process of entrepreneurial innovation and leadership are required to form more eco friendly cars and automobiles for public transport to redefine the growth of automobile industry, manage consumer expectation and to save the planet.

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## CHANGE MANAGEMENT IMPLICATION ON HUMAN CAPITAL (AN ERP IMPLEMENTATION CASE STUDY ON XCITE LTD.)

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### **ABSTRACT**

*Xcite Ltd. is an autonomous company of about 200 staff producing Heavy Automobile's Bolts and Nuts. Hero Honda Ltd, Mahindra & Mahindra Ltd are among its key clients. 24 months after start using an enterprise resource Planning (ERP) system the chief executive officer, Ms. Vidhi Joshi wanted an Analysis on the performance check of the system. There were two important objectives behind this introspection. Firstly, to check & realize the technical capabilities of the ERP Package and its acceptance level of End users and practitioners. Since the performance check does not it was not delivering the anticipated gains in profits, due to the absence of the ROI part evaluation of the project deal, the results of the investigation reported here disclose problems with the configuration, acquisition and implementation of cross-functional and technology blending process only.*

*In our case, we highlighted the difficulties that can be encouraged by organizations that attempt to deploy an enterprise resource planning system to the existing business practices. The key emphasis of the case is to map the techno-functional difference that the company as well management faced due to the lack of 100% competency. The Peculiar part of the Case is to carefully analyze the impact of Change management on Human Resource & other key functional areas of the firm is demonstrated.*

**Keywords :** *Organizational impacts; HR Training; Risk; System effectiveness; System evaluation; End User Participation & Training (EUPT), Vendor Management, Business Process Reengineering(BPR)*

### **INTRODUCTION**

Xcite Ltd. is based in the north of India, having its Headquarters at Lucknow. enlisted with the symbol XPT in both BSE and NSE. It has an annual turnover of around Rs. 12.8 Crore, and a workforce of around 220 odd people. It is a part of the 384 billion USD based Xcite Group, an international Company that employs over 40,000 people worldwide, and 70 % of whom work outside US. Xcite Ltd. is benchmarked itself as a self-directed decision making company, where the management's customized and declared business strategy and directions are focused on customer's needs.

For overseas customers like Bosch, MICO Xcite has the cost advantages of cross-country suppliers with the local support and logistics.

The KPA (Key Performance Areas) where Xcite Ltd. decided to emphasis includes, Business Process Reengineering (BPR), Shipping & Delivery System with minimum Lead time, Green Business, Cost Reduction, Customer Orientation, and Robust Supply Chain Mechanism.

***"Out of 100% ERP Implementations, 98% proved as the record failures and 99% out of them are due to change management resistances and management incompetency"-***

***Prof. M.P. Jaiswal, ERP Consultant & Senior Professor, Management Development Institute, India***

Xcite Ltd. operates its two business wings: Production division and Services division. Production designs and manufactures the motor engineering spare parts for different components use

in heavy and mid size automobile industry. The Production division has exclusive division for design, design team uses project management software and state-of-the-art circuit, printed circuit board (PCB) and mechanical design tools, in producing their quality assured designs and bringing products to market on time. Service division's core business function is to provide full service support to the automobile industries including full repair reporting and fault diagnosis, rework and refurbishment capability, route cause analysis and full repair capability offering customer support (including onsite test and re-screen). Value-added business is created by fostering close business partnerships with strategic customers. There is a commitment to investing in and using the latest state-of-the-art equipment in the field1.

The most important activity domain of Xcite Ltd. is "X-Leanings." With the crystal clear objective of the company "to nourish the individual intellect with right knowledge requirements, Skill set and business required value addition that leads our business to achieve the highest Industrial benchmark and ensure ours' professional and ethical growth."

To attain the same, The company set up ICT (Information, Communication & Technology) enabled e- learning Centre in excellence (equipped with latest techno-features including high end speed internet link and vast pool of Industrial knowledge base). Every employee has to undergo the compulsory MDP of six month to acquire the required knowledge level, skills sets for the set of operations.

**ALL STAGE IS SET... FOR THE PLAY???**

Up to the late 1990s, Company Supply Chain System was based on the Materials Resource Planning (MRP II). With the changing technology, the innovative and Technocrat Chief Executive Officer, Ms. Vidhi Joshi decided to go for Enterprise Resource Planning (ERP) System deployment in order to modernize functional work and to provide much faster and robust integrated business solution. This Techno-Functional deployment exercise was observed as key investment decision for the organization. Several Vendor based software were screened, after the in-depth analysis, the cost to incurred was estimated to be lies somewhat around Rs. 2.25 Crore, including the in-house ERP end user training, maintenance and implementation. In the Year 2000, the Whole Implementation wave was done. However, just after one year of full implementation, there was the voice of dissatisfaction from some functional areas within the organization. There was discontent, as it seemed that the system was failing to deliver the anticipated improvements in productivity, and user morale was falling2.

**ERP Configuration and Installation at Xcite Ltd.**

There are a range of approaches for acquiring ERP systems. These vary from in-house development to purchasing "Commercial Off-The- Shelf" (COTS) packages. Illustration I summarize these strategies and present the typical characteristics that influence the appropriateness of choice of strategy.

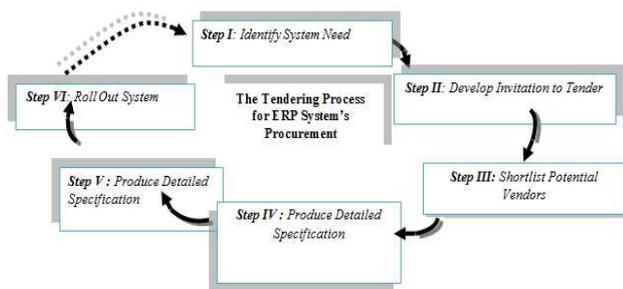
**Illustration I: Acquisition Strategies & Their Areas of Relative Strength**

<i>Acquisition strategy</i>	<i>Software Development expertise</i>	<i>Application Domain expertise</i>	<i>Local Company Knowledge</i>
<i>Internal development</i>	<i>Medium/High</i>	<i>Variable</i>	<i>High</i>
<i>3rd Party development(onsite)</i>	<i>High</i>	<i>High</i>	<i>Low(but accessible)</i>
<i>3rd Party development(offsite)</i>	<i>High</i>	<i>High</i>	<i>Low</i>
<i>3rd Party modified off- the -shelf solution</i>	<i>High</i>	<i>High</i>	<i>Low</i>
<i>3rd party standard commercial off-the-shelf solution</i>	<i>High</i>	<i>High</i>	<i>None</i>
<i>End user Development</i>	<i>Low</i>	<i>Variable</i>	<i>High</i>

At Xcite Ltd. the chief executive officer(CEO) and finance director decided to purchase an enterprise resource planning solution from a third-party vendor and customized it to suit the local conditions (with the preciseness to the budget available). This strategy falls into the "third party modified off-the-shelf solution" approach as shown in Illustration I.

The deployment and then customization decision by taking services from external investigation team is based on the fact that although the company had an internal IT department, the staffs were not used to developing software of this scale. Moreover, although they had local company knowledge, they did not have sufficient application domain knowledge to allow them to develop such a system within the timescale required. Since the system was to be acquired from a third party, rather than developed in house, Xcite Ltd. adopted a tendering process as per the blueprint set. This process focused on the requirements specification, the evaluation of tenders, and the implementation (roll out) of the system. The deployment cycle is visualized in Within Xcite Ltd. the systems acquisition process was conducted in the following manner.

**Illustration II - ERP Tendering Cycle**



**STEP I: IDENTIFY NEED FOR THE SYSTEM**

It was again the initiative taken by the CEO herself. They were concerned about inadequacies in their current manufacturing resource planning system (MRP II) and unwilling to invest more in a system with they saw as antiquated. They perceived that their competitors within the industry were moving

to ERP systems and therefore, after some investigation, decided that an ERP system needed to be acquired. At this point, in order to ensure they had the relevant skills for the procurement process, they hired a business development manager to oversee procurement and implementation. The major integration required by Xcite between the functional areas like PP, PM, FI/CO, and MM.

**Step II: Develop invitation to tender:** The business development manager identified potential stakeholders, set up user groups representing these, and arranged meetings in order to gather initial requirements. He also undertook "brown paper mapping" exercise with all managers within the system boundary to develop an understanding of the business processes in the company. From this he produced ranked and prioritized requirements, and developed an "invitation to tender." He also constructed the detailed financial case and, as a result, resources were allocated to the project.

**Step III: Short listing potential vendors:** The responses to the invitation to tender were then reviewed by the business development manager by comparing the tenders to the major requirements of the system. This provided a shortlist of three companies. The major vendor, considered by Xcite Management were Oracle Financials, SAP R/3, Ramco Marshal and Peoplesoft.

**Step IV: Choose Vendor's system:** Each short-listed vendor was invited to give a detailed presentation to show how their product would satisfy Xcite Ltd.' requirements. After the presentations the business development manager ranked the potential vendors against one another, and one vendor was awarded the contract.

**Step V: Produce detailed specification:** The detailed requirements were further refined, with user group meetings being called to support this activity. During this phase the detailed implementation schedule was also developed, in conjunction with the vendor, and the level of vendor support to be

provided was discussed.

**Step VI: Roll Out System:** The modified ERP system was provided by the vendor, accepted by Xcite Ltd. and began to be used throughout the organization. During the first 18 months of usage of the system, the end users identified additional requirements and desirable modifications: a number of these were implemented.

### ERP Usage- The Xcite Ltd' Saga

Eighteen months after the initial acceptance of the system, it was apparent to the management that the system was unable to fulfill some of the fundamental requirements of the business. The system was still undergoing little by little modification in liaison with the suppliers: but the changes were having an unanticipated budgetary impact on Xcite Ltd. The management also believed that the internal IT department (which was seen as fundamentally sound) was having difficulties in supporting the system because of problems with the system vendor's support service. Linked with this the chief executive officer perceived fall in user morale and became aware of reports of resistance to the system's use. A team was brought in from the ensemble Technologies? (A Noida (India) based mini-ERP Solution Partner , SAP AG) to investigate the situation in order to provide data that could be used to support the managers in deciding the way forward. The options that the senior management team wanted to consider were whether to **Re-implement the current ERP system and modify the business processes to better match the system?. Or to reconsider the proposals from the system vendor to upgrade, or Scrap the existing system and look for a "better fit" replacement?.**

Each of these options had supporters within the senior management team, but each also had serious implications for the organization. Therefore, the senior management team wanted to base its decision on an objective and analytical review of the current state.

### CASE description - Situation & Its Analysis

The investigation was to study the status of the system and to report on it, specifically in terms of user acceptance and potential system enhancements.

### Illustration III: Investigation pattern Design & Its Components



The team assessed (i) the impact of the system throughout the organization, and (ii) determined the nature of user (dis) satisfaction. To do this a boundary was set for the investigation, encircling all elements of the production process. The management and operational staff were interviewed independently. The team spent six months in the organization carrying out interviews, document analysis and observations (although much of this time was "dead time" as scheduled appointments were repeatedly cancelled by the organization). This case description provides the results of this investigation. Subsequent detailed analysis is required to identify why the project was seen to have failed, and what advantages could have accrued from using a risk management method during the project. These activities are not reported here, as they are the substance of the further analysis that should be conducted by the readers of this case study. The case description provides sufficient evidence to allow the reader to isolate problems (or identify "missed risks") and to compare these with the standard literature on risk in systems development environments.

The investigating team's findings are present against the phases of the tendering lifecycle in order to present an ordered storyline.

### INITIATE PROJECT: IDENTIFY NEED FOR PROJECT

Although the initial perception of the team was that the Chief Executive Officer (CEO) and financial director had been committed to the project, they

initiated it and provided the resources. Interviews with the employees at managerial and shop floor levels indicated that there was little active involvement in, or acknowledgement of, the project by the chief executive officer and other senior managers. Therefore, at operational levels the project was not seen as a "high-priority" activity. This perception had ramifications on the way people interacted with the business development manager and related to the project. Although the business development manager had a good technical skill set, he lacked the social skills required to operate effectively in a traditional manufacturing environment. There were obvious personality clashes and conflicts between the business strategic manager and other managers (and hence their staff). Indications of this were unearthed in the preliminary meeting between the researchers and the business strategic manager himself. The issues further manifested themselves both with regard to the Business Strategies & Planning manager's physical location and his articulated attitude to staff. He was not based in office accommodation alongside other senior managers, but was located in a separate part of the factory with his "territory" marked off by movable room dividers<sup>4</sup>.

## **VENDOR SELECTION & MANAGEMENT**

The Business Strategies & planning manager identified potential stakeholders, set up user groups representing these and arranged meetings in order to gather initial requirements. However, he revealed in interviews that he could not get staff to attend the user group meetings willingly, therefore he had them made mandatory. This was corroborated by several staff who'd been members of the user groups: moreover, they indicated that although they had to attend, they could not be made to actively participate.

The Business Strategies & Planning manager undertook a "brown paper mapping" exercise with all managers within the system boundary to develop an understanding of the business processes in the company. The use of "brown paper" process mapping to map out the business processes that

would be affected by the system was in evidence (the maps were all on the wall within the Business Strategies & Planning development manager's area). These maps had been developed in conjunction with the Xcite Ltd. managers. However, they were not used for any detailed analysis. For instance, they were not used to assess the current usage of software (MRP II and other homegrown applications), nor were they used to evaluate the appropriateness of the current processes. The assumption at this stage was, therefore, that the current processes as understood by the managers were both accurate and appropriate. Moreover, it was assumed that they could be supported by a new ERP system without any analysis of the current systems usage (and associated work practices).

The three short-listed vendors were invited to give detailed presentations on how their systems could support Xcite Ltd.'s needs. In Practice, of the three short-listed vendors, one company didn't respond to the invitation to demonstrate its product. One gave a generic presentation about the product. The third made some reference to the Xcite Ltd. environment and how the vendor's product would fit. The Business Strategies & Planning manager was not truly satisfied with the response of any of the vendors. Not even the one that had made an attempt to tailor the presentation to Xcite Ltd.'s needs. However, despite these misgivings the third vendor was awarded the contract and the detailed requirements were further refined. The Business Strategies & Planning & development manager did not consider that he had the option to stop, or review, the acquisition process at that point. Neither did he discuss his concerns with the chief executive officer and other senior managers. He wondered in discussion with the investigators. Whether, had he done this, could it have led to review of the options to: (i) rerun the invitation to tender, (ii) bring back the short-listed vendors for detailed product demonstrations or (iii) consider the cancellation / suspension of the project. Instead he recommended the award of the tender to a vendor and proceeded to the next phase.

## **PRODUCE DETAILED SPECIFICATION AND ROLL OUT SYSTEM**

The resistance of the users in contributing to the acquisition process continued in this phase. As the phase continued, positions became entrenched. Therefore, the opportunities to thoroughly consider the impact that the new system would have on working practices and existing IT were lost. This was a point at which the brown paper maps could have been invaluable. The Business Strategies & Planning & development manager worked with the vendor to devise the implementation schedule and the associated training and support package. The Business Strategies & Planning development & manager also attempted to liaise with departmental managers to ensure that their needs and schedules were incorporated into this plan. However, this internal liaison was incomplete since critical staff (such as the production manager) failed to engage with the process and would not provide the required information. Inevitably, this resulted in "best guesses" being made and resultant errors creeping in.

The modified system was provided by the vendor, accepted by Xcite Ltd. and rolled out for usage. Over the first 18 months, a variety of modifications were identified by users, some were implemented by the vendor in agreement with Xcite Ltd. Dissatisfaction grew over time and was palpable by the time the investigation team was called in to review the situation. Missing functions and difficulty in using the system were cited as being major impediments in using the system.

The system was accepted and rolled out. However, from this point forward it became clear to a number of users that there were system integration issues that had not been considered clearly. For Instance:

- In addition to the MRP II system (which was replaced), there were other software packages that were still in place. These hadn't been considered during the systems acquisition process. Substantial

amounts of work were supported by supplementary packages (typically end-user applications in Microsoft Excel and Access). These has been used in conjunction with the MRPII systems and were still being used to circumvent problems encountered using the enterprise resource planning system. The existence of these end-user applications was, typically, unknown to the managers.

- Eighteen months after the roll-out of the system, there were still instances of inaccurate data; much of this was a result of poor procedures for managing the importing of data from the MRP II system.

Other issues that impacted on the functional performance of the system were that, although "minor" modifications were identified by users, approved by management and implemented by the vendor, the impact of these changes were not assessed. One of the Ensemble Technology' investigators tracked back through the authorized changes that had been made to the system since its delivery. This enables them to isolate the cause of one of the major areas of frustration with the system. This was the inability to run a "back flushing" function : Back flushing refers to a method of updating stock levels and is defined as "the deduction from inventory, after manufacture, of the component parts used in a parent by exploding the bill of materials by the production total of parents produced"( Institute of Logistics and Transport,2004). This had always been highlighted as a critical requirement from the initial specification onwards. However, one of the modifications that have been approved had resulted in this feature becoming inaccessible.

The investigation revealed that most of the other problems that had been reported as causing dissatisfaction seemed to stem from two primary features: poor user interface design and inappropriate levels of training. For instance:

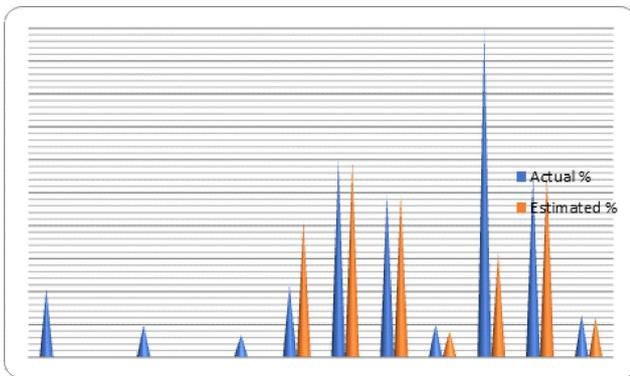
- The inability to create some reports and adequately handle the reports and adequately handle

the report writing module was a major irritation for the managers and supervisors in Xcite Ltd.

- Users lacked relevant job-specific documentation in terms of how to use the ERP system within Xcite Ltd.
- 00 There has been a lack of appropriate initial system training.

**The Investigator's Report to Xcite Ltd.**

**Illustration IV: Improvement Indicators- Actual Vs. Estimated areas**



**Tabular eloboration- Illustration IV: Improvement Indicators- Actual Vs. Estimated areas**

Improvement Indicators	Actual in %	Estimated %
Customer Orders	19	3
Design	4	0.9
Sales	8	0.3
Quotation	3	0.2
Traded	6	2.2
Design for Manufacturer	18	38
Manufacturing	57	57
Materials	38	38
Quality	7	6
Services	94	29
Accounts	51	52
Planning & Production	10	9

At the end of the investigation, the team provided a detailed report to the chief executive officer focusing on the key features that the company needed to address. These are summarized here. The review of the system acquisition process had shown that errors had been made by the parties involved in the process. However, despite these errors, the analysis of the extent to which the system had become embedded in the organization (and its working practices) showed that the perception of the system as a failure was far from the full picture. In fact, an analysis of the current usage of the system took data about the original expectations of the senior managers (in terms of where and how the system would be used) and compared it against a summary of the data that had been gathered in the task-trailing process (showing actual usage). This simple analysis of the system indicates that it was being used more extensively in some areas and less in others than had been anticipated Illustration IV .Moreover, the reason for the low usage in the Service department was identified as being linked to a training need that could be rectified internally, whereas the shortfall in "Design for Manufacture" (and low usage in "Planning and Production") is related to the disablement of the back flushing feature.

**CHALLENGES AHEAD**

From the investigation two main themes were identified that needed to be addressed by Xcite Ltd.: the first focused on the system from a technical perspective, the second from a personnel and organizational perspective.

**REQUIRED TECHNICAL CHANGES**

The functional capability of the ERP system was very close to that required by the organization. However, in total 29 system modifications were identified: 5 were outside the scope of the initial system specification (and therefore could not have been expected to be provided). Of the remaining 24 most related to changes in presentation of material (on screens or in reports) or in navigating from screen to screen. Very little was required under a "functionality" heading. The actions required to

improve the system from the users' viewpoint  
subdivide into changes the vendor would need to  
make, and internally focused actions and decisions.

A number of modifications were identified that required the vendor to provide the solution, these ranged in impact, scope and costs. Three items were estimated to be costly (over Rs. 480000, a "cut-off" value for Xcite Ltd.). Ten items were identified as requiring system modification where the budget was estimated as at less than Rs. 1,5345. These predominantly related to alternations to screen designs and provision of additional reports; there were no underlying changes required to the database or functionality. All such changes need to be justified, resourced and an impact assessment undertaken before committing to the change(s). There were five items identified where additional functionality was required, but this functionality had been identified where additional functionality was required, but this functionality had been identified as existing within the ERP package, although not enabled for usage. Four of these items had been identified within the original specification, but had not been of top priority. Accessibility to these features is purely dependent on Xcite Ltd. agreeing to pay the vendor to "switch on" the features. Finally, there were three items (two in accounts, one in production) where technical problems existed, and the vendor agreed that these came within the terms of the maintenance contract and therefore could be corrected at no cost to the company.

There were three areas in the accounts departments where there was a need to export data from the system into another specialist package that was used to generate reports on specific stationary (e.g., for financial returns). These modifications could be achieved by the internal IT department, provided the staffing resource was available. Finally, five additional system change requests were identified that had no relationship with the original system specification. They were clearly outside the expected functionality of the system and therefore would only be considered by Xcite Ltd. for future enhancements if the decision were taken to keep

the current ERP system. Aside to all the technical complexity and arrangements, the service providers and management decided to facilitate with the on/off site maintenance cycle of next 2 years after the implementation will be successfully implemented.

## **REQUIRED ORGANIZATIONAL CHANGES**

The technical capability of the system was shown to be essentially adequate. However, organizational issues remain as central areas requiring change: these can be subdivided into "Communication and Relationships" and "Understanding the Business." During the roll-out of the system, the original vendors were taken over by a larger software house. The close relationship that had developed between the company and a small set of consultants was lost. Xcite Ltd. found the new organization (after deployment) difficult to deal with, and the level of trust that previously existed between the partners has not been reestablished. At a project level the response from the vendors to requests for training and consultancy has been seen by the users as increasingly sluggish and lack-luster. Issues raised with the consultants had often been subject to serious delays before solutions were found, and the feeling of the Xcite Ltd. staff affected was that the new consultants did not have the necessary expertise in this ERP package to help them effectively. It must be noted, however, that is a "one sided" story, since the investigators were unable to meet the vendors to evaluate their perceptions of the project. The most significant problems still existing within the project are more attitudinal than functional.

On an organizational level, as a result of the probing of the investigators, three departments identified specific instances where the system was used inappropriately because staff had not received relevant training. End User Participation & Training (EUP) Program identified were categorized both by general and specific departmental needs. Much of the required training was not in the systems elements (e.g., how to log on, which functions to choose), but was not related to how to effectively

use the system to support current work practices. However, the investigators' analysis of the data related to user satisfaction and capability identified in all areas individuals who could be treated as "experts" and who could provide "on the job" training within departments. The need for training was recognized within Xcite Ltd., and a structured approach to training through workshops led by such experts was also implemented. Much of this reflected an issue in building confidence rather than understanding the system per se. During the course of this investigation, there was a distinct lack of clarity from the workforce about the business processes they worked within. For instance few employees could name processes or tasks they were involved in. This was highlighted again during the system impact analysis.

**Bottom-line:**

This case highlights the technical failures; these can be fixed but more importantly, there is a need to understand the causes of the problems and how people factors impacted on the efficiency and ultimate success of the system. In order to avoid future costly implementation problems, analysis of the issues in a socio-technical systems context needs to be undertaken.

How would you advise Xcite Ltd. to reassess the impact and consequences of their available options, which are to:

**Options 1:** Re-implement the current ERP system and modify the business processes to better match the system.

**Options 2:** Consider proposals from the system vendor to upgrade, or

**Options 3:** Scrap the existing system and look for a "better fit" replacement?

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# CORPORATE SOCIAL RESPONSIBILITY: A STEP TOWARDS SUSTAINABLE DEVELOPMENT

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## **ABSTRACT**

*The term Sustainable development is concern with survival & co-existence of all components in the nature. It is leaded by the 'Give & take' rule on moral ground. It cares all those who assist the business. CSR is about capacity building for sustainable livelihoods, keep balance towards social justice, respect cultural difference and work on development agenda of government or the need of society. In present era, some reputed business concern are following CSR portfolio in sustainable manner. While many organizations are not clear about how to develop and manage CSR activities in the real benefit of needy segment of society. Some of the institutions are not honest to fulfill their commitment and carry CSR merely on paper.*

**Key Words:** Corporate Social Responsibility, Sustainable Development

## INTRODUCTION

Corporate Social Responsibility concept came in existence in business world under ethical and social obligation. Thus, a business organization should take policy decision with honest commitment to save the interest of their stakeholders. List of stakeholders have concern with various groups residing in internal and external environment of business like employee, investors, suppliers, consumers, socio-cultural value based forces, government and entire components nature that effected by business activities directly or indirectly. In other hand, this is the concept whereby a company has decided voluntarily to contribute to a better society and a cleaner environment through imparting in survival of the interests of all stakeholders with holistic approach. Gandhian thought has relevancy towards sustainable CSR practices. It is able to shaped CSR in well planned manner. So that CSR make suitable meaning up to least person of society.

## GENESIS & CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

The word 'Corporate social responsibility' (CSR) is also known as corporate conscience / corporate citizenship / social performance / sustainable

responsible business / Responsible Business. It is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. The term "corporate social responsibility" came into common use in the late 1960s and early 1970s after many multinational corporations formed the term stakeholder, meaning those on whom an organization's activities have an impact. It was used to describe corporate owners beyond shareholders as a result of an influential book R. Edward Freeman, Strategic management: a stakeholder approach in 1984.

CSR is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders.

"CSR is about how companies manage the business processes to produce an overall positive impact on society." - Mullen Baker: (First published 8 Jun 2004)

"Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well



as of the local community and society at large."- Lord Holme and Richard Watts, the World Business Council for Sustainable Development in its publication Making Good Business Sense

It can be said that the subject of Corporate Social Responsibility has evolved during last few decades from simple philanthropic activities to integrating the interest of the business with that of the communities in which it operates. By exhibiting socially, environmentally and ethically responsible behaviour in governance of its operations, the business can generate value and long term sustainability for itself while making positive contribution in the betterment of the society. Although we have seen a period of sustained economic growth in the current decade, we still continue to face major challenges on the human side in India. The problems like poverty, illiteracy, malnutrition etc. have resulted in a large section of the population remaining as 'un-included' from the mainstream. We need to address these challenges through suitable efforts and interventions in which all the state and non-state actors need to partner together to find and implement innovative solutions.

### NEED OF CSR

It is recognized the world over that integrating social, environmental and ethical responsibilities

into the governance of businesses ensures their long term success, competitiveness and sustainability. This approach also reaffirms the view that businesses are an integral part of society, and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance. This also makes business sense as companies with effective CSR, have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

#### 1. To meet legislative obligation-

Although CSR is concern with moral background yet it is required to meet the legislative demand to run a business. Various rules and regulation that preserve the interest of stakeholders must be carried under CSR.

#### 1. To meet moral or ethical obligation-

It is law of nature to keep balance in give and take. It is the demand of fair trade practices towards maintains values of humanity and protection of nature or environmental biodiversity in the interest of present and future generation.

#### 2. To meet the demand of internal environmental safeguard and harmony-

CSR play significant role to meet the demand for harmony and motivating work environment among internal organizational forces.

#### 3. To promote socio-cultural values-

It is the moral responsibility of a business concern to promote local socio- cultural values where a company runs the business. Because it is the identity of such group which has concern with business directly and indirectly.

#### 4. To build up helping hand's image of business in public-

CSR is basically meant for this purpose. This goodwill pays to business in long run. So mutual existence of both is depended on execution of this feeling.

**5. To assist the Nation To maintain social justice-**

The aim of CSR is to assist in development responsibility of government in various manners like create employment, capacity building of society, infrastructural support, impart in the activities of women and weaker section empowerment and development of human & natural resources.

**6. To manage and retain the Human resources-**

A CSR program should be aimed to retention of their Human Resource through skills development and workers welfare activities. It must also concern with overall development of them as well as effective utilization in terms qualitative & quantitative productivity inputs. CSR is able to create harmony relationship among the staff members with positive and meaningful perception for mutual growth (company / institution/ group with an individual).

**7. For Calculative & Effective Risk management-**

One of the main aims of CSR is to manage risk in the interest of stakeholders. Calculative and well managed risk is a central part of corporate strategies. Reputations that take decades to build up can be ruined in hours due to various risk factors like corruption scandals or environmental accidents. Thus CSR insist to organization to building up a genuine culture of 'doing the right thing' within an institution.

**8. To build up Brand Loyalty-**

In crowded marketplaces, CSR can play a significant role in building customer loyalty based on distinctive ethical values. It strikes a unique efforts for better selling proposition and survive in competition with higher consumer satisfaction.

**FUNDAMENTAL PRINCIPLE GUIDELINE REGARDING CSR AS CORE ELEMENTS**

CSR is titled to aid an organization's mission as well as a guide to what the company stands for and will uphold to its consumers. Development business ethics is one of the forms of applied ethics that examines ethical principles and moral or ethical

problems that can arise in a business environment. ISO 26000 is the recognized international standard for CSR. Public sector organizations adhere to the triple bottom line (TBL). It is widely accepted that CSR adheres to similar principles but with no formal act of legislation.

The definition of CSR used within an organization can vary from the strict "stakeholder impacts" definition used by many CSR advocates and will often include charitable efforts and volunteering. CSR may be based within the human resources, business development or public relations departments of an organization, or may be given a separate unit reporting to the CEO or in some cases directly to the board. The business case for CSR within a company will likely rest on one or more of these arguments:

Each business entity should formulate a CSR policy to guide its strategic planning and provide a roadmap for its CSR initiatives, which should be an integral part of overall business policy and aligned with its business goals. The policy should be framed with the participation of various level executives and should be approved by the Board. The CSR Policy should normally cover following core elements as prime principles:

**1. Care for all Stakeholders:**

The companies should respect the interests of, and be responsive towards all stakeholders, including shareholders, employees, customers, suppliers, project affected people, society at large etc. and create value for all of them. They should develop mechanism to actively engage with all stakeholders, inform them of inherent risks and mitigate them where they occur.

**2. Ethical functioning:**

Their governance systems should be underpinned by Ethics, Transparency and Accountability. They should not engage in business practices that are abusive, unfair, corrupt or anti-competitive.

**3. Respect for Workers' Rights and Welfare:**

Companies should provide a workplace

environment that is safe, hygienic and humane and which upholds the dignity of employees. They should provide all employees with access to training and development of necessary skills for career advancement, on an equal and non-discriminatory basis. They should uphold the freedom of association and the effective recognition of the right to collective bargaining of labour, have an effective grievance redressal system, should not employ child or forced labour and provide and maintain equality of opportunities without any discrimination on any grounds in recruitment and during employment.

#### **4. Respect for Human Rights & Dignity:**

Companies should respect human rights for all and avoid complicity with human rights abuses by them or by third party.

#### **5. Respect for Environment:**

Companies should take measures to check and prevent pollution; recycle, manage and reduce waste, should manage natural resources in a sustainable manner and ensure optimal use of resources like land and water, should proactively respond to the challenges of climate change by adopting cleaner production methods, promoting efficient use of energy and environment friendly technologies.

#### **6. Activities for Social and Inclusive Development:**

Depending upon their core competency and business interest, companies should undertake activities for economic and social development of communities and geographical areas, particularly in the vicinity of their operations. These could include: education, skill building for livelihood of people, health, cultural and social welfare etc. particularly targeting at disadvantaged sections of society. Thus, the principles CSR involve economic, legal, ethical and discretionary aspects. A corporation needs to generate profits, while operating within the laws of the state.

#### **7. Triple bottom line:**

People, Planet & Profit, is also known as the triple

bottom line as measurement of sustainable development. Under CSR practices any organization follow this triple bottom line. It deals with fair trade practices and survives the interest of stakeholders as well as components of nature.

Here the word 'People' relates to fair and beneficial business practices toward labour, the community and the region where corporation conducts its business. 'Planet' refers to sustainable environmental practices. A triple bottom line company does not produce harmful or destructive products such as weapons, toxic chemicals or batteries containing dangerous heavy metals for example. Profit is the economic value created by the organization after deducting the cost of all inputs, including the cost of the capital tied up. It therefore differs from traditional accounting definitions of profit.

#### **8. License to operate business with environmental clearance (EIA) assurance:**

Corporations are keen to avoid interference in their business through taxation or regulations. By taking substantive voluntary steps, they can persuade governments and the wider public that they are taking issues such as health and safety, diversity, or the environment seriously as good corporate citizens with respect to labour standards and impacts on the environment.

#### **9. Faithful relation with Suppliers:**

Businesses are constantly relying on suppliers to reduce overall costs, while improving the quality of their goods or services. The long-term benefits of the listed above create a better value for stakeholders. The strategic use of supplier relations can benefit single, double and triple bottom-lines.

#### **10. Ethical consumerism:**

The rise in popularity of ethical consumerism over the last two decades can be linked to the rise of CSR. Consumers are becoming more aware of the environmental and social implications of their day-to-day consumer decisions and are therefore beginning to make purchasing decisions related to their environmental and ethical concerns. However,

this practice is far from consistent or universal.

### **11. Social awareness and education:**

The CSR has close concern with social awareness and imparting education as an ethical obligation towards society. The problem becomes defining what is classified as 'ethical investing'. In recent years, the traditional conception of CSR is being challenged by the more community-conscious Creating Shared Value concept (CSV), and several companies are refining their collaboration with stakeholders accordingly.

### **12. Ethics training:**

The rise of ethics training inside corporations, some of it required by government regulation, is another driver credited with changing the behavior and culture of corporations. The aim of such training is to help employees make ethical decisions when the answers are unclear.

### **13. Public policies:**

CSR has inspired national governments to include CSR issues into their national public policy agendas. The increased importance driven by CSR has prompted governments to promote socially and environmentally responsible corporate practices.

## **CSR APPROACH**

There are many approaches regarding CSR practices in the world with a specific vision. Some popular approaches have given below-

### **1. Traditional United State's Philanthropic Model of CSR-**

Traditionally in the United States, CSR has been defined much more in terms of a philanthropic model. Companies make profits, unhindered except by fulfilling their duty to pay taxes. Then they donate a certain share of the profits to charitable causes. It is seen as tainting the act for the company to receive any benefit from the giving.

### **2. European Model of CSR- (investment in communities based to more sustainable approach):**

The European model is much more focused on operating the core business in a socially responsible way, complemented by investment in communities for solid business cause reasons. This model is seems to more sustainable because Social responsibility becomes an integral part of the wealth creation process which if managed properly should enhance the competitiveness of business and maximize the value of wealth creation to society. As with any process based on the collective activities of communities of human beings (as companies are) there is no 'one size fits all'. In different countries, there will be different priorities, and values that will shape how business act. And even the observations above are changing over time.

### **3. Incorporate the CSR strategy directly into the business strategy-**

This approach of CSR is focus to incorporate the CSR strategy directly into the business strategy in an organization. For instance, "Fair trade fits very strongly into our commitment to our communities."

### **4. Creating Shared Value (CSV) -**

This approach is focused on garnering increasing corporate responsibility interest. The shared value model is based on the idea that corporate success and social welfare are interdependent. A business needs a healthy, educated workforce, sustainable resources and adept government to compete effectively. For society to thrive, profitable and competitive businesses must be developed and supported to create income, wealth, tax revenues, and opportunities for philanthropy. CSV received global attention in the Harvard Business Review article Strategy & Society: The Link between Competitive Advantage and Corporate Social Responsibility by Michael E. Porter. The article provides insights and relevant examples of companies that have developed deep linkages between their business strategies and corporate social responsibility.

### **An overview on approaches of CSR -**

A more common approach to CSR is corporate philanthropy. This includes monetary donations and

aid given to local and non-local nonprofit organizations and communities, including donations in areas such as the arts, education, housing, health, social welfare, and the environment, among others, but excluding political contributions and commercial sponsorship of events. Some organizations do not like a philanthropy-based approach as it might not help build on the skills of local populations, whereas community-based development generally leads to more sustainable development. Many approaches to CSR imposed social and environmental standards. CSV has a limitation in that it gives the impression that only two stakeholders are important - shareholders and consumers - and belies the multi-stakeholder approach of most CSR advocates.

### **SOCIAL ACCOUNTING AND CSR**

It is an important element of CSR. Social accounting emphasizes the notion of corporate accountability. D. Crowther defines social accounting in this sense as "an approach to reporting a firm's activities which stresses the need for the identification of socially relevant behavior, the determination of those to whom the company is accountable for its social performance and the development of appropriate measures and reporting techniques." Reporting guidelines or standards have been developed for social accounting.

- Accountability's AA1000 standard, based on John Elkington's triple bottom line (3BL) reporting.
- The Prince's Accounting for Sustainability Project's Connected Reporting Framework.
- The Fair Labor Association conducts audits based on its workplace code of conduct.
- The Fair Wear Foundation takes a unique approach to verifying labour conditions in companies' supply chains, using interdisciplinary auditing teams.
- Global Reporting Initiative's Sustainability Reporting Guidelines.
- Good Corporation's Standard developed in association with the Institute of Business Ethics.
- Synergy Cod ethic 26000 Social Responsibility

and Sustainability Commitment Management System (SRSCMS) requirements - Ethical Business Best Practices of Organizations.

- The ISO 14000 environmental management standard.
- COP standard for integration ethically and sustainably. If a company does not publish formal reports, a COP can be created as a stand-alone document.
- The United Nations Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) provides voluntary technical guidance on eco-efficiency indicators, corporate responsibility reporting, and corporate governance disclosure.
- An Integrated Reporting Committee (IRC) was established to issue guidelines for good practice in this field.

### **SUGGESTIVE MEASURES FOR BETTER IMPLEMENTATION OF CSR**

1. The CSR policy of the business entity should provide for an implementation strategy which should include identification of projects / activities, setting measurable physical targets with timeframe, organizational mechanism and responsibilities, time schedules and monitoring. Companies may partner with local authorities, business associations and civil society/non-government organizations. They may influence the supply chain for CSR initiative and motivate employees for voluntary efforts for social development. They may evolve a system of need assessment and impact assessment while undertaking CSR activities in a particular area. Independent evaluation may also be undertaken for selected projects/activities from time to time.
2. Companies should allocate specific amount in their budgets for CSR activities as per provision of law. This amount may be related to profits after tax, cost of planned CSR activities or any other suitable parameter the available in law.
3. To share experiences and network with other organizations the company should engage with well established and recognized programmes / platforms

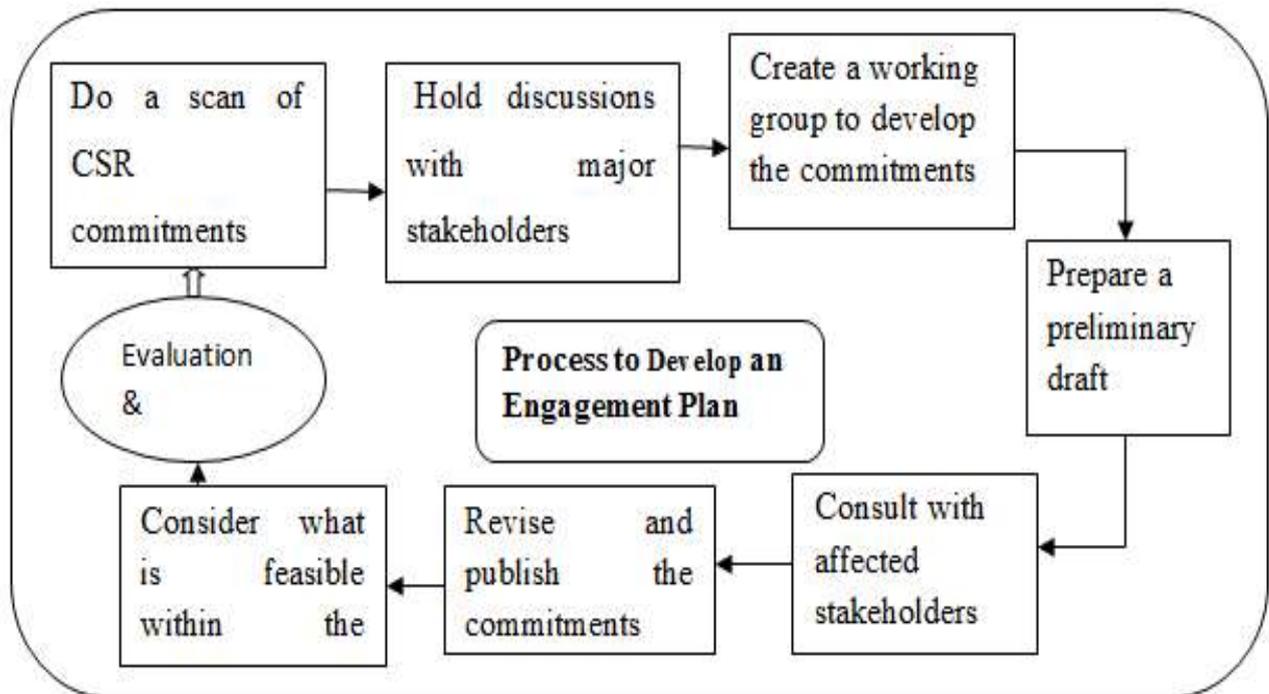
which encourage responsible business practices as CSR activities. This would help companies to improve on their CSR strategies and effectively project the image of being socially responsible.

4. The companies should disseminate information on CSR policy, activities and progress in a structured manner to all their stakeholders and the public at large through their website, annual reports, and other communication media.

**Engagement Plan**

An engagement plan will assist in reaching a desired audience. A corporate social responsibility team or individual is needed an effective engagement plan to meet the goals and objectives of CSR in an organization. The functions of corporate social responsibility planning are as follows:

1. To add discussion and analysis of a new set of risks into corporate decision-making.
2. To represent issues within the corporation that watchdogs, NGOs and advocates represent within society.
4. To help prioritize consideration of socially and environmental friendly projects.
5. To keep corporations aware of potential major societal impacts even when a negative impact may not be immediate, and thus lessen liability.
6. To positively influence decision making where societal impacts are maximized, whilst ensuring efforts are within a given budget.



**CONCLUSION**

Indian entrepreneurs and business enterprises have a long tradition of working within the values that have defined our nation's character for millennia. India's ancient wisdom, which is still relevant today, inspires people to work for the larger objective of the well-being of all stakeholders. These sound and all-encompassing values are even more relevant in current times, as organizations grapple with the

challenges of modern-day enterprise, the aspirations of stakeholders and of citizens eager to be active participants in economic growth and development. CSR is not philanthropy and CSR activities are purely voluntary- what companies will like to do beyond any statutory requirement or obligation. Outside stakeholders are taking an increasing interest in the activity of the company. Most look to the outer circle - what the company has actually

done, good or bad, in terms of its products and services, in terms of its impact on the environment and on local communities, or in how it treats and develops its workforce.

One of the most frequently asked questions at this site - and probably for all those individuals and organizations dealing with CSR issues is the obvious - just what does 'Corporate Social Responsibility' mean anyway? Is it a stalking horse for an anti-corporate agenda? Something which, like original sin, you can never escape? or what? CSR is the actions that appear to further some social good, beyond the interests of the firm and that which is required by law. David Henderson argued forcefully against the way in which CSR broke from traditional corporate value-setting. He questioned the "lofty" and sometimes "unrealistic expectations" Corporate social responsibility, what a company does in trying to benefit society, versus corporate moral responsibility (CMR), what a company should morally do, are both important topics to consider when looking at ethics in CSR.

Last but not least, in the part of conclusion, we can say that CSR should not be perceived as legal punishment or obligation only. It is as moral responsibility of business to save the interest of stakeholders because need of co-existence. It more than charity that govern by fair trade practices and human value based behaviour. Several industries are often absent from CSR research. The absence is due to the presumption that these particular industries fail to achieve ethical considerations of their consumers.

The Indian business has traditionally been socially responsible. It should contribute to solve the problem of nation like of poverty, unemployment, illiteracy, malnutrition etc. Ethical values and sustainable managerial practices have greater relevance to satisfy need of society but not greed. Least person of the society must be in the centre. One should understand clearly that institutions are for the people ultimately thus institutions should manage on the basis of primary values like equality,

equity, cooperation and meaningful participation of stakeholders.

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# **RURAL-URBAN MIGRATION IN UTTARANCHAL: TRENDS, DIMENSIONS AND DETERMINANTS**

## **SUMMARY OF THESIS**

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### **INTRODUCTION**

Migration from rural to urban areas is a phenomenon that is found to accompany economic development universally. Rural areas have agriculture as their principal activity, which normally has a lower productivity per worker than non - agriculture activities, which are mainly located in urban areas. Further being based on a relatively fixed factor of production, viz. land; agriculture tends to grow at a lower rate than other activities. Thus rural - urban migration, to a large extent, is a reflection of a structural shift in economic activities from agriculture to non - agriculture, which has historically characterized the process of economic development. Besides, of course by definition, urban areas provide better access to non - economic facilities and amenities of life, which also attract rural population.

Migration appears to be a demographic catalyst in the rural population of Uttaranchal. It is reflected in every aspect of population composition and has created anomalies in the growth of population. In today's life, work and consumption patterns reveal strong influence of the currents and counter-currents of migration. The range of migration is extended from inter-regional to intra-state and inter-state migrations. The present study is an attempt to investigate the determinants as well as dimensions of rural - urban migration with special reference to Uttaranchal. Also the flow of rural - urban migration in Uttaranchal during 1981 - 2001 censuses and its characteristics are discussed. Besides, most important economic policies and strategies, which can be used for controlling and optimization of this kind of migration, are explained.

### **OBJECTIVES**

In brief, the present study covers the following objectives: (i) To analyze the trends of migration in Uttaranchal. (ii) To find out the motives and factors of migration inherent in the areas of Uttaranchal. (iii) To study the various dimensions of migration. (iv) To study the interrelationship between development and migration. (v) To study the main consequences of rural-urban migration in various socio-economic aspects. (vi) Evaluation of the policies that have been made to regulate the migration in Uttaranchal.

### **RESEARCH METHODOLOGY**

To analyze these objectives, study is conducted in two different manners. On the one hand, trends have been analyzed on macro level, and the migration rates have been calculated for all districts of the state (mentioned in 1981 to 2001 Census of India). On the other, to seek out the most important factors, responsible for the phenomenon, deep study of a migration-affected area was necessary, so the rest two objectives as determinants and dimensions have been analysed on the basis of primary data as well as census. This primary data is collected with the help of a predesigned questionnaire in a highly migration affected area.

### **Categorization of Thesis**

The study divided into eight chapters, gives a brief account of certain important aspects and dimensions of migration:

Chapter I, the introductory chapter, defines important terms, reveals the various types of migration and states the salient features of the

Uttaranchal. This chapter, also, deals with the importance, objectives and scope of the study. Besides these, it spells out the methodology that has been adopted. This chapter forms the base on which the superstructure of analysis of the investigation is built in the succeeding chapters.

The present investigation has highlighted the determinants of migration, namely economic, social, political, demographic and geographical factors responsible for migration. Consequences of rural - urban migration on migrants, rural origins and urban destinations also have been studied. It has identified the trend of rural - urban migration in Uttaranchal as well as the policies and procedures, which can be used to control and optimize rural - urban migration flows. These were the objectives of this study.

Chapter II deals with the related literature concerned with the topic. Unfortunately, very few studies have been made in this particular area of study in Uttaranchal. We have started the review of literature from 1950, because there are so many studies and research works, which have been done on various aspects and dimensions of migration that we could state all of these in this thesis.

The later part of the chapter explains the laws, theories and theoretical models of migration. In this chapter we have discussed the most important migration theories and models, which attempt to explain the nature and various aspect of and reasons for migration. Several theories and models of internal migration like Ravenstein's well known laws of migration, Lee's theory of migration, Lewis-Fei-Ranis' model of development, Sajaastad's human investment theory, Todaro's famous model of migration, Kuznets' theory of migration, the Maxican approach to migration, the Gravity model of migration, Zipf's principle of least effort and Stouffer's intervening opportunities model were explained in this chapter.

Chapter III focuses on the flow of migration streams in Uttaranchal. This chapter investigates the

population transition of Uttaranchal during the three nationwide censuses of population in housing in India, viz. from 1981 to 2001 (the last census). It includes also the variations in different census findings about migration patterns. The results of the census 2001 are discussed in detail.

Chapter IV throws light on various determinants of rural - urban migration. An understanding of the forces by which outmigration from rural areas is determined is very important and significant, because only a proper decision or policy in relation with it. Economic factor as well as social, cultural, political, demographic, geographical and physical factors, which influence migration flows, are stated. Chapter V, "Dimensions of Rural - Urban Migration", shows the positive as well as negative aspects of rural - urban migration on migrants themselves, rural origins and urban destinations. Economic, social, cultural, demographic, and physical effects of migration are discussed.

Chapter VI discusses some of the developmental activities so that the impact of migration as well as future flow of out migration could be reduces. Most of the suggestions are mutually independent and these suggestions are accompanied by a rational description and implementation mechanism.

Chapter VII highlights the economic policies, procedures and strategies that can be used for controlling and optimizing the rural - urban migration flows. Various policies such as rural development policies, construction and extension of growth poles and new towns, and closed city policy are stated. Chapter VIII present a summary of the thesis, findings and conclusions and recommendations for policy consideration, along with some suggestions for further research.

## **MAJOR FINDINGS**

### **Chapter I**

1. While evaluating the definitions of different scholars we find that most of them have stressed upon time and space and rarely they have

emphasized the socio-economic implications. Considering the socio-economic consequences of migration, a new definition is required which should include these three dimensions of human migration; time, space and socio-economic implications. Therefore, migration may be defined as the change of residence of an individual permanently or semi-permanently which leading to social changes, cultural diffusion and taking place when an individual decides that it is preferable to move rather than to stay and where the difficulties of moving seem to be more than offset by expected rewards.

2. With regard to the characteristics of migrants it may be concluded that a large proportion of the rural - urban migrants in Uttaranchal are adolescents or young adults; most of the migrants are males. A large proportion of migrants are single; the migrants are better educated than the non-migrants in the rural areas; and finally most of the migrants originate from families of two distinct classes - the economically poorest and richest from the rural community.

## Chapter II

1. Of course the research work done so far on the field of migration has not been limited. But, as we have reviewed in this chapter, most of the studies deal either with the factors affecting migration or the consequences of rural - urban migration. On the other hand, most of the literature is in the form of case studies - based on a given community or area-which merely replicate studies already undertaken on other communities or areas, mostly without enriching our understanding of the process at work. Furthermore, no remarkable attention was paid to the problem of migration and its various aspects or dimensions in Uttaranchal. Moreover, the study of policies and strategies, which can be used to control and optimize the flow of rural - urban migration, is relatively an untouched area of research.

2. Although attempts have been made to integrate migration into economic and social theory, spatial analysis and behavioral theory, there is no comprehensive theory of migration. Although all of these theories and models have found empirical support, each deals with a particular aspect of migration and none provides a comprehensive understanding of the process of migration.
3. Among all the theories, which were explained in this chapter, we found that Todero's model of migration was the most fitted than other theories to the Himalayan Society. In spite of all the shortcomings in the Todero's model of migration, it has contributed significantly to explaining rural migration to urban areas in LDCs and from our point of view appears to be the most relevant theory in explaining the process of rural migration to urban areas in the developing economies.

## Chapter III

1. About one quarter of the population of each district has been moving within the district from one place to other. The proportion of such intra - district mobility does not vary significantly from one district to other excepting from Nainital and Dehradun where inter - district movement has been more effective than the intra. The intra - district mobility among the females is found appreciably higher than the same the males.
2. Within the central Himalaya, Nainital and Dehradun are significantly coming up as inflow - biased (gaining districts) while all the remaining are, with an exception of Uttarkashi, are outflow - biased (loosing districts). Nainital is pulling mainly from Kumaun region while Dehradun from Garhwal region. The inter - district mobility is observed to be more effective among the neighbouring districts. With increasing inter - district distance this mobility grows more male - biased.

3. An overwhelming majority of the outmigrants (66.53%) in the region is concentrated within the Central Himalaya chiefly in the districts of Nainital and Dehradun. As against this usual pattern among the districts of this region, Nainital and Dehradun show the outmigration within the Central Himalaya at the lowest and outside this region at a the highest. Of the persons moving out of the region a large goes to the neighbouring districts in plains as well as to the districts having large cities and industrial centres in the state.
4. Majority of the immigrants (>70%) in the region to their state of origin. Precisely, one - thirds of the total immigrants are from within the region while similar share goes to the immigrants outside this region but within the state or in U.P. The remaining one - thirds immigrants are equally shared by the states outside U.P. in the country and by the places outside the country. Again Nainital and Dehradun are the main districts that pull and persons in overwhelming proportion. The immigratory pattern within Central Himalaya is generally female - biased while outside this region is male - biased.

#### **Chapter IV**

1. The major reason for migration is economic. Land scarcity and population pressure on land; wage and income differentials; unemployment and employment opportunity differentials; unequal distribution of resources; technological improvements and mechanization; land reform; and general economic conditions are the most important economic factors that motivate rural - urban migration.
2. Besides economic factors, social and cultural factors also pay a vital role in rural - urban migration. We found that family structure; family conflict; social position; social pressure and discrimination; marriage and social services differentials are the most prominent social and

cultural factors.

3. A number of educational and demographic factors such as age; sex; family size; higher rate of population increase and population-resources relationship; and education play a determining role in the migration-propensity spectrum.
4. Geographical, environmental and physical factors such as climate; land forms in terms of altitudes; the quality of the soil; the availability of energy sources and raw material resources; natural disasters like floods, droughts, storms, earthquakes, epidemics; origin-destination distance and the size of destination have also been found to influence the migration of population.
5. Apart from the factors mentioned above, there are some other important factors, which have been found to affect migration such as political and institutional factors like political conflicts, revolution, war, military service, and government policies. All of these have been explained in detail.

#### **Chapter V**

Rural - urban migration has a number of economic, social, cultural, demographic and physical impacts on the area of outmigration, the area of immigration and the migrants themselves. The most important are as follows:

1. Theoretically, migration directs the spatial economy to a state of equilibrium.
2. In practice it creates a shortage of agricultural labour in some rural areas and increases the urban unemployment and underemployment.
3. Affects the quantitative as well as qualitative compositions of labour
4. Adversely affects the agricultural and non-agricultural productions in rural areas.
5. Partly leads to an induced technological change in origin.
6. Affects the mode of production and price level.
7. Creates a lot of urban problem and difficulties.

8. Adversely affects the development and growth of both the origin and the destination.
9. Positively affects the land and housing prices in urban areas and negatively affects the same in rural areas.
10. Breaks down the traditional cultures of migrants and creates a situation of cultural pluralism.
11. Exercises significant impact on the social mobility and occupational structure.
12. Creates problems of social adjustment and assimilation faced by migrants.
13. Highly correlates with crime rates in urban areas.
14. Causes the origin areas lose the educational resources of their out-migrants and the destination areas benefit.
15. Increases the extended families, family cooperation and participation and responsibility of the migrants' women in rural areas and causes freedom promotion of the migrants' women in urban areas.
16. Influences population distribution and leads to a considerable change in population-resource relationship.
17. Changes the age and sex compositions of population of origin and destination.
18. Reduces birth rate in villages and increases it in cities.
19. Leads to some physical and mental effects on migrants, their families and non-migrants.

## Chapter VI

1. The zonal agro-climatic policy for Uttaranchal needs to be redrafted, focusing on the thrust areas for development. The adoption of these measures would reduce the rate of out-migration considerably.
2. Agricultural diversification, if introduced, also provides opportunities for non-farm employment.
3. In the hilly parts, vast areas of barren land have wrongly been classified under forest cover, if the vast unused, barren and uncultivable lands are properly developed and utilized, it can

become an important source of wealth for the hills.

4. The improvement of living conditions in the rural areas would have a significant effect on out-migration. It is also necessary to encourage the development of rural communities through various community development schemes and programmes with people's involvement in decision-making and policy formation.
5. Entrepreneurial development programmes with a focus on industries best suited for the region, may be launched. Once these activities are started within the region, the under employed and surplus labour force will get absorbed. Instead of out-migration, return and in-migration will take place.
6. Urbanization of the region tends to reduce long-distance out-migration from the surrounding villages considerably. The development of local towns and cities is expected to reduce migration outside the Uttaranchal.
7. Forest policy in the hills need to be tailored to meet the livelihood requirements of the people.
8. Out-migrants and returning migrants are a potential asset, which can be tapped for the benefit of the Uttaranchal economy. If properly channelized, the funds generated by out-migrants, returning migrants and their acquired skill can effectively contribute towards the commercialization and industrialization of the region.
9. The region requires a refocusing of education towards vocational and technical education. Academic education generally leads to higher earning aspirations, draining the region of qualified persons and as a consequence reducing the skill level below the minimum necessary to pursue developmental activities.

## Chapter VII

The region requires a refocusing of education towards vocational and technical education. Academic education generally leads to higher earning aspirations, draining the region of qualified persons and as a consequence reducing the skill

level below the minimum necessary to pursue developmental activities.

The findings of our research work suggest some policy implications, which may be useful for optimizing and controlling the undesired flow of rural population into the urban areas:

1. As the urbanward drift of the population is caused mostly by the poor living conditions in the village, the most effective economic policy to arrest migration is obviously the all - round development of the rural areas. Development programs, which improve rural living conditions and incomes, can be used to reduce migration flows to urban areas. Providing employment opportunities in rural areas, development of industrial activities in villages; improvement of social services and facilities in rural areas; land reforms; appropriate pricing policy for agricultural products; improvement of marketing facilities for agricultural products; extension of irrigation facilities; and development of credit resources and insurance of agricultural products are the most important economic procedures and strategies which can lead to the development of rural areas and consequently reduce rural - urban migration.
2. Another set of policies, which can be used to control and optimize the rural - urban migration flow, is related to the development of growth poles and construction or extension of new towns (such as dormitory towns, industrial parks, satellite towns etc.). These growth

centres and new towns can be considered as points of attraction for migrants who otherwise go to large congested cities.

3. Return of migrants and closed-city policies also have been adopted to prevent the undesired migration streams in different countries. While such measures can achieve some amount of success in the centrally planned countries, in democratic countries, they will give rise to a number of difficult and complex problems.

### CONCLUSION

In spite of its being a logical concomitant of economic development, rural - urban migration in Uttaranchal is quite often viewed as a socio - economic problem. Problems and difficulties such as high urban unemployment and underemployment, regional imbalances, pressures on the physical and social infrastructures, inflation, poverty, inadequate

sanitary and educational services, shortages in other services, creation of slums and squatter settlements, traffic and transportation problems, destroying the ecological basis of life, environmental pollution, social disorganization, congestion, social tensions and conflicts, cultural frictions etc. are the most important problems which associate with rural - urban migration. In order to control and optimize the rural - urban migration flows, planners and policy makers should adopt rural development policies, development of growth poles and new towns strategies and return of migrants and closed - city policies or a suitable combination of these policies coinciding with the existing conditions.

# AGILE SOFTWARE DEVELOPMENT: AN ALTERNATIVE APPROACH TO SOFTWARE DEVELOPMENT

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## ABSTRACT

*Traditionally, software development has been managed through plan-based approaches that are full of limitations such as poor quality, not meeting customer requirements, unrealistic project development durations etc. To overcome all these problems, Agile software Development approach is being tattooed as an alternative approach. In this approach, software projects are developed using Iterative and Incremental methods using cross-functional teams and self-organizing. The main focus, in these methods, is to determine requirements and solutions through collaboration between these teams through adaptive planning, evolutionary development and delivery and time-boxed iteration. There is a lot of flexibility and speed lent to development process in this approach to meet customer requirements better and in time. This paper is an attempt to understand Agile Software Development approach in detail to critically examine and compare its utility as an alternative approach to the development of software projects.*

**Key Words :** *Agile, time-boxed, adaptive planning, evolutionary development*

## INTRODUCTION

Software development has gone through significant changes in the recent times. Earlier it was traditional waterfall approach and now it is Agile Software Development approach. As a traditional approach, waterfall approach has been more in use in software development. One of the key reasons for this is even complex software systems could be built in a sequential, phase-wise manner. In this, a detailed requirements analysis is done at the beginning by a team of Requirement Analysts, which then is sent for implementation of master design for further development of software. It somewhat works like a conveyer belt in a production line. Requirement Analysts, Software designers and Software Developers work in tandem to develop quality software. The system specifications are collected by a team of requirement analysts, and then sent to the software designers for creating diagram documents that contain the codes which finally is sent to a team of software developers. All this is done using GANTT or PERT charts which clearly shows the dependencies for each member of the developmental team. Despite this, only 9% to 16% of the projects have been found to be developed on-time and on-budget. Moreover, the problem of

meeting changing customer requirements fully has been another critical issue that cannot be dealt with satisfaction.

Due to the problems inherent to the traditional approach, many improvements were suggested by experienced practitioners and labeled their methods as "Agile Software Development". It has been found that Agile Software Development approach has several advantages in today's scenario when customers have become highly demanding in terms of quality and completion time. The key differentiating merit of this approach is speed and flexibility. Since we use incremental method here, therefore, it very easy to incorporate new changes that a customer wants. This, in the long run also reduces the overall cost of producing the software project. In this paper, we have made an attempt to critically examine and compare two approaches of software development, one is the traditional waterfall approach and other is "Agile Software Development" approach.

## LITERATURE REVIEW

Dingsoyr 2008 characterizes the status and main challenges for research on agile software

development, and propose a preliminary roadmap, focusing on providing more empirical research, primarily on experienced agile teams and organizations, connecting better to existing streams of research in more established fields, giving more attention to management-oriented approaches, and finally give more emphasis to the core ideas in agile software development in order to increase our understanding.

Malik 2008 they said that new software development methodologies were introduced to fit the new culture of the software development companies. Agile methodologies were introduced to meet the new requirements of the software development companies.

Frauke, Armin 2003 made a comparative analysis between both approaches in term of requirement engineering methods.

### PURPOSE OF THE STUDY

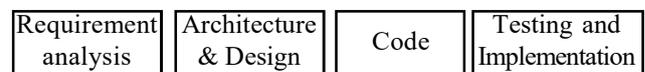
The purpose of this study to analyze two software development approaches i.e. traditional and agile software development. In this study, we shall compare these two approaches and bring out their benefits and limitations. In addition, we wish to find out the efficacy of agile software development approach and discuss how it can be improved in future.

### TRADITIONAL DEVELOPMENT METHOD

Generally when we talk about the traditional way of software development then we think about an approach which is sequential as well as phase wise. It starts from problem identification, analyzing, designing, and then documenting and validating requirements for the system to be developed. The requirement is a phase in which developer try to gather different kind of requirements from the customers in the beginning of the project. After that they go for analysis phase in which all the requirements are analyzed and represented using different methods so that they can be assured those whatever requirements they have collected are

correct and accurate. After analysis they prepare a document called as SRS it acts like a contract between customer and developer so that there should not be any problem related with requirements can occur. After analysis developer go for design phase in which they design all the documents like flowchart, pseudo code, algorithms etc for the problem. After that programmer does coding for the project and then testing and maintenance.

The most popular method of traditional approach is water fall model, after this model there are many more model like V-Model, Spiral Model, etc.



### PHASE OF TRADITIONAL METHOD AGILE DEVELOPMENT METHODS

Agile tends the quality of being agile; readiness, motion, active etc. The agile development is less documents centric and more code oriented. Methods for Agile software development constitute a set of practices for software development that have been created by experienced practitioners.

There are various Agile methods used for software development. In this paper we are describing the most common agile methods.

- **Extreme Programming-** This is based on values of simplicity, communication, feedback and courage. (Beck 1999) XP has evolved from the problems caused by the long development cycles of traditional development models. It works by bringing the whole team together in the presence of simple practices, with enough feedback to enable the team to see where they are.
- **Scrum** - Scrum is a method for managing the system development process by applying ideas on flexibility, adaptability and productivity from industrial process control theory (Schewaber 1995, schewaber and Beedle 2002). Scrum focuses on how a team should work together to produce quality work in a changing environment.

- **Crystal family of methodologies-** The crystal family of methodologies includes a number of different methodologies for selecting the most suitable methodology for each individual project (Cockburn 2002). The different members of the family can be tailored to fit varying circumstances. Each member of the crystal family is marked with a color indicating the "heaviness" of the methodology, i.e. the darker the color the heavier the methodology : clear, yellow, orange, red etc.
- **Feature driven development - FDD** is a short iteration process for software development focusing on the design and building phase instead of covering the entire software development process, but rather focuses on the design and building phases (palmer and Felsing 2002). However, it has been designed to work with the other activities of a software development project and does not require any specific process modes to be used.
- **Dynamic Systems Development Method-** It provides a framework for rapid application development. The fundamental idea behind DSDM is that instead of fixing the amount of functionality in a product, and then adjusting time and resources to reach that functionality (Stapleton 1997). It is preferred to fix time and resources, and then adjust the amount of functionality accordingly.

### **TRADITIONAL VS AGILE SOFTWARE DEVELOPMENT APPROACH**

Although traditional method is very systematic and step wise but one of the biggest drawback of this method is that it requires gathering of all the requirements of the project at the beginning, design is completed next, and finally the master design is implemented into production of quality software. This approach holds that complex system can be built in a single pass, without going back and revisiting requirements or design ideas in light of changing business or technology conditions. But actually this is not possible that any customer can

provide requirements accurately in the beginning of the project. And if the requirement gets changed in between the developmental phase or cycle then either it is impossible to accommodate these changes or will cost a lot more to customer as well as developer. This problem is very well taken care of in Agile Software Developmental approach. Actually, requirement analysis, in this approach, is done at every stage i.e. requirement, design, testing and implementation stage. Because of this, customer's changing requirements can be incorporated at any point of time. This saves a lot of costs for the company and results in quality software developments also.

Traditional development approach is document centric approach and for every small change we need to prepare a new document. Agile methods, on the other hands, are people-oriented than process-oriented. These rely on people's expertise, competency and direct collaboration rather than rigorous, document centric processes to produce high-quality software.

Further, Agile methods are adaptive rather than predictive. With traditional methods, most of the software process is planned in detail for a large time frame. This work well if the application domain and software technologies are well understood by the developer in advance. Whereas, agile methods are developed to adapt and thrive on frequent changes.

### **LIMITATIONS OF AGILE METHODS**

Agile development aims to support early and quick development of working code that meets the changing needs of the customer. Agile supporters claim that code is the only deliverable that matters, whereas, agile opponents found that emphasis on code will lead to memory loss, because the amount of documentation and modeling done is not enough. Agile methodologies are not suitable for green-field engineering and not suitable for maintenance, since there will be not much Documentation for the systems. The second limitation is that agile methodologies depend heavily on the user involvement, and thus, the success of the project

will depend on the cooperation and communication of the user. Another limitation is that agile methodologies concentrate work quality on the skills and behaviors of the developers, as the design of the modules and sub-modules are created mainly by single developer.

To get the advantages of applying agile methodologies in the development, there is a set of assumptions that are assumed to be true. To mention some are: cooperation and face to face relation between the customers and the development team; evolving and changing requirements of the project; developers having good individual skills and experiences; in addition to many more. If these assumptions do not apply to a software development project, then it is better to look for other methodologies to apply for the development process, in order to get better results.

## CONCLUSIONS

Software development methodologies have evolved since the 70s. Agile methodologies came into existence after the need for a light way to do software development in order to accommodate changing requirements environment. Agile methodologies provide some practices that facilitate communication between the developer and the customer, and undergo develop-deliver-feedback cycles, to have more specific view of the requirements, and be ready for any change at any time. The main aim of agile methodologies is to deliver what is needed when it is needed. Agile methodologies include a set of software development approaches. They have some variations, but still they share the same basic concepts. The main agile methodologies that are being used include XP, Agile Modeling, and SCRUM. XP is the coding of what the customer specifies, and the testing of that code.

Agile methodologies are not best suited for all projects. When communication between the developer and the customer is difficult, or when the development team includes mainly beginners, agile methodologies will not give the best results.

## FUTURE SCOPE

It has been analyzed in this paper that agile software development is the future of software development methods. However it's too early to conclude that this approach is flawless. There are many areas that need to be researched before coming to a conclusion regarding efficacy of this approach. For example - most of the studies till now have included single customer representative. What if there are more stakeholders who need to be consulted in each iteration. Also we need to have empirical findings to substantiate above mentioned conclusion. In addition this approach needs to be tested on different platforms and different types of software catering to different industries.

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## BEHAVIORAL FINANCE: ISSUES AND CHALLENGES

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### **ABSTRACT**

*Behavioral finance is a new field in economics and it has become a subject of significant interest to the investors in the wake of highly inflationary conditions which is experiencing Indian economy. High inflation is a great hindrance to the economic development of the country as it erodes the savings and capital formation of the economy. As a result of the continuous rise in prices, the tendency to save the money is adversely affected and consequently investment and capital formations are also affected. In this paper, a humble effort is made to define the behavioral finance perspective of rising prices and steep inflation. The correctness and inability of the emerging decision of safe investment has also been studied.*

### **INTRODUCTION**

Behavioral finance is a study of psychology in relation to financial errors and it examines as to how the financial issues should be to give a shape to a secure financial future of the investors. It is a study of how people in general and investors in particular make common errors in their financial decision-making due to their emotions. Behavioral finance is a study of the influences of psychology on the behavior of financial practitioner and the subsequent effect on markets. Behavior finance help to explain why and how market might be inefficient (Sewell 2001).

Behavioral finance is a scientific research on human, social cognitive and emotional biases to better understand financial decisions and how they affect market prices, returns and allocation of resources. It supports some tools of technical analysis by explaining market trends and considering some aspect of technical analysis of behavioral biases.

Behavioral finance is simply "open-minded finance" (Thaler 1993). An understanding of behavioral finance will make us better money manager. We will be able to recognize when our behavior may not be in our own best interest and we will better understand why markets behave the way they do.

So, behavioral finance is a study of the systematic market implication of agent and his psychological traits. The basic objective of the study is that how psychological biases affect investor behavior and prices. It deals with the influence of psychology on

the behavior of financial situations. The financial theory based on Modern Portfolio Theory (Markowitz, 1952) and Capital Asset Pricing Model (Sharpe, 1964) has long shaped the way in which academics and practitioners analyze investment performance. The theory is based on the notion that investors act rationally and consider all available information in the decision-making process, and hence investment markets are efficient, reflecting all available information in security prices.

However, researchers have uncovered a surprisingly large amount of evidence of Irrationality and repeated errors in judgment. The field of "behavioral finance" has evolved that attempts to better understand and explain how emotions and cognitive errors influence investors and the decision-making process. Kahneman and Tversky (1979), Shefrin and Statman (1994), Shiller (1995) and Shleifer (2000) are among the leading researchers that have utilised theories of psychology and other social sciences to shed light on the efficiency of financial markets as well as explain many stock market anomalies, bubbles and crashes. To date, much is not known about human psychology and investor irrational behaviour that influence property investors and the decision-making process. Among the limited literature on behavioural property research includes papers from Diaz (1990, 1997), Gallimore (1994, 1996), Wolverton (1996), Hardin (1999) and Levy and Schuck (2002).

People like to think of the stock market as a person: it has moods, it can be ornery or exuberant, it can

overreact one day and make amends the next, and so on. This makes for feisty television commentary, but can psychology really help us understand the financial markets better? Yes, say many academics, although not by putting the market on a couch. The sub-discipline of behavioral finance has gained ground over the last half-decade. The idea is simple: Investors are not as rational as traditional theory has assumed, and biases in their decision-making can have a cumulative effect on asset prices.

This notion flies in the face of the established theory that markets are efficient. The efficient-markets theory suggests that assets are priced correctly because supply and demand reflects aggregate current public knowledge about those assets - and that the movement of stock prices cannot be reliably predicted on the basis of past results.

But all is not rosy in behavioral finance. Finance professor Eugene Fama of the University of Chicago, who is widely regarded as the initiator and principal proponent of the efficient-markets theory, has been the field's loudest and most enduring critic - and he hasn't softened his opposition. Fama's views have spread - even among the ranks of behaviorists. There is now stepped-up criticism of the methodologies behind some behavioral-finance research and of the validity of behavioral models that purport to show how investor biases and cognitive errors affect asset prices. Seen in another light, however, the internalization of this criticism could be a sign of the field's gradual maturation. Behavioral finance is a human judgment. It can teach us important facts about how humans differ from traditional economic assumptions.

### **CONCEPTUAL FRAMEWORK**

During the classical period, economics had a close link with psychology. For example, Adam Smith wrote, the theory of moral sentiments, an important text describing psychological principle of individual behavior; and Jeremy Bentham wrote extensively on the psychological underpinnings of utility. Economics began to distance themselves from psychology during the development of neo-classical as they sought to reshape the discipline as a neutral science, with explanations of economic behavior

deduced from developed, and the psychology of this entity was fundamentally rational.

The development of the behavioral finance paradigm has emerged in the response to the difficulties faced by the traditional paradigm. In essence, it argues that investment choices are not always made on the basis of full rationality, and it attempts to understand the investment market phenomena by relaxing the two doctrines of the traditional paradigm i.e. (1). Agents fail to update their beliefs correctly and (2). there is a systematic deviation from the normative process in making investment choices.

The expectations based models argue that the above described irrationality will be undone through the process of arbitrage (Friedman, 1953). Behavioural finance argues that there is 'limits to arbitrage', which allows investor irrationality to be substantial and have long-lived impact on prices. To explain investor irrationality and their decision-making process, behavioural finance draws on the experimental evidence of the cognitive psychology and the biases that arise when people form beliefs, preferences and the way in which they make decisions, given their beliefs and preferences (Barberis and Thaler, 2003). As such, limit to arbitrage and psychology are seen as the two building blocks of behavioural finance. Arbitrage is an investment strategy that offers risk-less profit at no cost. Traditional finance theorists believe that, any mispricing created by irrational traders (noise traders) in the marketplace, will create an attractive opportunity which will be quickly capitalised on by the rational traders (arbitrageurs) and the mispricing will be corrected. Behavioural theorists show that, strategies required to correct the mispricing can both be costly and risky; thus, rendering the mispricing unattractive and allowing them to continue. Detailed analysis of this argument can be found in De Long, Shleifer, Summers and Waldmann (1990) and Shleifer and Vishny (1997). In the long term period however, ask any investor and most of them will say that they have lost money on the stock market. Why this anomaly? The reason is that successful investing requires many things, the first is the discipline to follow the chosen proper stocks by doing researches or using the services of professional that stock prices. In the short run are

more a function of people is emotions than the fundamentals of the underlying companies.

The development of this article is motivated by the new tendencies of research in finance though many authors consider that behavior finance is still in its infancy and academic interest is going rapidly and the present situation justifies markets are not always efficient and participants do not always act efficiently as they are supposed to with in the framework.

Bent of this article is motivated by the new tendencies of research in finance. Though many authors consider that behavioral finance is still in its infancy. The goal of this paper is getting a better understanding of how the investor interprets information and takes investment decision.

Recent research and, apparently, the future in academic research will be based on multi-disciplinary applications. Researchers must open their minds to related areas to get more consistent and useful results to the society. In this sense, this empirical work is the application of theories and findings in the psychological research field to financial data. This is especially interesting for the sample analyzed given that these kinds of studies are slightly developed for the Spanish mutual fund industry. Behavioral finance has recently emerged in academic studies as a new paradigm to explain the anomalies found when empirically testing the efficient market hypothesis, but it has entered so firmly that it seems it is going to stay furlong; in fact, some waves of opinion point it out as a new discipline in the near future. The new approach argues that decision making processes can not be built up on the assumption of a rational investor and offers alternative perspectives from the psychological research field. From the late 1950s and early 1960s the Modern Portfolio Theory has dominated the framework of standard finance with four foundation blocks the rationality of investors, the efficiency of the markets, the mean-variance portfolio theory as the rule to design portfolios, and the Capital Asset Pricing Model (CAPM). In an efficient market(Fame, 1965) prices represent at every time good estimate of the intrinsic value; but it took long for the model to be accepted by

academics since a series of return anomalies appeared in the late 1970s and early 1980s. For these reasons, some academics claim for the necessity of alternative models that relax some of the assumptions of modern portfolio theory. In this ongoing debate, the critics from the behavioral finance approach concern the main cornerstone of the theory of efficient markets.

## ISSUES

Behavioral finance is a relatively young field that offers considerable opportunity for informed investors. In the not-too-distant future, behavioral finance may be formally recognized as the missing link that complements modern finance and explains many market anomalies. Perhaps some market participants will even wonder how it was ever possible to discuss the value of stocks without considering the behavior of buyers and sellers. One of the most important issues in Behavioral Finance is whether the assumptions of investor rationality are realistic or not.

The concept can be explained with the help of an example. Let's assume that Mr. X invests and manages his portfolio in an efficient market. Here only seconds are available for a response to the news. There are a great number of factors that affect the decision of Mr. X. Further, these factors can affect each other. How can Mr. X draw the right judgments when the information is updated very frequently? Probably Mr. X works on a computer, through out the day, on which a utility function program is installed for his work. Every decision Mr. X is based on the calculation given by his computer. As soon as the portfolio is rebalanced, the computers utility function program analyses new alternatives. This process goes on and on over the course of the day. Obviously, Mr X does not show any joy, when he wins and no panic when he loses. Can a human brain behave like this? We know that a human brain can master only seven pieces of information at any one time. So, how could one possibly absorb all the relevant information and process it correctly? People use simplifying heuristics (shortcuts) in order to control the complexity of information received. Psychological research has shown that the human brain often uses shortcuts to solve complex problems. These

heuristics are rules or strategies for information processing, which help to find a quick, but not necessary optimal, solution. Once the information is simplified to manageable level, people use judgement heuristics. These shortcuts are needed to resolve the decision making as quickly as possible. Heuristics are also used to arrive at a quick judgement, they can, however, also systematically distort judgement in certain situations.

## CHALLENGES

Under the paradigm of traditional financial economics, decision makers are considered to be rational and utility maximizing. The assumption of rational expectations is simply an assumption - an assumption that could turn out not to be true.

Behavioral Finance has the potential to be a valuable supplement to the traditional financial theories in making investment decisions. The following fundamentals of behavioral finance give us a glimpse of the pitfalls to be avoided. These are the challenges which need to be overcome and addressed.

**1. Hubris hypothesis:** it is the tendency to be over optimistic. It results from psychological biases. The investor gets swayed by the momentum generated in the markets in recent past.

**2. Sheep theory:** it is a phenomenon where all the investors are running in the same direction. They follow the herd - not voluntarily, but to avoid being trampled.

**3. Loss aversion:** it says that investors take more risk when threatened with a loss. Thus mental penalty associated with a given loss is greater than the mental reward from a gain of the same size.

**5. Framing:** this states that the way people behave depends on their way decision problems are framed. Even the same problem framed in different ways can cause people to make different choices.

**6. Overconfidence:** this is what leads people to think that they know more than they do. It leads investors to overestimate their predictive skills and believe they can time.

## CONCLUSION

This article provides a brief introduction to behavioral finance. The increasing analysis of the human element in the stock market, a market which is much more rational, has quality available data and is more efficient than the property market, makes behavioral-based research critical for analyzing property, a Market which is segmented, suffers from unavailability for quality data, is less informed and inefficient and has a high presence of the human element. As such, going forward the challenge for the property analysts is to properly analyze the Human elements within the various property decision-making phases and then develop the trading and investment strategies, which draw upon the knowledge of both the traditional and behavioral framework. The behavioral research issues discussed and analyzed in this paper, sets the path for developing such a combined strategy for investment.

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# BUILDING BRANDS'- WITH THE HELP OF NEW PROMOTIONAL MEDIA

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## **THEN-Branding**

The central concern of brand building literature experienced a dramatic shift in the last decade. Branding and the role of brands, as traditionally understood, were subject to constant review and redefinition. A traditional definition of a brand was: "the name, associated with one or more items in the product line, that is used to identify the source of character of the item(s)" (Kotler 2000)). The American Marketing Association (AMA) definition of a brand is "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors". Within this view, as Keller (2003a) says, "Technically speaking, the n, whenever a marketer creates a new name, logo, or symbol for a new product, he or she has created a brand".

## **NOW-Brand Building Models**

Kapferer (1997) mentions that before the 1980's there was a different approach towards brands. "Companies wished to buy a producer of chocolate or pasta: after 1980, they wanted to buy KitKat or Buitoni. This distinction is very important; in the first case firms wish to buy production capacity and in the second they want to buy a place in the mind of the consumer" (p. 23). In other words, the shift in focus towards brands began when it was understood that they were something more than mere identifiers. Brands, according to Kapferer (1997) serve eight functions shown in Table 2.1: the first two are mechanical and concern the essence of the brand: "to function as a recognized symbol in order to facilitate choice and to gain time" (p. 29); the next three are for reducing the perceived risk; and the final three concern the pleasure side of a brand. He adds that brands perform an economic function in the mind of the consumer, "the value of

the brand comes from its ability to gain an exclusive, positive and prominent meaning in the minds of a large number of consumers". Therefore branding and brand building should focus on developing brand value.

The brand leadership model is Aaker and Joachimsthaler's (2000) proposal for building strong brands. They argue that there are four challenges, that must be addressed:

**1) The organizational challenge:** to create structures and processes that lead to strong brands, with strong brand leader(s) for each product, market or country. Also, to establish common vocabulary and tools, an information system that allows for sharing information, experiences and initiatives, and a brand nurturing culture and structure. Doyle (2001b) adds that brand management must be seen as part of the total management process and not only as a specialist marketing activity.

**2) The brand architecture challenge:** to identify brands, sub-brands, their relationships and roles. It is also necessary to clarify what is offered to the consumer and to create synergies between brands; to promote the leveraging of brand assets; to understand the role of brands, sub-brands, and endorsed brands in order to know when to extend them; and to determine the relative role of each brand of the portfolio. Aaker (2004a) renames brand architecture calling it instead brand portfolio strategy. He says that "the brand portfolio strategy specifies the structure of the brand portfolio and the scope, roles, and interrelationships of the portfolio brands" (p. 13). Therefore, this challenge could be renamed the brand portfolio strategy challenge.

**3) The brand identity and position challenge:** to assign a brand identity to each managed brand and to position each brand effectively to create clarity. Speak (1998) supports and adds to this stating that the brand identity challenge should have a long-term focus in order to integrate the brand building process into the fabric of the organization.

**4) The brand building program challenge:** to create communication programs and other brand building activities to develop brand identity that helps not only with the implementation but also in the brand defining process. In short, brand building must do what is necessary to change customer perceptions, reinforce attitudes, and create loyalty. One tactic to do so would be to consider alternative media in addition to advertising. Doyle (2001b) also adds that the brand strategy must maximize shareholder value.

### **Building Brand Awareness**

Branding is a basic marketing concept that is designed to set your products/services apart from the competition. By using a particular name, phrase, design, symbol or a combination of these, you can create a unique identity. When choosing a brand name, consider the following five criteria:

1. It should suggest product/service benefits.
2. It should be simple, memorable, and unique.
3. It should fit the image of the company.
4. It should have positive connotations for the target market.
5. It should be easy to pronounce and to depict as a picture.

Branding is not a sales and marketing gimmick. Instead it refines and defines corporate culture and identity. A brand must have meaning to its consumers, its organization and its employees. Brand is an emotional link between you and your customer.

### **CHANGES IN THE MEDIA AND COMMUNICATION INDUSTRY**

- Wide variety of products and services-consumer spoilt for choice
- Advances in technology-innovative products and methods
- Media proliferation
- Consumers clued in to the latest trends-demand and expect more from a brand
- Market clutter-both in choices of products and channels for promotion

The marketers have to cut through the clutter, as the customers have to be reached in a correct and affordable way. Advertising alone not enough to grab eyeballs. Need for unique ways of promoting your product to get attention and hold it too.

### **The 'IMC' Approach: Integrated Marketing Communication**

(IMC)-Using multiple media to reach target audiences, the components of the integrated marketing communication are - Sales Promotion, Public Relations, Advertising, Personal Selling and Direct Marketing. Coordination and integration of all marketing communication tools and sources into a seamless program maximizes the impact on consumers and brings strength to the brand. Apart from conventional means like print and broadcast, emerging alternatives, termed 'new media'-internet, events and mobile phones. These are excellent means of branding due to their ability to deliver

- Sheer impact
- Usability
- Amount of scope for innovation

### **New Media Being Used For Brand Building Events**

The use of event sponsorship has increased greatly in the recent years, and the proportion of event sponsorship in companies' marketing budgets has increased. Events by corporate, business houses and governments on the rise huge budgets allocated for the same in advertising and marketing plans of the firm.

There are many reasons for this, but a major contributor to this development is the increasing

difficulty of differentiating from competing brands through mass-media advertising.

## WHY EVENTS?

The need for shift from one-way to two-way communication. The touch-feel experience direct communication, thus lending credibility and loyalty towards the brand. It helps in linking the tangible (product) with the intangible (experience). Creates emotion-fun, amazement; thus an intimate form of branding. It helps the marketer from differentiating itself from its competitor, as 'each event is unique'.

### Advantages

- Events offer an opportunity to focus on a smaller, but more select number of people in an appealing environment, which can bring forth positive associations to the brand and thus give it a competitive advantage.
- Effective tool for reaching desired consumer groups and positioning a product in their minds.
- Unique, magical, unforgettable
- Huge crowd pullers: Reach out
- Building strong customer relationships: Great Public Relations and long lasting networks
- Capturing large markets, impacting a huge number at one go
- Instantaneous feedback-helps in building further strategies
- Aid in brand positioning, brand recall, and image rectification
- Some events, also generate revenue (trade fair)

### Disadvantages

- It was seen to be very time-consuming
- Unpredictable, as unexpected changes can often occur during the course of events.

### Trade-shows

Since exhibiting is a powerful extension of your company's advertising, promotion, public relations and sales function that automatically means it is an excellent way to enhance brand awareness.

Everything your company stands for, no matter how large or small, is being exhibited on the show floor. This means their needs to be total consistency, congruity, clarity and focus in every aspect of your exhibiting program, before, during and after the show.

Here are three important points to consider as you plan to integrate brand awareness into your tradeshow program.

**1. Consistency and repetition are vital in creating brand awareness.** People buy brands they know and they trust! A brand is a promise that companies make to their customers. Strong branding requires all the levels of communication to agree with one another.

**2. Ensure all your marketing and promotions are consistent** and that they have your logo, colors, typeface, slogans and characters. Everything you develop should have the same look and feel.

**3. Peoples' perception about your company, products, and services is a major factor in their choice** of brand preferences and their buying behavior. All perception is subjective and based on experience. Individuals tend to interpret information according to existing beliefs, attitudes, needs and mood.

### Bollywood Advertising

The phenomenon of in-film advertising is helping to build brands and proving to be a revenue-spinner for several ad agencies. Film placements are currently raking in anything between Rs 5,00,000 to Rs 50 million for the producers. Leo Entertainment ( a part of Leo Burnett) has bagged new films such as Pooja Bhatt's Jism, BR Chopra's Baghban, new films of producers such as Shahrukh Khan, Ramgopal Varma, NR Paschisia and Ramesh Sippy. Leo Entertainment is already an independent profit-centre due to the revenues obtained from films such as Kaante, Raju Chacha and Yeh Kya Ho Raha Hai where it leveraged brands such as Coke,

Thums Up, Maaza, Provogue, Castrol, Tata Tea and Blowplast.

However, there is evidence of shortened attention spans and a greater effort to break through the clutter of multitudinous brands and media vehicles. The best way to deliver the message is to catch the customer off-guard when the rational mind is off. The best way to do so is to use the emotional gate rather than the rational gate. The rational gate examines the advantages, benefits, and features and seeks value for money; the emotional gate is all about trust, love, identification and belief. It has been noticed that films operate at the emotional level. These aspects have been leveraged by brands such as Coke, Pepsi, Lux, Airtel, Hyundai, Bagpiper, Lux wherein movies and brands flash identical messages at their target audiences. Example, in the movie 'Waqt- a race against time' Archies brand image got a huge boost as they had showed a grandfather buying a soft toy of a giraffe to gift to his grandson.

### **Advantages of film advertising**

- Big stars at a fraction of the costs
- Films transcend geography, class and culture barriers
- Clutter-free environment
- Not subject to surfing, zipping or muting (unlike in TV and other media)
- Catches people in a receptive mood
- Target specific
- Opportunities for cross-promotions Advantages of film advertising over other media of promotion

### **Conclusion**

Advertising characters play an important role in current marketplace. They create identification, personality and promotional continuity to a brand. They not only provide cultural meaning, but also appeal emotionally to the consumer, and function as advertising tools, by promoting the product, the product line and the brand continuity over time. Consequently, in fulfilling advertising functions, advertising characters are accepted as a mean of communication between marketers and consumers, ensuring that these icons continue as part of American popular culture. Thus it is of no doubt the importance of the role advertising characters play in marketing and advertising strategies.

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# EFFECTIVE MANAGERIAL COMMUNICATION TOWARDS SUCCESS

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## **ABSTRACT**

*Communication is undoubtedly the backbone of an organization and its importance enhances during the tough times such as an economic slowdown, when it becomes the best strategy for gaining employee support. Communication during an economic downturn is both complex and intense. The employees want more information, yet the leadership wants to supply even less information worried that it will be interpreted as bad news or demoralizing. During these periods of uncertainty, organizational communication must strike the right balance between the two parameters of motivation and practicality. The paper focuses on the strategic role of managerial communication in coping up with today's turbulent business environment. It suggests keeping communication a top priority during tough economic times and focuses on the critical parameters which help an organization in gaining employee trust and creating a positive work environment.*

## **Effective Managerial Communication Towards Success**

Tough times indeed require tough and unpleasant decisions-but thriving, not just surviving, is an option for those who mix wisdom and boldness of leadership with transparency and maximized employee involvement and engagement. It is widely recognised that in high stress situations people find it difficult to make good decisions as their IQ is reduced by this distress. When a business is under pressure financially for whatever reason, emotional stress is experienced. It is then important to effectively manage this stress in order to have the emotional energy to address the problems at hand and solve them to bring the business back in line. To minimise these stresses it is also important to act early while there is still a level of control rather than being controlled by the situation. It is at this point that communication comes to the rescue.

Communication is undoubtedly the backbone of an organization and its importance enhances during the tough times such as an economic slowdown, when it becomes the best strategy for gaining employee support. Communication during an economic downturn is both complex and intense. The employees want more information, yet the leadership wants to supply even less information

worried that it will be interpreted as bad news or demoralizing. During these periods of uncertainty, organizational communication must strike the right balance between the two parameters of motivation and practicality. It should be focused on addressing employee concerns proactively. The management needs to communicate consistently and honestly. Without straightforward, ongoing communication about the company direction and next steps, employees will fill the information void with fear-based projections. The management should realise that every business has a grapevine of communication, and if they don't feed it, someone else will. Honesty will help to engender confidence with employees, which can increase loyalty and quell uncertainty.

Maintaining employee morale and focus during times of crisis isn't easy, but communication is essential to the effort. And yet, many in leadership - in organizations big and small - are shying away from direct dialogue with their workers. A recent Economic Anxiety in the Workplace poll conducted in the USA asked "What, if any, action(s) has your organization's leadership taken to respond to the economic anxiety in the workplace?" The results were as under:

- 21% said that there had been "briefings by leadership on the organization's economic health"
  - 13% responded that there had been "briefings by leadership on the economic crisis"
  - 13% said that managers had had "conversations with employees on economic anxiety"
  - 7% responded that their organizations had held "workshops/briefings on dealing with 401(k) management"
- but...
- 46% responded that organizational leadership had taken "no action as of today"

It's not hard to understand and appreciate the reluctance. Leaders are anxious as well, and may hesitate to open a dialogue about a situation where nobody - including them, has the answers employees are seeking. This, however, is not the correct approach.

Experts all over the world agree that employee engagement is critical to cope up with difficult situations. As Ajay Mukherjee, Vice President and head, global human resources, Tata Consultancy services, puts it, "Employee engagement has even a more relevant role in a volatile business environment." The truth however remains that employee engagement is no child's play and demands continuous investment on the part of the organization. Another unanimous opinion appears to be that employee communication is the foundation on which engagement efforts rest. Anant Bijoy Bhagwati, Senior manager with HR consulting major Accenture says, 'whether it is downsizing or demanding high performance from the existing workforce: the key is ensuring clarity of communication. Sensitizing the organization's agenda/roadmap to employees becomes very critical in these times. The organization's energy should be channelized in the right directions using communication, rather than maintain an activity-vacuum, which would essentially breed idle gossip. Given the countless uncertainties that surround business today, it is important to communicate the

organizational agenda effectively to all employees-on time, frequently and precisely.

The fact remains that communication acts as a key initiative during the kind of economic uncertainty that we are facing today. During such difficult times, employees are experiencing a spectrum of emotions. They are feeling shocked, angry, depressed, scared, confused and dazed. What the organization should not make them feel is uninformed. To varying degrees, people want information to help them sort through their thoughts, and that's where managers as communicators can help. Explain what is happening in the marketplace from the perspective of your company and industry. Information fosters understanding, and conversation leads to shared understanding. According to a Research conducted in USA, leaders haven't been doing much to handle employee fears and provide information. The survey results showed that a majority of people felt that their company's leadership should be communicating more about current economic problems and that they had not heard enough from their leadership about the possible impact of the economic crisis on their company. The management should realize that in the same way that an umbrella does nothing to protect against a tsunami, inadequate communication practices do not provide the kind of employee support your organization needs to weather a financial storm.

Experts suggest keeping communication a top priority during tough economic times. Some practices which are suggested to the managers for enhancing and improving communication are:

- **Act as a crisis leader.** Leaders don't have to have all the answers. Tell employees what you know and what you don't. Explain the steps the organization is taking to identify issues and resolve problems. Knowing senior executives are there to lead through uncertain economic times is crucial to your people. Employees want to trust their leaders, especially in troubling

times, yet this is not the same as expecting leaders to have all the answers. Not even the wisest CEO knows exactly what will happen next, but he or she can give perspective and context.

- **Show your strengths.** Reinforce the core competencies and values that make your organization successful. Talk about how they will help the organization thrive in the future.
- **Be visible to your people.** Credibility, conviction and passion are important messages that only actual presence can convey. Employees can benefit from seeing engaged and informed senior leaders.
- **Use your team.** Make sure the management team knows how and what to communicate, and that no one is a bystander.
- **Be coordinated.** Coordinate your internal and external messages. Employees should hear company news from the company first.
- **Share responsibility.** Be clear about what you want your managers and your workforce to do. People want to help-tell them how. It's never a bad time to reinforce customer focus.
- **Listen to your People.** Find ways to listen to what is on employees' minds. Provide opportunities for two way communication. Invite employees' questions, concerns and suggestions. Welcome all kinds of feedback including negative comments. Sometimes people simply need a place to vent frustrations before they emotionally move on. Acknowledge emotions and probe deeper to understand the real issues. Use face to face meetings for sensitive issues and allow plenty of time to hear responses and answer questions. Staff opinion polls allow the management to ask for information and gauge employee opinion on certain pertinent issues. Even though it is not face to face, they can be used effectively to keep information channels open. The management can push staff surveys and opinion polls directly to employee computer screens. Surveys can effectively be used to get staff to submit cost savings and efficiency ideas and express their

concerns. The level of persistence for uncompleted surveys can be specified thereby ensuring maximum staff participation. Often the ideas and suggestions received can have a dramatic and positive impact on the business. Online staff forums and blogs can be used as a platform which allows discussions to be set up for targeted groups of employees. Discussion forums of this nature can be an excellent way to gather business improvement ideas and suggestions. Get key managers to blog about the current economic situation and related initiatives. Encourage staff to ask questions and seek clarification. Staff blogs will help staff realize that managers are human too and they are doing all they can to minimize the impact upon the organization.

- **Manage Rumors.** Manage rumors. Get information out early and explain that you will provide regular updates, rather than letting rumors proliferate whilst you wait. In the absence of alternative information, staff may accept available rumors as "the truth" (if the rumors weren't true they would have said so) causing you to lose your best people first. Some organizations set up an online discussion forum specifically as a 'rumor mill' where staff can anonymously post anything they have heard. Executives may not want to sanction a rumor mill. However, rumors exist regardless of the channel and a discussion forum provides an opportunity to correct them quickly.
- **Focus on outcomes and drive performance.** Don't overly focus on cost cutting and productivity messages. These messages are clearly important but it is also necessary to help staff stay positive by inspiring them, highlighting genuine good news stories and keeping focus on future opportunities rather than just the current pain. Show your strengths. Reinforce the core competencies and values that make your organization successful. Talk about how they will help the organization thrive in the future. Maintain a positive focus on achieving performance targets. Don't let

negative views of the economy be an excuse for failure to meet targets.

- **Have a deep understanding of the corporate culture** It's important for employees to know what will endure through this crisis. Yes, there will be change, and yes, it will be uncomfortable. Just as people turn to comfort food, employees want comforting messages for strength to move on. Communicate what is unchanging, such as corporate values, so that people can hold on to something that provides a sense of familiarity and security. Find balance between the bottom line and higher inspiration for your audience. It's tough to be the cheerleader all the time, though. Fear is big and ugly, and you are not immune, so acknowledge your own emotions.
- **Be humane.** Employees are going through an emotional tsunami. In most cases morale is suffering. The state of ambiguity, uncertainty, and complexity is enough to have a disengaging impact even on those of us who are very engaged. Fear can supplant focus and worry can substitute for work. While on the surface one would expect that employees who remain would be grateful that their jobs have been spared, evidence from this and other recessions suggests that they feel overworked, threatened, and vulnerable. Morale affects performance, and during a recession organizations are threatened with a double-edged sword. At the same time that their business is contracting, employee morale threatens to make matters even worse.

Lower morale can translate into "recession fatigue." This is a situation where the company experiences a series of problems that include a decline in productivity, deteriorating customer service, increased sick days, falling sales, higher costs, and lower profits. The management should try to acknowledge the pain of the employees and deal with it strategically making use of emotional intelligence.

Thus, to conclude, it can be said that if it communicates in the right manner, the management of an organization can surely and strategically cope up with this 'economic tsunami' and emerge victorious. Every period of turmoil is frightening; it challenges the status quo and threatens our comfort zones. However, with their understanding and experience of stakeholders and grasp of complex issues, managers as effective communicators are well placed to face the challenges and opportunities of change and to help management lead the way by creating a positive work environment based on transparency and mutual trust.

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# 'OFFICE POLITICS: A LADDER OF SUCCESS OR FAILURE'

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## **ABSTRACT**

*The few common questions that trouble almost everyone are that, how to manage one's career? how to get things done to improve professional reputation? or just make the office a happy place to work, and the one simple answer is that to be the master of skill, the skill of managing and manipulating relationships especially with one's boss by using a simple tool, the office politics. The game of politics, when understood how to use it as a strategic weapon, helps successfully to chart the path of personal and professional growth, the hidden treasure that allow people to stand out from the crowd. On the other hand Office politics is the enemy that creates a drag on organizational effectiveness of the performance gap, a gap between actual performance and potential performance. It destroys relationships and spreads a sense of distrust resulting in decreased morale and productivity. It has the worst impact on the company's entire human resources program and to curb it, is extremely important for management to keep on top of the situation so that any political behavior can be quickly detected and resolved before it gets out of hand. The purpose of this study is to determine to what extend and how organizational politics impacts the work culture and what steps should be taken by individual and management to minimize its ill effects to have a healthy workplace.*

## **INTRODUCTION**

At our workplace We all have seen at many times, certain people getting better positions, pay raises, friendly treatment etc. when they seem to not do anything at all, on the other hand the majority of people in spite of their good performance remain to their same position without any enrichment and sometimes even lose their jobs. Not only this, they are paid more to do the same job as others, given more flexibility in working hours and given other benefits too. They appear to be treated better than others and for no valid reason .The fact is that not because they messed up or made some costly mistakes at work, but because they didn't understand "workplace politics". Being politically expert helps one to keep his/her job when others do make a mistake. Politics, the intersection of relationships and power dynamics plays an important part in all organizations. It is the subtle and informal methods of gaining any type of power or advantage. Whenever companies, organizations, departments, or employees compete, there will be politics. For

example, when there is downsizing, peers or subordinates may use politics to obtain the remaining position/s. It refers to behaviors that occur on an informal basis within an organization and involve intentional acts of influence that are designed to protect or enhance individuals' professional careers at the cost of others. As an old saying, who you know matters as much as what you know, even more importantly, who likes you counts a great deal in getting ahead in most organizations. So the better an individual connect with others, the more likely he/she is going to get along, and maybe even get ahead. Some people try to short-circuit the path to promotion by building what they believe to be critical relationships with their supervisors These protective people seems to "kiss up" to their seniors and there only politics counts more than performance. But there's a big difference between building professional networks and using contacts shamelessly in headlong pursuit of own selfish ends by suppressing others.

However, each of us regardless of our position is expected to work to create an environment where people are valued as individuals and treated with respect and dignity, fairness and equality. It is natural for a supervisor or manager to trust, respect, one employee more than another due to experience, common interests, goals or backgrounds, or simply the longevity of their successful relationship. This leaves no room for workplace politics or favoritism. Politics encourages hypocrisy, double-dealing, cliques, self-interest, and deception. These are the behaviors that need to be reined in if the business is going to thrive. Politics at workplace destroys relationships and spreads a sense of distrust and result in unfair promotion of less efficient people even before those who are more efficient. They can also act as catalysts for a potential chain of behaviors that can negatively impact the company. These political behaviors only give short term satisfaction but it can cause problems in the long run and the possible solution for this is to think about the situation one is in and deciding whether it is a good move or not with other employers.

### **Some truth about workplace politics**

- Workplace politics is endless. As long as the organization exists and one work there, he/she participate in its politics. It is not going to go away, whether one likes it or not.
- In politics, the rules change and they're open to interpretation.
- In workplace politics, there are no officials and there is no appeals process. Participants do whatever makes sense to them.
- Engaging in political behavior guarantee survival with career advancement at workplace.
- Workplace politics is 24/7 as after leaving the office in evening, individual think new strategies for the next day.
- People bond with people who are like them and who share their interests, and this impacts office politics.
- There might be alliances, but they're changeable, and no one is can tell who's on which team, some people play for multiple

teams.

- In workplace politics, there are no spectators; we're all affected by what happens. Some of us participate actively, some passively, but we all participate.

### **Research Methodology**

The data has been collected from employees working in insurance, IT and educational sector, total numbers of respondents were two hundred & thirty two. Descriptive as well as exploratory research has been done with non probability convenience sampling.

### **Relationship between Power and Politics**

Power and politics are often considered to be integral components in the development of the organization at its core, political power is the ability to understand what others fear or desire, and to use that understanding to influence their behavior. People who use political relationships in the workplace often wield power that is either disproportionate to their position, or enhances their power beyond the position they hold. But where does this power come from? Why do some people exert tremendous influence, while others can't even lay claim to the power that comes with their title? Is political power always exploitative, or can it be moral and constructive?

There are three levels to political power: immoral, amoral, and moral.

***Amoral Political Power:*** Unconsciously understanding and manipulating others with no awareness of your own motivating fears and desires.

***Immoral Political Power:*** Consciously understanding and influencing others without examining and understanding your own motivations.

***Moral Political Power:*** Ethical use of political power can motivate people to work together to accomplish goals that provide individual and collective benefits. Taking an honest look at your own motivations is a first step towards gaining

power with morality.

### **Office politics, the guarantee for survival and a ladder of success**

Today, relationship strategies rule the world. It's up to the individual to learn and apply them.

When one master these skills he find it much easier to get support for his own objectives and be able to advance rapidly and ultimately achieve the results as he wants. When relationship works well, one know the steps to take to position for the next promotion. The future success depends greatly on one's ability to effectively manage relationships with the individual's boss, peers, subordinates and customers. But the most important is to influencing supervisor/boss as he/she links to the concern person to the rest of the company. If the person wants to influence the outcome of relationship with his boss, one has to take responsibility and waiting for boss's direction can ultimately hurt the chances for advancement. People often use political behavioral tactics which guarantees for their survival at workplace are:

- Taking hundred percent responsibility for relationship with boss.
- Always try to know boss's priorities.
- Always make one's boss look good.
- Withhold important information from others.
- Observe the organization's political style and understand what the patterns and motivations are.
- Criticize others in front of management and staff.
- Take sole credit for collaborative work.
- Gossip excessively about co-workers.
- Be a "yes-man"
- Build a network of trusted allies.
- Act as a mediator between warring co-workers.
- Establish positive and productive relationships with other departments.
- Perform work-related favors for fellow employees.
- Establishing a reputation as a workplace expert or guru.

All of the above tactics guarantee for long survival in the particular organization, it can be justified with the quote: "The innocent sheep acts with integrity but has no clue about what is going on in the organizational sense. The clever fox knows precisely what is going on but uses this knowledge to exploit the weaknesses of others. The inept baboon neither acts with integrity nor knows what is going on. The wise dolphin represents the icon of political success".

Second politics is seen in individual basis. Many people try to be smart and play with the emotions of others. They are not associated to any other, still they are in all group. They pretend to be the friends of many, but actually they are with nobody. Their main purpose is to achieve own results. They create misunderstanding between the people. They remove their enemy by creating a bad image for them in others eye. They never fight their enemies directly, but provoke others to take revenge for them. They try to make their enemy alone by creating misunderstanding with his friends. They make the person alone and then become friend of it. Now they know the secret about him and upon feasible time use them against him. In this way they are able to remove their enemy without fighting him directly. These kinds of politics are most dangerous and to know that someone is doing it against us is a difficult task. This kind of politics is main reason behind the many, which leave their jobs.

### **Benefits of knowing the Political environment**

While understanding the dynamics of particular workplace, can help advance through the ranks. One can know the character, tendencies and traits of other co-workers much better as it helps to form alliances with and who to avoid. Understanding political environment one will be less of a target of those who are politically savvy. It also helps in gaining more support for own ideas and be able to make them reality as the more of co-workers know, who you are, and your increased visibility will lead to more opportunities.

### **Gender difference and Political behavior**

According to a study, gender differences in influence tactics and political behavior tendencies were surveyed among 337 employees (176 males and 161 females). The sample was composed of managers, business owners, and professional, technical, sales, and office support workers from a variety of organizations. No significant differences were found between males and females with respect to scores on the Political Orientation Questionnaire, preference for teamwork, exchange of favors, and upward appeal. However, women were significantly less likely than men to perceive themselves as relying on charm, manipulative tactics, and personal appearance to achieve results and gain advantage. None of the sex differences could be attributed to years of job experience.

### **Ill effects of illegitimate workplace politics**

Companies that condone bullying, mobbing and politics at workplace are affected by hard and soft costs. Hard costs include high employee turnover, high absenteeism, decreased productivity, and a bad reputation in regard to taking care of employees. A bad company reputation reduces the ability to attract talented recruits. Soft costs include decreased job satisfaction, poor communication and information sharing, low morale, and a sense of betrayal by management.. Apparently office politics is an increasing problem, according to a study by Accountemps. "Eighteen percent of an administrator's time, more than nine weeks out of every year is spent resolving conflicts among employees" <sup>1</sup>

***When employees feel discriminated against, abused or unappreciated, they may resort to one or more of the following harmful options:***

- Politics not only affect the normal working of job, but also may sometime cause people to quit their jobs. This results in loss of human resource of a company.
- Company develops a reputation for being

political and an unpleasant place to work, making it more difficult to recruit good talent to compete effectively.

- Resort to sabotaging the company, e.g., by sharing confidential information with competitors or the media.
- Besides causing problems for the individuals who work together, the end result can be far more devastating. Employees and managers who must concentrate on the political aspects of work may have less time to pay attention their jobs. This translates into financial loss, which may in turn translate into job loss.
- Employees may become emotionally distant and have no interest in the success of the company.
- Employees will display passive-aggressive behaviors, become uncooperative, work less or produce substandard results.
- Employees will lose faith and motivation. When the leadership comes up with good initiatives, they are met with skepticism and resistance

### **Tips to minimize the negative effect of office politics**

May be some employees want to avoid office politics but they become involved and it is not necessarily a negative thing. Office politics can prove positive and beneficial for those involved. It is divisive whenever gossip, rumor, or unethical strategies occur. Some people try to be noble and refuse to play the political game; they focus on their jobs and work hard in the hopes of being noticed and rewarded for their efforts. But sadly there are limited opportunities in the world of work and, more often than not, these sorts of people end up being overlooked or ignored, either by colleagues or important customers or both. But its ill effects can be minimized if one will follow these guidelines:

- Be positive; don't be negative about previous jobs, former co-workers, or projects gone wrong.
- Be consistent, honest and communicate openly.
- Observe the organization's political style

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<sup>1</sup> Surviving Office Politics. Talent Scout. April 16, 1998.

without getting involved in political struggles until got sure what's going on.

- Find out what one can do to protect and come up with a strategy to find a way out of this toxic situation.
- Consciously examining, understanding, and evaluating own motivation, fears, and the power to influence others comes with a price.
- Avoid gossip and rumors.
- Avoid cliques; be aware of who is loyal to whom.
- Be discreet, don't betray of sense of what's right merely to fit into the organization, it will eventually lead to internal conflict and stress.
- Respect confidential matters.
- Expose, gently with finesse, other people's politically motivated behavior.
- Stay calm
- Find oneself as a mentor with whom one can discuss observations and concerns. It may gain a deeper understanding of the political processes at work and some insight into how one can manage these more effectively.
- Don't lose temper, don't lose sense of humor, and don't make personal comments about people or politicians with whom one disagree.

### **Management/Employer's role**

#### ***Watch Signs of Office Politics***

Watch for signs such as how open or secretive the overall environment seems to be. Do employees freely communicate within their team or department or are they whispering among themselves? How's the quality of communication between work groups or departments? What's the level of employee complaints about discrimination or other unfair treatment? Take notice that people seem to succeed by flattering their superiors and devoting their energy to self-promotion.

#### ***Steps to be taken:***

- Promotions should go to individuals who have both a relevant track record of success and the requisite skills and talents for success in the position. Be willing to promote someone who thinks and acts differently.

- Rewards and recognition must be based on performance, not personal relationships or favors, promotions and pay raises should be on the basis of an employee's actual level of achievement.
- Communication should be open and transparent. Communicate directly, personally and forthrightly anything that affects employees and their performance, including bad news, challenges, and initiatives for change.
- New projects should be initiated based on their value to the business, not on the basis of furthering a personal relationship or the potential for personal benefit. A formal process for proposing new initiatives and evaluating their feasibility generates confidence
- Employers should implement rules, preferably in the form of a written policy by setting clear limits on political activities at work.
- Policies must be focuses on employee behavior, conduct that interferes with work and actions that directly affect the company and other employees.
- Prohibit employees from using company time, materials, property and other resources. Managers can use independent and qualified advisors and facilitators to support the change program (outsiders who have no internal agendas or biases).
- Do not tolerate bad behavior. Realize that both bad and good behaviors are contagious. It is a proven sociological fact that people will imitate the behavior that appears to be socially acceptable, even if it is not their normal behavior. If Manager allow some people to get away with bad political behaviors, other people will follow.

### **Conclusion**

Some people try to short-circuit the path to promotion and as a ladder of success by building what they believe to be critical relationships. But it is to remember that if the person launches himself into an early promotion without having developed the skills to be successful, he may be setting himself up for a very public and career-damaging failure.

While the use of political power for selfish ends may seem beneficial to the individual in the short term, it is ultimately self-defeating, as it erodes trust, commitment, and loyalty. Buildings networks

prudently and use them to help develop own skills and open up new opportunities. It may take a little longer, but it will pay off in the end.

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## Appendices

**Note:** all figures are in percentage.

	YES	NO
I get my needs met as soon as I ask.	56	44
I know when I need help or support from other people.	71	29
I would go out my way to cultivate friendships with powerful people.	76	24
Before I write a final report to my boss, find out what he or she really wants to see included in that report.	82	18
Given a choice, I would take on only those assignments which will make me look good.	87	13
I would ask my boss's opinion about personal matters.	46	54
The best way to handle people is to tell them what they want to hear.	83	17
Is it important to have lunch with the "right people" at least twice a month?	57	43
I would never tell my boss what some of the co-workers really thought about him or her.	46	54

# E-LEARNING: CONCEPT AND SOCIAL BENEFITS

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## **ABSTRACT**

*E-learning (electronic learning) is the delivery of learning content and materials (text, images, animation, audio video) in digital form via a variety of technologies (internet, intranet, CD, DVD, and USB). E-learning ensures the various benefits to various parts of society. E-learning is reliable, dependable and accessible around the clock via an internet connection. E-learning programs help companies push new skills and critical improvement to line level staff members quickly & efficiently without the lag time of classroom. It connects students in rural communication to urban experts, and vice-versa and can be done at a time, place and pace that suits to an individual. A learner can do self assessment during and at the end of e-learning course. E-learning training courses are extremely cost efficient (save indirect costs-travel, accommodation) because there is a reduction in training time known as learning compression. Rosenberg (2001), argues e-learning 'can take anywhere from 25 to 60 percent less time to convey the same amount of instruction or information as in a classroom'. E-learning is now an integral method for delivering knowledge to pupils and students in school & colleges.*

**Keywords:** *E-learning, Learning Management System, Virtual Learning Environment.*

## **INTRODUCTION**

E-learning services have evolved since computers were first used in education. There is a trend to move towards blended learning services, where computer-based activities are integrated with practical or classroom-based situations. Learning is a social activity, and e-learning means that powerful and enduring learning experiences can be achieved, not just through content, but through the use of online communities and networks. Here learners are encouraged to communicate, collaborate and share knowledge. In this way, e-Learning can support "learning through reflection and discussion". E-learning is a new education concept by using the Internet technology, it delivers the digital content, provides a learner-orient environment for the teachers and students. The e-learning promotes the construction of life-long learning opinions and learning society. E-learning is an approach that facilitates and enhances learning through both computer and communications technology. Such devices can include personal computers, CD-ROMS, Digital Television, Personal digital assistants and mobile phones.

E-learning may also be used to support distance learning through the use of Wide area networks (or WANs), and may also be considered to be a form of flexible learning where just-in-time learning is possible. Where learning occurs exclusively online, this is called online education. When learning is distributed to mobile devices such as cell phones or PDAs, it is called m-learning. E-Learning makes learning exciting, engaging and compelling. This paper is touching most of the prominent issues in the field of eLearning.

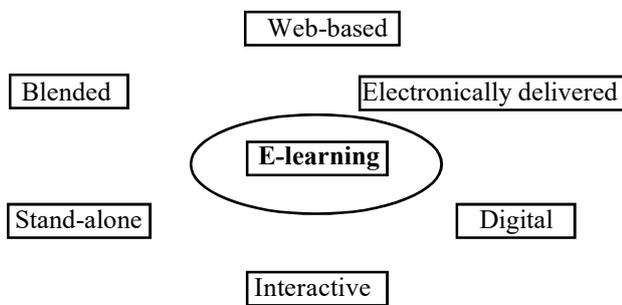
## **WHAT IS E-LEARNING?**

E-learning (also spelled e-Learning) is broadly defined as education or training that is created or delivered using a computer or other online learning technologies. E-learning is often delivered through a Learning Management System (LMS) or online learning portal and enables large numbers of people to receive targeted instruction at their convenience. We all learn in different ways - reading, watching, exploring, researching, interacting, doing, communicating, collaborating, discussing, sharing knowledge and experiences. The term e-learning

brings together different fields as highlighted in the following definition: "E-learning is the unifying term to describe the fields of online learning, web-based training, and technology-delivered instruction". To derive a foundational definition of e-learning, a set of logical statements can be advanced:

- E-learning encompasses any form of learning transacted by way of digital technologies.
- E-learning delivery systems are subject to the dynamics of socio technological evolution.
- E-learning may be synchronous or asynchronous, self-paced, a process or a single event, online or offline, or any combination of these modes. Taking these statements into account, we advance a broad definition of e-learning for the purpose of ongoing research:

**Electronic learning** can be defined as a learning experience involving the acquisition or transfer of knowledge delivered or transacted through electronic means. Figure.1 below presents the various features of e-learning.



**Fig. 1: Features of E-learning**

**E-learning technologies**

At present, e-learning technologies encompass three main areas of activity:

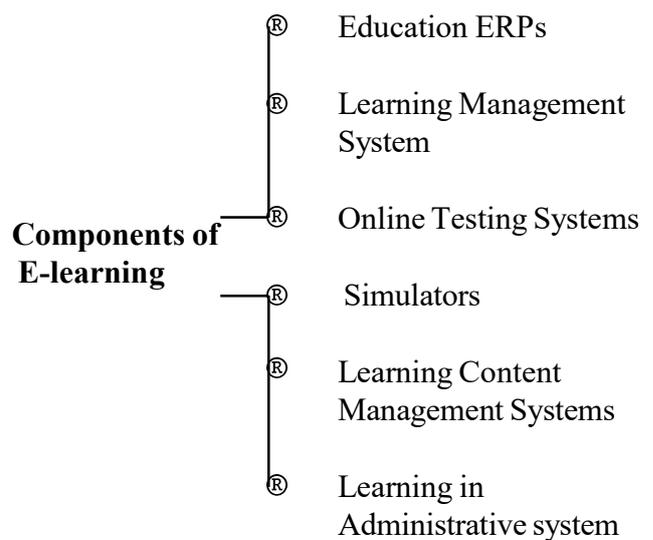
- **Content creation and management:** the sourcing, creation, storage and management of e-learning content - functions typically addressed by a learning content management system (LCMS);
- **Learning activity:** the delivery of e-learning content, facilitating interaction and learning assessment - functions typically performed by

instructors or trainers.

- **Learning management:** the capture and application of information about learning resources, existing skills and learning activities to measure and manage learning outcomes at the organizational level - functions typically addressed by a learning management system (LMS).

**E-LEARNING: THE NEXT LEVEL OF LEARNING**

Beginning as a revolution, the internet has now become a part and parcel of the 21st century world. Everything and everyone is getting online. And those who are not doing so are missing out on the immense power of this modern age wonder. Can the field of education be any far behind? Indeed not, as is evident from the advent of E-learning! E-learning is a term that is used to refer to computer-based learning. It uses computer based training and teaching materials, online conferencing, discussion boards, e-mail, computer-aided assessment, and other related methods. The most attractive feature of e-learning is that it is student-centered. It accommodates individual preferences and needs. At the same time, it empowers students of various backgrounds to have equal access to the best resources and referral material, lecture sessions, tutoring and experienced teachers.



**Fig. 2: Components of E-learning**

The services and format of e-learning allow for the following listed benefits, to name only a few:-

The e-learning format allows students to speed up and slow down as they deem necessary. Students can choose the subjects according to their interest level. There is more flexibility in terms of time limit or age barrier. There are an immense lot of opportunities and a host of variety to choose from. In other words, the online environment allows for a learning environ where there is a better focus on study due to the effect of saved efforts, time and lesser hassles. E-learning opens up a new world of studying comfortably and with better results.

### **E-LEARNING: IMPORTANCE**

E-Learning empowers learners to manage their own learning and in the most appropriate way for each learner. E-Learning means that you no longer need to spend long periods travelling to a location to attend a course; you can now have access to learning when you want it, at the time you want it - day or night, wherever you want it - at home, at work, in your local library. In other words, there are now no longer any geographical constraints to learning; e-learning brings learning to people, not people to learning. So, for example, if you'd like to attend a lecture at Imperial College in London, you don't have to go there, you can watch it live on the Internet, or if you can't make the time, watch a recording. E-Learning means that learning no longer needs to be a passive experience, with the learners all sitting in front of the teacher and "learning by telling", e-learning makes learning an active experience. The emphasis is on interactivity or "learning by doing".

E-Learning has helped organisations with their bottom line. Many organisations have reported improved time to competency and faster time to market, and a reduction in learning times has meant savings on salaries and opportunity costs, and increased customer and staff satisfaction has led to higher customer and staff retention rates. For organisations, e-learning is playing a major part in helping keeping them agile and competitive in their market. These are just some of the reasons why e-

learning is becoming so important. But are there any downsides to e-learning? Well, you have to have the appropriate technical infrastructure in place, learners also need to be fairly proficient with computers and the Internet too, to benefit from online learning opportunities, and within organisations, the corporate culture can determine whether e-learning (and m-learning) works or not.

### **E-LEARNING: SOCIAL BENEFITS**

E-learning offers significant economic and social advantages over traditional classroom training. E-learning imparts various benefits to the different parts of the society i.e.,

- Academic Institutions
- Government
- Corporate sector
- Community
- General consumer sector

While the most obvious are the flexibility and the cost savings from not having to travel or spend excess time away from work, there are also others that are listed below:

### **Cost and Time reduction**

There is a strong argument that e-learning is more cost-effective because there is a reduction in training time known as learning compression. This is because the single largest cost of training in organizations is the cost of staff attending the training course, rather than the direct delivery costs in terms of trainers, course materials, travel and accommodation. The time taken to learn the information is significantly reduced because of the nature of e-learning and auditory reinforcement, and individualized feedback mechanisms. It reduces travel time and travel costs for off-campus students. Rosenberg (2001), argues e-learning 'can take anywhere from 25 to 60 percent less time to convey the same amount of instruction or information as in a classroom.'

### **Anywhere, Anywhere, Any Place**

E-Learning's key benefit is its capacity to overcome the digital divide and extend digital literacy to

ordinary citizens, overcoming geographical, time and social barriers. This meant connecting effectively with isolated communities in rural, remote or mountainous regions or to key groups that currently suffer from exclusion, particularly disabled people. E-learning can be delivered on-demand, when and where it is needed, both on-site and off-site by using CD-ROM or internet technologies. Companies retain valuable employees longer, because they can be trained on the job.

### **Flexible Access**

E-learning accommodates individual styles of working and learning, and allows learners to access and review the lessons they need at times convenient to them. This self-directed approach puts people in control of their learning. This equality of access by all involved in the training is one of the important and appealing aspects of e-learning. "E-learning gives the students a flexible way of learning. It enables studying independently, at any time, at any place."

### **Driving the digital literacy/key skills agenda**

The use of "e-learning methods", whether in the classroom or in distance courses, implicitly required students to increase key skills as well as ICT proficiency. E-learning is seen as a key method for promoting digital and traditional literacy amongst the general population, providing the necessary tools to participate in the "knowledge society". E-learning-based courses provide a comfortable environment for citizens who were technology shy, learning to engage properly with ICT for the first time.

### **Reinforcement**

Research indicates that 20% of information is retained after six weeks in a traditional classroom setting, but up to 70% is retained, because e-learning approaches allow learners to 'see, hear and do'. E-learning can result in a deeper understanding and positive attitude towards the subject area.

### **Motivating teaching/learning environments**

Interactive lessons are advantageous for skill building because the computer has the ability to provide immediate feedback to the learner's questions or responses, and take the learner through the steps to find the right answer. Media elements, such as video, animation and sound, get the learners involved more quickly and keep them motivated to continue. Apart from it, e-learning has opened up new sources of attractive, dynamic material which could be mixed and matched, downloaded, individually designed or re-purposed and presented in motivating presentations, whether for distance students or within the classroom. This includes stimulating graphic material, video and other interactive material. The technology enables teachers to provide more personalized student support and systematic monitoring. "Interactive elements such as animation and video can present things in different ways and can be repeated as many times as the student requires."

### **Community Building**

Virtual learning communities can share vast knowledge and experiences that exist within their company or a field, as well as motivate each other. Within an organization, an e-learning program can be used to reinforce the culture and values of that organization.

### **Monitoring of the learning process**

Most e-learning allows instant and easy monitoring of the progress of learners, particularly when it is combined with a learning management system. Such monitoring may be critical for areas where there may be legal implications, such as induction training and occupational health and safety training.

### **Promoting Global Opportunities and Interactivity**

The global learning community is at your fingertips with online learning. The technologies used give online instructional designers the ability to build in tools that take you to resources you may never see in a traditional classroom. Whether through distance

learning or in the classroom, regions highlighted the potential for increased communication between the teacher and the student, as well as student-to-student communication. Teachers could more easily monitor and support individual students' work, whilst connectivity between students was being dynamically used to promote team work, joint projects and student information exchange.

### **Increased Payback**

E-learning is an investment that increases its payback during its lifetime, as its primary costs are incurred during development. Delivery and maintenance costs are relatively low. Therefore, unlike instructor-led learning or paper-based communication, the per user costs for e-learning decrease.

**Greater Collaboration-** Technology tools make collaboration among students much easier. Since many projects involve collaborative learning, the online environment is far easier (and often more comfortable) to work in since learners don't have to be face-to-face.

### **Higher Retention**

It can lead to increased retention and a stronger grasp on the subject. This is because of the many elements that are combined in e-learning to reinforce the message, such as video, audio, quizzes, interaction, etc. There is also the ability to revisit or replay sections of the training that might not have been clear the first time around. Online learning will draw you to topics you like and enjoy. Studies show that because of this and the variety of delivery methods used to reach different types of learners, retention is frequently better than in a traditional classroom. **Consistency-** Effective instruction depends upon a clear, consistent message delivered to learners when they are receptive to learning. E-learning ensures that all learners receive a consistent message. By using audio, visuals, interactivity, and simulation, eLearning can accommodate the various learning styles to communicate the message more effectively.

### **Success**

According to a recent report by Bersin & Associates, companies who employ training and development best practices through e-Learning significantly outperform their peers:

- Revenue generation per employee in these organizations is 26 percent higher.
- Turnover rates are 40 percent lower; and,
- These companies are 24 percent less likely to have had layoffs during the last recession.

### **Easily and Quickly Updating**

Online e-learning sessions are especially easy to keep up-to-date because the updated materials are simply uploaded to a server. CD-ROM-based programs may be slightly more expensive to update and distribute, but still come out cheaper than reprinting manuals and retraining instructors.

### **E-learning: is it environmentally better?**

E-learning can also save trees by saving paper. Many e-learning courses are entirely self-contained, presenting all learning content online, or providing alternatives to paper-based forms of communication through such tools as email, PDF manuals, synchronous classrooms, and other web-based tools. Online learning is an effective way for organizations to reduce their carbon footprint. A study by the Open University, "Towards Sustainable Higher Education: Environmental Impacts of Campus-Based and Distance Higher Education Systems," found that on average, the production and provision of distance learning courses consumed nearly 90 percent less energy and produced 85 percent fewer CO2 emissions per student than conventional campus-based university courses. The main savings were due to a reduction in the amount of student travel, economies of scale in the use of the campus site, and the elimination of much of the energy consumption of students' housing. In other words, studying from home and using a home computer was far more energy efficient.

### **E-LEARNING: FUTURE PERSPECTIVES**

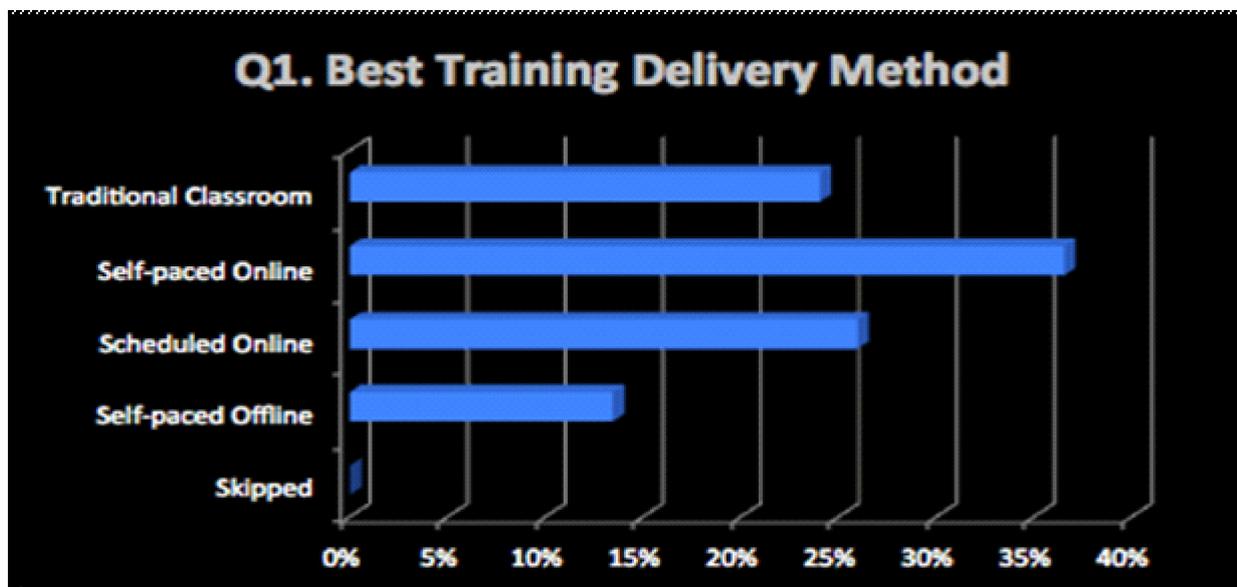
The past decade has been a time of rapid change as E-learning has replaced traditional learning methods.

The future of E-learning is very bright, indeed. This concept has been expanding at a very rapid rate as more and more uses for the computer in education have been discovered and attempted. It can be expected that we have not peaked out and the future is going to bring innovations that can hardly be anticipated. On the traditional college campus, there is a trend toward the development of a Virtual Learning Environment (VLE). The VLE concept integrates the full range of electronic enhancements into the classroom setting. Under the VLE idea, the instructor is not replaced by the computer but rather uses the computer to reach more students and to reach them more effectively. With job descriptions and daily tasks evolving faster than schools can produce qualified job candidates, many employers rely on constant, on-the-job training to remain competitive.

Human beings love to learn through experience. Many e-learning providers have discovered that

they can use video game technology to develop fun, engaging, effective simulations. Industrial employers can train workers to handle sophisticated tasks without risking injury or production quality. In addition to the obvious business uses for e-learning, governments around the world have discovered that e-learning programs can dramatically improve the quality of life for citizens while reducing the financial burden on taxpayers. Local schools in underserved rural areas or dangerous urban neighborhoods can rely on e-learning to offset the lack of skilled teachers in their districts. State university systems can keep talented students from crossing borders by importing highly specialized programs from other schools. Governments in developing countries have invested heavily in e-learning programs to build eager, talented, work forces.

Figure.3, below shows the % usage of various training delivery method in which self-paced online method gains the highest percentage.



**Fig.3: E-learning survey by leading software**

E-learning makes extensive use of images, animations, audio and video, and not just text, as an aid to learning. Audio-visual mediums reaching out to the learners are, in fact, a key feature and the subject of focus in e-learning development.

Following this trend, the future of e-learning could be developments like Personal Learning Environment, based on the approach in educational psychology that learning is an ongoing process. The concern of future e-learning experts thus is to provide tools to support this ongoing process of

learning. In one line, the future of e-learning is social learning. As the learners want more and more control over the learning process, interactive media caters to that demand. Such media provides the learner the advantage of interactive games, scores and instant feedback.

## CONCLUSIONS

E-learning is learning through the use of technologies. It is growing at a rapid pace. Today more organizations are taking up e-learning.

While e-learning technology has matured considerably since its inception, there are still many problems that practitioners had when come to implementing e-learning. One of the main problems is the complexity of integrating these systems with content and with other business systems. If e-learning is to be successful, it is important that we must provide greater access to education and support educational programs that reflect broader strategic business goals. It is our belief that the e-learning industry should learn key lessons from e-business. The art of designing good E-learning systems is difficult and is of great challenge for the human mind. The way this is done is also dependent on the learning culture in each country. The key issue is to facilitate new learning modalities for

younger generations. Future Investigating methods in an E-learning system are to support students with special needs such as super intelligent, retarded, etc. In other words, the online environment allows for a learning environ where there is a better focus on study due to the effect of saved efforts, time and lesser hassles. E-learning opens up a new world of studying comfortably and with better results

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## USE OF FACEBOOK: PRIVACY IS AT RISK

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### ABSTRACT

*Facebook, a social networking site, which was started in February 2004, is one of the most frequent sites opened by web users in the world. Thousands of users are Facebook addict worldwide. Laptops / PCs / Mobile phones, where ever people get chance to login, they do not lose even a single chance to open Facebook. They share their whole day activities like what they do, what they cook, what they like and much more on Facebook. Sharing of thoughts and cartoons is quite common on Facebook. All Facebook users share a wide variety of information, but most of them are not aware of privacy policy of Facebook. In this work it has been examined that how Facebook is being misused, what are the various threats to privacy and some serious concerns has been found out. Privacy on Facebook is undermined by three major factors:*

- 1. Users disclose their personal information in access and do not bother about misuse.*
- 2. Facebook does not take adequate steps to protect user's privacy.*
- 3. Third parties are actively seeking out end-user information using Facebook.*

*The Facebook system has been analyzed in terms of Fair Information Practices as recommended by the Federal Trade Commission. It has been found that employers also use Facebook for checking background details and references of their employees as it is very easy to find out the people through Facebook. Marketing is also getting done by using Facebook but there are lots of security holes in this system.*

*To accomplish this work, the data collection method for Facebook users has been used and some data from Facebook was also taken. "My Privacy", "Major Trends" and "Frequent Users" were studied carefully. Problems of data copying, password theft and commercialization were taken into account as well. Other issues like fake accounts and photograph copying have also been considered. It has been noticed that most of the users are unaware of privacy policy and lots of students are in practice to share the commercial usage experience of Facebook. It was also noticed that females spent more time on Facebook as compared to males. As number of users is increasing day by day, the threats are also being increased. The basic aim of this research was to create awareness about cyber security issues and protect user's privacy.*

*Keywords : Facebook, privacy, information, users, protect*

### INTRODUCTION

Facebook is a site which has millions of users. It provides users with many features and facilities. The basic categories of Facebook are Profile, Friends, Photos, Groups, Events, Messages, Account Settings and Privacy Settings. Profile information contains Basic information, Contact information, Personal information, Professional information and Pictures.

A user can give his/ her personal information such as likes, dislikes, profession, hometown and so on.

Friend section displays pictures of Facebook members you have befriended. My Photo section allows you to upload your photographs. There are further links to add photos from friend's list. From My group section users can form a group of same minded people or alumni of institutes. Facebook events allow members to inform friends about upcoming events. Messages allow users to send messages to each other. Account settings allow users to manage their basic account preferences. Users can edit their name, email etc. in this section. Privacy settings allow users to protect their privacy using

various privacy settings. The Wall allows you to put notes and comments. Notifications are pop ups which a user receives each time when someone writes on users wall. News feed displays recent Facebook activities of friends of members. Facebook pages help various brands and businesses to share their information and make contacts with people. Three major factors by which the privacy of Facebook has been undermined are as explained below:

**Users provide data in access:** It has been observed that users are in the habit of providing information in access as compared to required, which is not a good practice and it affects their privacy as well. When you sign up your account on Facebook, you must give information as required. Giving too much information causes problems sometimes. Specially giving exact date and year of birth, as this may be used for credit card online frauds.

**Users Privacy:** Facebook privacy settings allow users to protect their privacy. Here you can block people to whom you do not want to interact on Facebook. Facebook allows users to protect their data by selecting people with whom they want to share their data. Facebook offers so many features to control access to user's information but does not take any adequate steps to protect user's privacy. Third party information: The wall allows third party to put notes and comments for you like birth and anniversary wishes. My Photos allow to upload photos and same can be viewed by third party as well. Further these can be inter linked and can be searched by using search box. Here you have to welcome unwanted users. Facebook's terms of service clearly states that we may share your information with third parties. Facebook does so but does not guarantee any kind of security to user's information.

## OBJECTIVES OF THE STUDY

The objectives of this study were to create awareness about cyber security issues and to protect user's privacy.

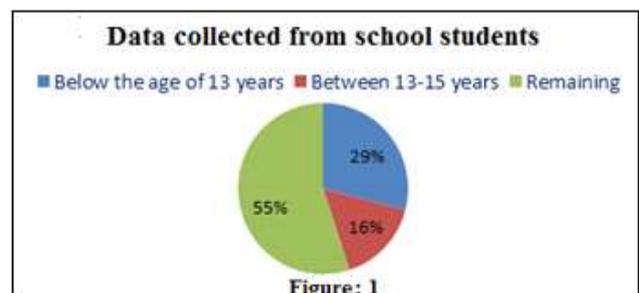
## RESEARCH METHODOLOGY

To fulfill the objective, a study on the usage of Facebook has been done. For this purpose 300 people have been covered who use Facebook. Out of total 100 were school students, 100 were college students and 100 were fresh pass outs. The following has been examined for the research purpose.

- Date of joining of Facebook.
- Purpose of Facebook log in.
- Frequency of login.
- Number of male and female friends.
- Knowledge about privacy settings.
- Knowledge about terms and conditions of Facebook.
- Knowledge about privacy policy.
- Knowledge about third party taking your information.

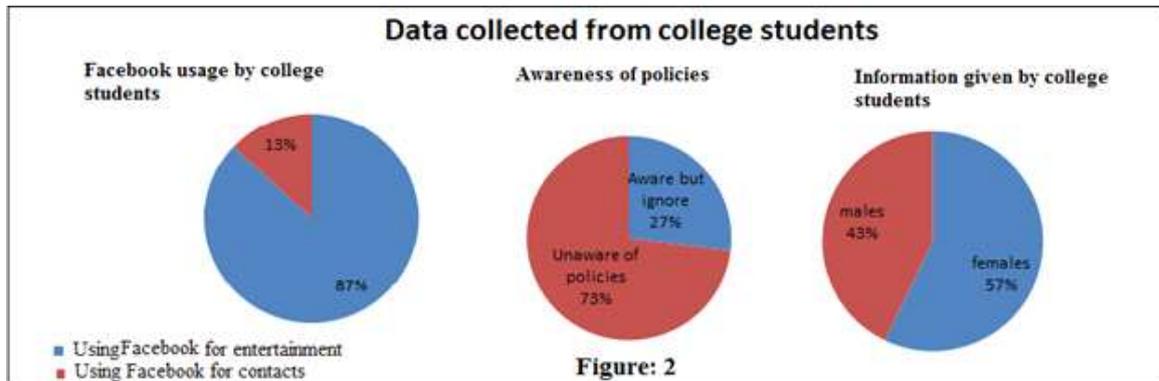
The data from three mentioned categories which are school students, college students and fresh pass outs has been collected and analyzed as below:

**Sample 1:** Out of 100 school students, it has been analyzed that 29% students were below the age of 13, while it is clearly written on Facebook site that user must be above 13 years of age to use this site, and if they are using Facebook, it is sure that they are hiding the correct information. Out of 71% school students, 16% students are between 13-15 years of age, but are using Facebook from last more than 2 years, so it means they have also hidden the correct information, when they had created an account on Facebook. It is as shown in Figure: 1.



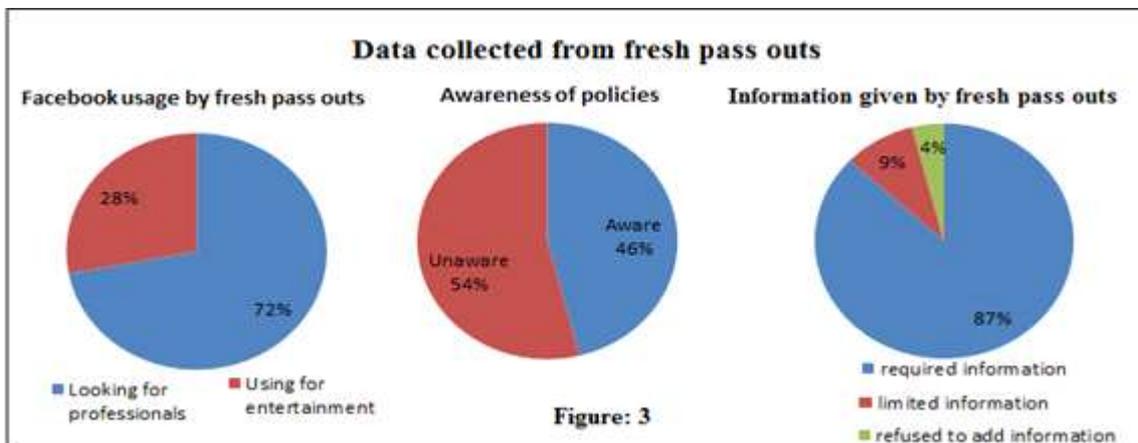
**Sample 2:** Out of 100 college students, it was noticed that 87% students are using Facebook for entertainment and remaining 13% are using it for finding out their contacts. It was also noticed that 73% students were unaware about privacy policy

while 27% were aware but they never read this. 57% females and 43% males have given the information, more than what needs to be given. No one has bothered about terms of usage of Facebook. It is as shown in Figure:2.



**Sample 3:** 100 fresh pass outs were also examined and it showed some better results. 72% users were looking for professionals who can help them to get a job and remaining 28 % were using it for entertainment. 46% users were aware of privacy

policy whereas 54% users were not aware of this. 87% people have filled in only the required information, while 9% have given very limited information about them. And 4% of total refused to answer on this. It is as shown in Figure: 3.



The basic information given by the candidates has been compared on Facebook site to know whether the information collected was correct or not. It was noticed that only 246 (82%) have given the correct information.

Facebook has given privacy control settings, but still short comings have been found in that.

The perspective of third party acting in self-interesting manner has also been taken into

consideration. The information on consequences, news, articles etc. has also been read to find out the facts. The following are the privacy related issues which have been observed.

### 1. Security Breach

A security breach at Facebook, either from outsiders or insiders, would probably place various Facebook records in danger. This is often not a risk which will be eliminated; as no web site is fully secure. The security breach is definitely not a big

risk, as giant information warehouses are usually targets of intruders. Whereas Facebook is a store of lot of personal information would contain much information that individuals would not want to make public.

## **2. Commercial Data-Mining**

Now-a-days lots of companies are earning good money on selling databases of personal information. Companies such as Choice Point Inc. USA have engineered billion-dollar business by commercialism databases of personal information. It has been observed that Facebook contains information of millions users that is more correct than the standard commercial data. It has been also noticed that profiles used for social networking are probably be 80-90 % correct, as they are maintained by their subjects.

## **3. Database Reverse-Engineering**

Facebook's "advanced search" permits one to query the information of users using any of the tools. As an example, one can search for anyone's profile information. The matter is that once individuals hide their page, they expect the data on that to stay personal. This information is not truly secure unless they additionally exclude their profile from searches. The matter was combined by a security hole that multiple individuals have discovered. One may simply reconstruct all Facebook profiles in spite of privacy preferences.

## **4. Password Interception**

The username and password are sent in clear text in Facebook which is security vulnerability. An adversary may scan Facebook user names and passwords off and may get access to users' Facebook passwords; likewise as any further accounts they use those passwords for.

## **5. Disclosure to Advertisers**

Facebook contains a relationship with many companies presently. Apple and JetBlue, among others have their own teams that interested users will be part of, to indicate their complete loyalty. Facebook's privacy policy expressly says that they

will disclose profile information to third parties; therefore their prospect to do so is clearly realistic.

## **6. Lack of User Control of Information**

Different users can transfer and associate information to one's Facebook account. The foremost outstanding feature of this sort is that the "My Photos" feature, which allows users to transfer photos from one place to another and tag them with the names of the people within the photos. This practice leads to hassle for underage students. Third parties' ability to submit and associate information regarding users violates one in all the key principles of information practices: the thought that users ought to have the flexibility to regulate and correct information regarding them in a particular database.

## **END USER'S INTERACTION WITH FACEBOOK**

The following trends of Facebook usage were noticed during the survey:

1. New users are eager to join Facebook. Slowly, their interest in using Facebook increases and they spent more and more time in using it.
2. A lot of fake accounts are available on Facebook, such as males are having fake accounts on the name of females and vice a versa.
3. People update their account, on average, once in a month.
4. Users change their status immediately, whenever they have a change in their life.
5. The most active users disclose most of their personal information.
6. Even recent joiners, disclose too much of the information.
7. Connected users disclose information, especially of commercial nature.
8. Third parties, who are using Facebook data, they use it on the base of demography like age, location, gender and like that.
9. Third party takes more active data, so result is that everyone is getting more junk emails, like fake job offers, results of fake lucky draws and

so on.

10. Use of "My Photo" is common among users even though it is not safe as copying and misusing of photos is noticed many times.
11. It was also noticed that females use Facebook more than males, but females are more careful about self-censor of their data.
12. It was also noticed that women are more likely to share information as compared to man.
13. Facebook users are not fully informed about privacy policy and terms of service.
14. Users are not guarded about who sees their information.
15. As number of users will increase, risks will also increase.

From a system perspective, there are number of changes that can be made to give user a reasonable perception of the level of privacy protection available and to protect against disclosure to intruders as well. There are some recommendations to Facebook users to protect their privacy, which are as described below:

1. Do not disclose too much information. Try to be particular to what is required.
2. Educate yourself about the privacy control features.
3. Keep contact list limited to known persons only, preferably close relatives / friends or persons of your interest.
4. Keep limited and relevant photos on my photo option.
5. Divide your friends to determine who sees what.
6. Control who can see what you Post and who can tag you in posts and photos, and who can see those tags.
7. Control what additional information you want to be shared with apps, games and websites with publically available information.
8. Review all your posts and things you are tagged in.
9. Monitor your account and reset password regularly.

10. Be aware of cookies, as wherever you login Facebook, it stores your email id and next time when you reopen, it automatically appears. So you must sign out properly. When you sign out, only then session cookies goes out.

## CONCLUSION

It has been concluded from the above study that Facebook users need to be aware of its terms of service and policies. This awareness will make them to guard their data from any unauthorized access and protect their privacy as well. Facebook is keep on changing its policies, terms of service and adding new security features from time to time, so it is user's responsibility to update themselves for better protection.

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# ROLE OF WOMEN EMPOWERMENT AND HIGHER EDUCATION: INDIAN PERSPECTIVE

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## **ABSTRACT**

*Higher education is now a major element on the international agenda. Education and research are key elements in the formation of the global environment, being foundational to knowledge, the take-up of technologies, cross-border association and sustaining complex communities. Higher education ratio has increased from less than 1 % in 1950 to about 10 % in 2007. One perspective advocates improving women's position and equity without radically altering the existing structure of gender relations. This perspective includes the so-called self-reliant model of empowerment. This paper discusses about Perspectives on Women's Empowerment, The Need for Fostering Self-Employment among Women, Women's Empowerment: Measuring the Global Gender Gap and Empowerment Process of Indian Women. Women will be empowered economically and socially by imparting knowledge, education and training in order to bring them in the main stream of development by further strengthening Self Help Groups.*

## **GLOBALISATION AND HIGHER EDUCATION**

Higher education is already a global business. The days when higher education was a matter of national policy and government regulation are rapidly fading. Higher Education

Provisioning is now globalize and in many ways, a commercialized affair and the way that the State had in the goings on is vastly diminished. Since the late 1990s the higher education market is growing by 7 per cent a year. The Economist Survey on higher education further indicates that annual fee income alone is estimated at \$ 30 billion. While private profit seeking companies have entered the education business, even government-controlled universities are seeking independence from governmental authority.

Higher education is now a major element on the international agenda. Reports from organizations such as United Nations Educational, Scientific & Cultural Organisation (UNESCO), the World Bank and the Organisation for Economic Co-operation and Development (OECD) acknowledge the crucial role for education in economic development and for women empowerment throughout the world. Higher education is implicated in all these changes.

Education and research are key elements in the formation of the global environment, being foundational to knowledge, the take-up of technologies, cross-border association and sustaining complex communities. Though higher education institutions often see themselves as objects of globalisation they are also its agents Research universities are intensively linked within and between the global cities that constitute the major nodes of a networked world Characteristically global cities have a high density of participation in higher education; there is a strong positive correlation between the higher education enrolment ratio of a nation or a region, and its global competitive performance. Correspondingly, nations and regions that are relatively decoupled from the globally networked economy are typified by a low density of higher education ([www.icrier.org](http://www.icrier.org)).

## **THE GROWTH OF HIGHER EDUCATION IN INDIA**

The growth of higher education in India has been phenomenal. Starting with 1950- 51, there were only 263,000 students in all disciplines in 750 colleges affiliated to 30 universities. This has grown by 2005 to 11 million students in 17,000 Degree colleges affiliated to 230 universities and non-affiliated university-level institutions. In addition,

there are about 10 million students in over 6500 in vocational institutions. The enrolment is growing at the rate of 5.1 per cent per year. However, of the Degree students only 5 per cent are enrolled into engineering courses, while an overall 20 per cent in sciences. The demand for professional courses is growing rapidly. According to NASSCOM, 10 million jobs will be available by 2009 to the Indians in service sector including IT enabled sectors. This will involve opening of the service sector under WTO ([www.icrier.org](http://www.icrier.org)).

India has one of the largest 'Higher Education' systems in the world. Higher/ University education usually covers the students of age group of 18-24 years. There has been an impressive growth in the area of higher education with an increase in annual student enrolment from 7.26 million in 1997-98 to 10.48 million in 2004-05. During the same period, enrolment of women students rose from 2.45 million to 4.04 million, constituting 40.4 per cent of the total enrolment ([www.indiainbusiness.nic.in](http://www.indiainbusiness.nic.in)).

The system of higher education in India has seen an impressive growth since independence. The total enrollment increased from a meager 0.1 Million in 1947 to phenomenal 10.5 Million in 2005-06. The education system in the country saw a revolution with the emergence of a whole new class of education providers, including private institutes, distance education providers, self-financing courses in public institutions, foreign education providers etc.

Higher education in India has expanded many folds during the past six decades. The number of universities in the country has increased from 20 in 1947 to 378 whereas the number of colleges, which were no more than 500 at the eve of Independence, has gone up to 18064. No less significant has been the increase in the number of teaching staff which has gone up from a 15, 000 to nearly 4.80 Lakhs during the same period. The number of students enrolled in higher education too has gone up from

1 Lakh in 1950 to over 112 lakhs in 2005. The institutional capacity of higher education has increased by several folds. This has, in turn, enhanced access to higher education as the enrolment ratio has increased from less than 1 % in 1950 to about 10 % in 2007. These developments notwithstanding, the Gross Enrolment Ratio (GER) in relative terms compares quite poorly with 60% in USA and Canada, over 40% in several European countries and more than 20% in many developed and developing countries. International experience shows that no country has been able to become an economically advanced country, if its enrolment ratio in higher education has been less than 20%. The foremost priority must, therefore, be enhancing access to higher education such that the GER is raised to a minimum threshold level of about 20 percent for sustained economic development ([www.pib.nic.in](http://www.pib.nic.in)).

#### **GENDER DIFFERENCES IN HIGHER EDUCATION:**

Three alternative methods are used to estimate the extend of access to higher education namely Gross Enrolment ratio (GER), Net enrolment ratio (NER) and Enrolment of Eligible ( EER).

The GER measure the access level by taking the ratio of persons in all age group enrolled in various programs to total population in age group of 18 to 23. The access to higher education is also low for girls as compared with boys. The GER being 15.25% for male and 11% for female. Gender disparity in enrolment ratio is mainly because of visible differences in rural areas. In urban the gender differences are minimal.

Significant male-female disparities also exist in the enrolment ratio for the eligible student (EER). In 2003-2004, the EER is 62.9% and 54.1% for male and female respectively, the female EER being lower by nine percentage points. Unlike GER the differences in the male and female EER are visible both in rural and urban areas ([www.ugc.ac.in](http://www.ugc.ac.in)).

**EMPOWERMENT OF WOMEN:**

Empowerment is a multi-faceted, multi-dimensional and multi-layered concept. Women's empowerment is a process in which women gain greater share of control over resources - material, human and intellectual like knowledge, information, ideas and financial resources like money - and access to money and control over decision-making in the home, community, society and nation, and to gain 'power'.

According to the Country Report of Government of India, "Empowerment means moving from a position of enforced powerlessness to one of power".

**PERSPECTIVES ON WOMEN'S EMPOWERMENT**

One perspective advocates improving women's position and equity without radically altering the existing structure of gender relations. This perspective includes the so-called self-reliant model of empowerment. From this point of view, a woman is "empowered" when she is literate, educated, and has productive skills, has access to capital and self-confidence. This view of empowerment as individual self-reliance is considered not to recognize nor question how a woman can gain increased access to resources if the hurdles of gender discrimination remain in place. It leaves out the political and ideological dimensions of women's struggle. The other perspective sees women's advancement as necessarily involving the transformation of an excessively male-dominated society. This involves collective action and working as a team towards the goal of ending discriminatory practices and gender inequality. Advocates of this view use the term "gender equity" to denote their ambition for a new form of gender justice within an egalitarian society and are interested in structural transformation to create more justice. They hold the view that women can achieve an equal footing with men only if there is equality of opportunity, which is not the case, as women continue to face systematic discrimination.

**According to 2005-06 National Family Health Survey Gender Inequality and Women's Empowerment in NFHS-3.**

**Why Measure Gender Inequality and Women's Empowerment in NFHS-3?**

**Table 01: Gender Disparity in Literacy**

Age	sex	Literacy rate(%)	Gender disparity()
15-19	Male	78	29%
	female	55	
20-24	Males	84	23%
	female	64	
25-29	Male	89	17%
	Female	74	

**Table 02: Gender Disparity in Higher Secondary School Completion**

Age	sex	% with 12+ years of schooling	Gender Disparity
15-19	Male	20	39%
	female	12	
20-24	Male	27	29%
	Female	74	
25-29	Male	23	36%
	Female	15	

**Table 03: The majority of employed women are engaged in agricultural work**

Type of worker	Occupational Distribution (%)	
	Male	Female
Professionals	7	7
Sales	4	14
Service	7	5
Production	22	37
Agriculture	59	33
Others	2	4

### Employment: Another Area of Gender Disparity

- Among the population age 15-19
- Men are 2 times as likely to be employed
- Men are 2.7 times as likely to be employed for cash
- Among the employed, 64% of women vs. 91% of men earn cash
- Female share of population employed for cash is 39%

### Gender Disparity in Media Exposure

Not only are fewer women than men literate but fewer are also regularly exposed to media. Percentage of men and women age 15-19 regularly exposed to print media, TV, radio, or cinema

**Table 04: Gender Disparity**

<b>Men</b>	<b>88%</b>
<b>Women</b>	<b>71%</b>
<b>Gender Disparity</b>	<b>19%</b>

### Key Findings of the study are as follows:

Women are disadvantaged absolutely and relative to men in terms of access to education, media exposure, and employment for cash.

The majority of married women do not have the final say on the use of their own earnings or all other household decisions asked about.

Traditional gender norms, particularly those concerning wife beating, remain strongly entrenched (mohfw.nic.in).

### SOME ASPECTS OF EMPOWERING METHODOLOGY ARE AS FOLLOWS:

#### Empowering methodology as follows:

- Using women's own knowledge as critical to social development;
- Locating literacy in social practices and lived realities of women;
- Involving women in determining their needs, their issues,
- What they want to learn and how they want to

- develop their own strategies at various levels;
- Enabling women to transform negotiate and challenge the structures of power, both at an individual and a community level;
- Creating structures and institutions for sustaining the adult educational process;

Establishing partnerships with collaborating agencies and local government departments as crucial to women's role in the planning and conceptualizing of projects, as well as in the actual implementation of them; making women responsible for managing and providing services such as hand-pump repair.

The literacy camp method is another strategy for coping with women's chronic problem of low and irregular attendance at non-formal educational centers. The literacy camp method organizes residential training courses in which a conducive and supportive learning environment is encouraged through group learning, ensuring a high teacher student ratio, encouraging women to generate their own texts as well as promoting a continuous learning environment including games and songs with an educational purpose (www.unesco.org).

### THE NEED FOR FOSTERING SELF-EMPLOYMENT AMONG WOMEN:

Women are trying their level best to attain equality in various ways which are different over time and among societies. After the World War II, a large number of women in western countries resented their deprived status. There was a general awakening among women about their secondary status. They do follow various strategies to overcome subordination and to fight against gender related disadvantages directly and indirectly. Self employment is one among the many strategies and is considered to be the best strategy since simultaneously it helps to change women's own self perception and also helps to attain social status.

The other possibility is individual strategy. Women are generally concentrated in low paid jobs and secondary sector occupations and hence the

opportunities to climb up are very limited. Their success and upward mobility in career are much restricted. Only a few women occupy the managerial or executive position.

Female business proprietorship is an attempt to tackle this kind of subordination, Female proprietorship provides economic independence to women and at the same time they directly enter the main stream and do not remain in the periphery. Especially in developing countries, women proprietors are successful in obtaining material independence from men and this economic independence provides a basis for female solidarity. In these circumstances, individual action fosters collective action to combat subordination (www.123eng.com).

### **WOMEN'S EMPOWERMENT: MEASURING THE GLOBAL GENDER GAP**

This study is a first attempt by the World Economic Forum to assess the current size of the gender gap by measuring the extent to which women in 58 countries have achieved equality with men in five critical areas: economic participation, economic opportunity, political empowerment, educational attainment, and health and well-being. Countries that do not capitalize on the full potential of one half of their societies are misallocating their human resources and undermining their competitive potential.

The past three decades have witnessed a steadily increasing awareness of the need to empower women through measures to increase social, economic and political equity, and broader access to fundamental human rights, improvements in nutrition, basic health and education. Along with awareness of the subordinate status of women has come the concept of gender as an overarching socio-cultural variable, seen in relation to other factors, such as race, class, age and ethnicity. Gender is not synonymous with women, nor is it a zero-sum game implying loss for men; rather, it refers to both women and men, and to their status, relative to each other.

Gender equality refers to that stage of human social development at which "the rights, responsibilities and opportunities of individuals will not be determined by the fact of being born male or female,"<sup>2</sup> in other words, a stage when both men and women realize their full potential.

Even in light of heightened international awareness of gender issues, it is a disturbing reality that no country has yet managed to eliminate the gender gap. Those that have succeeded best in narrowing the gap are the Nordic countries, with Sweden standing out as the most advanced in the world. These are followed by New Zealand (6), Canada (7), United Kingdom 8th, Germany 9th and Australia 10th, countries that have made considerable progress in recent decades in removing obstacles to the full participation of women in their respective societies.

**American nations such as Colombia 30th and Mexico 52nd, India 53rd, Korea 54th, Pakistan 56th, Turkey 57th and Egypt 58th occupy the lowest ranks.**

The economic participation of women-their presence in the workforce in quantitative terms-is important not only for lowering the disproportionate levels of poverty among women, but also as an important step toward raising household income and encouraging economic development in countries as a whole. Amartya Sen makes a compelling case for the notion that societies need to see women less as passive recipients of help, and more as dynamic promoters of social transformation, a view strongly buttressed by a body of evidence suggesting that the education, employment and ownership rights of women have a powerful influence on their ability to control their environment and contribute to economic development. Economic participation concerns not only the actual numbers of women participating in the labour force, but also their remuneration on an equal basis. Worldwide, outside of the agricultural sector, in both developed and developing countries, women are still averaging

slightly less than 78% of the wages given to men for the same work, a gap which refuses to close in even the most developed countries. Economic opportunity concerns the quality of women's economic involvement, beyond their mere presence as workers. This is a particularly serious problem in developed countries, where women may gain employment with relative ease, but where their employment is either concentrated in poorly paid or unskilled job characterized by the absence of upward mobility and opportunity. Educational attainment is, without doubt, the most fundamental prerequisite for empowering women in all spheres of society, for without education of comparable quality and content to that given to boys and men, and relevant to existing knowledge and real needs, women are unable to access well-paid, formal sector jobs, advance within them, participate in, and be represented in government and gain political influence.

[http://www.weforum.org/pdf/Global\\_Competitiveness\\_Reports](http://www.weforum.org/pdf/Global_Competitiveness_Reports)

### **EMPOWERMENT PROCESS OF INDIAN WOMEN:**

In India the empowerment process has already begun. A steady improvement in the enrollment of women in the schools and colleges and in the professional colleges. The reproductive health status and general health status are better, when compared to their health status in the earlier decades. Especially, the primary health strategy, has improved the general health status of rural women, (majority of Indian women live in the villages} resulting in higher average expectation of life. Due to increasing awareness among the parents, child mortality rate has come down. In this decade women are entering into the job market in increasing number and also venturing to become entrepreneurs. They are entering even into the non traditional sectors like the police, defense, administration, media and research fields. 26 laws have been enacted so far to protect women from various crimes. The recent Law on the "protection of women against domestic violence" satisfies the long

pending demand of the women activists. In the political field, the reservation for women in local administration is a step towards political empowerment. When 33% reservation for women in parliament becomes a reality, Women's voice will be heard in the highest forum of democracy and greater number of women will participate in the law making process ([litewait.sulekha.com](http://litewait.sulekha.com)).

### **THE ROLE OF GOVERNMENT OF INDIA IN WOMEN EMPOWERMENT**

The first few plans followed a welfare approach and treated women as recipients of aid. The first five year plan focused its attention on the problem of high infant and maternal mortality and then undertook steps to develop school feeding schemes for children and creation of nutrition sections in the public health departments and maternity and child health centers. The focus of second plan was on the problems of women workers. Hence policies were initiated for equal pay for equal work, provision of facilities for training to enable women to compete for higher jobs and expansion of opportunities for part time employment. The main thrust of the third plan was the expansion of girls education. On the social welfare side the largest share was provided for expanding rural welfare services and condensed courses of education for adult women. The fourth plan continued to emphasize women's education. The fifth plan gave priority for training of women in need of care and protection, women from low income family's needy women with dependent children and working women.

It is only during the fifth plan a separate Bureau of Women's Welfare and Development (WWD) was set up in 1976 as part of the erstwhile Department of Social Welfare in order to intensify the country-wide efforts launched during the International Year of the Women. The Bureau was entrusted with the major responsibility of implementing the National Plan of Action for Women besides coordinating the activities relating to women's welfare and development.

The sixth plan for the first time in India's planning history contained a separate chapter on Women and Development. To make the International Women's Decade a success it emphasized on three strategies via economic independence, educational advancement and access to health care and family planning. Hence varieties of programmes were taken up under different sectors of development to ameliorate the socio economic status of women. In the rural development sector the IRDP gave priority to women heads of households and about 35% of total number of beneficiaries under TRYSEM was women. A new scheme such as Development of Women and Children (DWCRA) was started in 1982-83 as a pilot project in the blocks of the country. Many voluntary organizations were requested to avail funds from the government for the above schemes and benefit women. Another Program S.G.S.Y. was launched in the Year 1999. They were provided facilities of loan & subsidy from the Govt. & Banks. Under Science and Technology for Women varieties of activities were taken up. Projects were sponsored for development of smokeless chullahs use of solar cookers setting up of bio-gas plants and devices for improving the water purification system. A number of technology demonstration cum training centers at selected focal points all over the country were set up by the National Research Development Corporation (NRDC) to provide expertise and resources to women entrepreneurs.

During the seventh five-year plan an integrated multidisciplinary approach was adopted covering employment education health nutrition application of science and technology and other related aspects in areas of interest to women. It is only during the seventh plan 'Women Development Corporations' were established for promoting employment generating activities for women.

Thus with the beginning of International Women's Decade in 1975 a number of schemes were introduced and earnest efforts were made by the government to improve the status of women. In spite of implementation loopholes these policies strive

their best to integrate women into the mainstream of society. Thus the Department of Women and Child Development being the national machinery for the development of women plays a vital role assisted by the Central Social Welfare Board and the National Institute of Public co-operation and Child Development. While the Central Social Welfare Board is an apex body with state level branches to encourage voluntary effort in the field of women's development NIPCID is an advisory cum- research cum national level training institute in the field of child development with a separate division for women's research and development. Today, in accordance with the changing role of government, public administration has to deal not only with restructuring the economy but more than over before, with ensuring that growth is accompanied by social justice. Government has to make timely, appropriate and adequate interventions to ensure equitable distribution of the fruits of economic development as this cannot happen on its own in a market-oriented atmosphere. Many voices are heard now, saying that the new structural adjustment program is going to push back already marginalized groups which include poor women; that in opening up economy, we are jeopardizing the lives of women, who are the most vulnerable among the vulnerable. They would be thrown out of existing employment, perhaps into trades which entry of multinationals and increase in tourism might engender, and there would emerge a situation as we see in some of the south-east Asian countries.

These warnings of gloom and doom that await the poor in India, particularly its women, with the onset of liberalization and globalization, need to be met with declaration of government intent to take measures to look after equitable distribution of the fruits of economic growth. While its role in direction, ownership and production will diminish, Government's role must continue to intensively intervene on behalf of the weak and the poor, so as to improve the quality of their lives. It must provide so to say, a cushion for the injustices to or the neglect of, these groups by market forces and by privatization Women entering into the business field

are not something uncommon today.

Though it is very difficult to single out the reason for the emergence of women entrepreneurship in the recent past, it is a fact that more and more women evince interest in choosing business as a career. The following are considered to be the major contributory factors: the influence of women's movement, changing psychological attitude of women, the need to maintain a decent standard of living amidst the rising cost of living, gender discrimination in the labor market, restricted vertical mobility and above all the rising aspirations of women to lead an independent assertive life, and finally facilities offered to women for starting enterprises. Upper middle class and middle class women with the required education and information are comparatively better off in venturing into business when compared to the poor illiterate, marginalized women. While the former, with the support of other members in the family do have something to offer as 'security' obtain loan, the latter group of women have nothing to pledge or offer as security. These women who invariably find employment in the informal sector face problems such as job insecurity, meager wages and exploitation. Gross unemployment and underemployment suffered by them have forced these women to take up self employment, and wherever women have formed 'groups' they have successfully solved the problems like risk, finance and marketing in their self-employment. S.G.S.Y. is a good example to prove this.

As per the 2001 census, women constituted about 48 per cent of the total population of the country. Women suffer many disadvantages as compared to men in the areas of education, labour participation rate and earnings. The Government has been implementing various schemes for the socio economic advancement and development of women in the country. The 'National Policy for Empowerment of Women' was adopted in 2001 with the objective of ensuring women their rightful place in society by empowering them as agents of socio-economic change and development.

Empowerment of Women', is therefore, an important approach adopted in the Tenth Five Year Plan (2002-2007) for development of women. With a view to translating the National Policy for Empowerment of Women into action, a National Plan of Action for Empowerment of Women has been contemplated. To eliminate all types of discrimination against women and the girl child and their empowerment, major strategies include social empowerment, economic empowerment and gender justice. Two important schemes in the areas of education viz 'Sarva Shiksha Abhiyan' and 'Mahila Samakhya' are being implemented by Department of Elementary Education and Literacy as special efforts to stretch the reach of education especially to the girl child. With the objective of achieving economic empowerment and welfare of women, a number of schemes are being implemented. These include Swyamsidha, Swashakti, Rashtriya Mahila Kosh, Swalamban, and Support to Training-cum-Employment Programme (STEP), Swadhar, and Hostel for workingwomen. The details of these programmes were reported in the Economic Survey for last year. The important achievements and initiatives taken during Tenth Five-year Plan period are as under: For increasing enrolment, reducing the dropout rate, elimination of gender bias and making qualitative improvement in education, some of the initiatives taken are:

In the area of higher education special attention is being given to setting up of new institutions, keeping in mind the needs of new sector like IT and ITES. The state government is facilitating imparting of language skills both to college teachers as well as students in partnership with leading BPO houses.

To encourage women of ST/ SC for higher education and colleges, hostels in seven divisional head quarters have been opened where they are allowed to stay free of cost.

The broad strategy components for the development and expansion of higher education and women

empowerment during 11th Five-year Plan will be:-  
The facilities provided so far need to be consolidated to upgrade the standard of education. Effort would be to remove infrastructure weaknesses within the resources available.

Access to high quality institutions.

Women will be empowered economically and socially by imparting knowledge, education and training in order to bring them in the main stream of development by further strengthening Self Help Groups.

For capacity building of women, attention will be paid for their health especially the reproductive health and their access to health care services. A life cycle approach to women health with a special focus on reproductive health and choices will be adopted.

Prevention of child marriage through advocacy and strict enforcement of child marriage (restraint) act ([www.planning.rajasthan.gov.in](http://www.planning.rajasthan.gov.in)).

#### **WOMEN EMPOWERMENT STRATEGIES:**

Empowerment strategies are varied and refer to those strategies which enable women to realize their full potentials. They consist of greater access to knowledge and resources, greater autonomy in decision making, greater ability to plan their lives, greater control over the circumstances that influence their lives and finally factors which would free them from the shackles of custom beliefs and practices. Unless they themselves become conscious of the oppression meted out to them and show initiative to push forward it would not be possible to change their status much.

#### **Some of the empowerment mechanisms could be identified as follows:**

- Literacy and higher education;
- Better health care for herself and her children;
- Higher age at marriage;
- Greater work participation in modernized sector;
- Necessary financial and service support for self-employment;

- Opportunities for higher positions of power including Governance
- Complete knowledge of her rights; and above all
- Self - reliance self respect and dignity of being a woman;

Several measures have been introduced to encourage women education. Incentives have been provided for larger enrollment of Girls in schools and higher seats of learning. Reduction in fees, provision of bicycles in rural areas, scholarship, exclusive schools & colleges for girls and many more literacy programs like each one teach one, project approach, continuing education approach are other measures. The % of literacy has risen; more girls are enrolled in technical education, like medicine/ engineering, Management etc ([www.123eng.com](http://www.123eng.com)).

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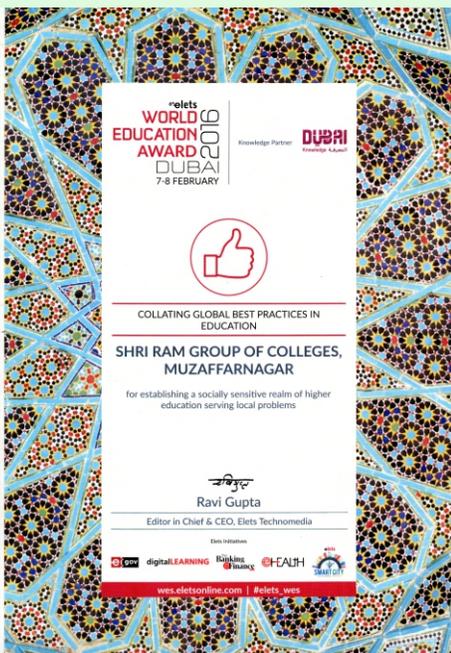
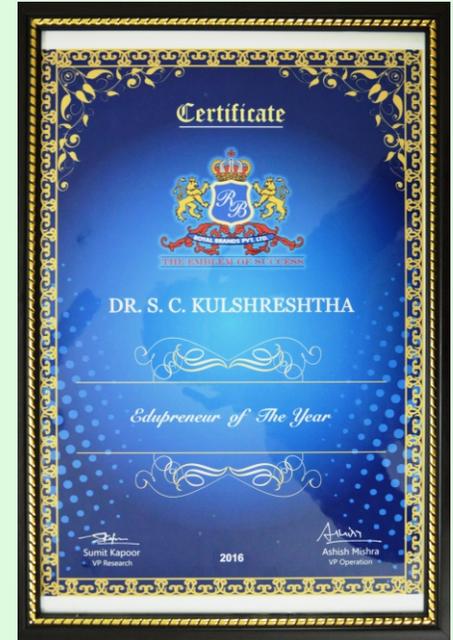
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