SAARANSH

RKG JOURNAL OF MANAGEMENT

Contents

Aims & Scope

SAARANSH is an international bi-annual refereed research journal published by RKGIT (MBA), Ghaziabad. The objective of the journal is to provide a forum for discussion of advancement in the area of management. The journal published research papers, articles, book reviews & case studies. The journal invites manuscripts on all aspects of management and business environment.

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SANJAY DIXIT
Former Member, Central Council,
Mahatama Gandhi NREGA,
Ministry of Rural Development, Govt of India
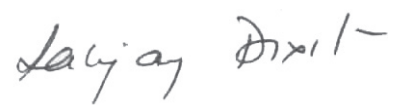
MESSAGE

I congratulate RKG group of institutions for publishing the 13th Edition of its journal SAARANSH: RKG JOURNAL OF MANAGEMENT. This journal is an excellent attempt to promote the research in management field. I am sure the journal will prove to be a successful carrier of views and researches in the disciplines of management. It is a matter of great staisfaction that in a span of six years, the journal has established it's identity among renowned reffered journals of management. I am sure that the publication of SAARANSH will continue to go a long way and journal will emerge as renowned referred International Journal.

I extend my best wishes for SAARANSH, to continously serve the management descipline by inviting & promoting valuable quality research for long.

Thanking you.

Date: August 05, 2015

(Sanjay Dixit)

FROM THE DESK OF THE CHIEF EDITOR ✍

"Success doesn't necessarily come from breakthrough innovation but from flawless execution. A great strategy alone won't win a game or a battle; the win comes from basic blocking and tackling."

– Naveen Jain, founder and former CEO of InfoSpace

The National Rural Employment Guarantee Act 2005, later renamed as the "Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA), is an Indian labour law and social security measure that aims to guarantee the 'right to work'. It aims to ensure livelihood security in rural areas by providing at least 150 days of wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. From the day of inception, MGNREGA is associated with controversies. Since its launch, debate on MGNREGA has been synonymous with ideological contestations on the role of the state and its welfare functions. Inevitably, the contours of the debate have been shrill, leaving little space for an evidence-based discussion on the shape that a re-designed MGNREGA should take. The National Democratic Alliance (NDA) government intends to radically restructure the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) have re-ignited public discussion on the scheme.

The first and the most important question that ought to be considered is: has the scheme met its primary objective of guaranteeing employment to India's poorest? The most intuitive way of answering this is by comparing employment levels with poverty rates across States. If the scheme was well-targeted, households in poor states would presumably demand more work and these states would provide the largest share of employment. However, on this metric, the data presents a damning story. Accountability Initiative's analysis found that in 2010-11, poorer States such as Uttar Pradesh, Bihar, West Bengal and Madhya Pradesh, which together account for 59 per cent of the country's rural BPL population, generated only 34 per cent of employment through MGNREGA. On the other hand, Andhra Pradesh and Tamil Nadu, which house eight per cent of the BPL population, accounted for 23 per cent of the total employment generated that year (Aiyar. Y, 2004).

MGNERGA was one of those schemes which had the potential of eradicating the malice of poverty to a very large extent. The scheme was supposed to be handled in a decentralized way by the local bodies(Gram Panchayats, etc). One of the research paper in SAARANSH- Vol.07(1), exploring the other aspects of one the India's most discussed Rural Development Program. Dr. Jai Singh Parmar & Prajna Paromita Dey, research scholar, contributed thier research work of Himachal Pradesh on Women Empowerment through MGNREGA, reveals that despite certain constraints, women employed in MGNREGA have become empowered by gaining more financial independence. The study makes it clear that participation in MGNREGA has helped women to take decisions, met their personal needs effectively on their own as well as participated in the decision making mechanisms of the scheme such as Gram Sabhas.

We are commited to come with relevant reseaches always. I am thankful to all academicians/ professionals/ research scholars for contribution their research in SAARANSH. I am sure all research papers/ article help to academician/ professional/ research scholar/ student managers for furthur managerial studies. Please send your feedback at saaransh@rkgit.edu.in.

–Dr Arvind Singh

FROM THE DESK OF THE EDITOR ✍

SAARANSH is commited to promote the recent relevant researches of management practices. The present issue of SAARANSH, tries to highlight the factors, led to an improvement in the macroeconomics of India (2014-15). Presently, inflation has fallen over the last two years from double digits to mid single digits. Forex reserves are up at all-time highs at $350 billions. The current account deficit has now significantly reduced. Lower oil prices have obviously been a big boon for the Indian economy. Also, some of the recent reforms have helped the economic story on the ground (Economic Times, 06 Aug 2015). In this issue of SAARANSH, Vol.7(1), we are happy to present the great rescearch work contributed by various scholars in financial market. The research work of Dr. S. Yadav, reflacts the detail view of impact of Index options and stock options on volatility of BSE, from 2003 to 2013. However, in this regard the remarkable work done by Dr. Kingshuk Adhikari, Ms. Nitashree Barman, Mr. Pinkumoni Kashyap on application of Camel Approach and application of TQS by scholar Dr. Jyoti Sharma for Financial Performance Evaluation. Moreover, the research work of Dr Nitin Saxena also, highlighted the Price Performance of IPO with Nifty. The issue provides the space to the research work of Dr. Vineet Chouhan towards XBRL Implementation by Technology Adoption Model (Tam).

Moreover, the issue also covers recent marketing practices also. It includes the work of Kota Neela Mani Kanta, P Srivalli on Cause Related Marketing and work of Dr. Kusum Gupta on Celebrity Endorsement.

The research work of Dr. Anil K Saini, Dr. Vijay Kumar Khurana provide the detailed overview on Managing Organizational Transformation in conditions of volatility, uncertainty, complexity and ambiguity. The research paper of Prajna Paromita Dey, Dr. Jai Singh Parmar tries to identify another evenue of MGNREGA in Women Empowerment. This issue is also including the leadership development, most discussed aspect of management, study of Dr. D. S. Yadav, Dr. Vijit Chaturvedi.

I Hope that definitly this issue of SAARANSH not only enlighten the thoughts of scholars & researcher, but also motivate them for furthur research in related areas.

–**Dr Vishal Srivastava**

CONTENTS

A Study on Assessing the Impact of Index Options and Stock Options on Volatility of BSE from 2003 to 2013

* Dr. S. Yadav

ABSTRACT

Derivatives, which were introduced with the objective of hedging, cause movements in stock markets making them volatile. Derivatives make markets volatile, which is a common belief and this belief, has been supported by many researches done in past. The present study makes an attempt to assess the impact of BSE returns, stock options and stock futures in causing volatility on Bombay Stock Exchange for the period 2003 to 2013. Many tests like Unit Root, F-Test, Wald Test and White Test were applied and the results were that BSE returns did not affect Volatility whereas Stock Options and Index Options did have some (minor) affect in causing volatility for the period under study. Results of the study confirm that options, be it stock option or index option have very less impact in causing volatility on BSE.

Keywords: *Derivatives, Unit Root, Volatility, Wald, White.*

INTRODUCTION

Reforms for fair-trading that were launched in nineties brought with it, among other things, increased levels of speculative trades. To combat speculative transactions, L.C. Gupta Committee recommended the introduction of derivative instruments and to provide investors to choose the level of portfolio risk that they are comfortable with, the remaining risk being taken care of by derivative products. There were twin objectives of introducing derivatives in Indian Stock Market, one for transferring risk and two for increasing liquidity. Derivatives started trading in India in June 2000 with the introduction of index futures and later, index options in June 2001 on National Stock Exchange of India. The purpose, however, was restricted to hedging, (Sarkar, 2006). Present day trading cannot be imagined in the absence of derivatives, which in turn affect returns and make markets volatile. Volatility on stock markets has been a very curious topic of investigation among researchers for a long time. To what extent these derivative products affect a stock market is the focal point of study in the present research paper. Most of the studies in Indian context have analyzed the impact of derivative trading due to the introduction of index futures (Shenbagaraman, 2003; Bandivadekar and Ghosh, 2003; Rao 2007; Sarangi and Patnaik, 2007). One study that analyzes the impact of introduction of derivative contracts on individual stocks was done by Nath (2003) and Vipul (2006). Nath (2003), among other things, measured volatility with the aid of standard Generalized Auto-Regressive Conditionally Heteroskedastic (GARCH) (1,1) and Integrated GARCH (1,1) model.

Present study concentrates on two neglected derivative products i.e., Index Options and Stock Options on which very few studies have been done till date. An index call option is the right to buy the underlying index and an index put option is the right to sell the underlying index. A stock option on the other hand, gives the buyer of the option the right to buy/sell stock at a specified price.

OBJECTIVES OF THE STUDY

1. To examine the impact of index options on Bombay Stock Exchange for 10 years (1st January 2003 to 31st December 2013).

2. To examine the impact of stock options on Bombay Stock Exchange for 10 years (1st January 2003 to 31st December 2013).

The study is empirical in nature. Daily closing prices of stock options and index options were collected for the period 1st January 2003 to 31st December 2013 from the website of Bombay Stock Exchange. Only figures of Buy and Sell were extracted and Net prices were calculated by deducting selling prices from buying prices. The

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study period has been restricted to 2013 only due to unavailability of latest data at the time of study. Multivariate regression was applied to assess the impact of BSE returns, Stock options and index options on Volatility and a model was developed. Multivariate regression is a form of statistics encompassing the simultaneous observation and analysis of more than one outcome variable. Thereafter, the fitness of the model was checked with the help of Wald test and White test. In statistics, the White test is a statistical test that establishes whether the residual variance of a variable in a regression model is constant, i.e., homoscedasticity. Wald Test is a statistical test used to verify the true values of different parameters such that the statistical relationship between these parameters is to be modelled and the values under verification are derived from samples of a population of these parameters.

LITERATURE REVIEW

Many empirical studies have been conducted to examine the impact of derivatives on volatility of different stock exchanges of the world. Some of these studies were reviewed for the better understanding of the derivative movements in various stock exchanges across the globe.

A study by Raju and Karnade, 2003 showed that with the introduction of derivatives S&P Nifty reported a decline in the volatility of S&P CNX Nifty Index whereas contrary results were observed in the same year in a study by Bandivadekar and Ghosh, 2003 where the volatility of both NSE Nifty and BSE Sensex had 'Futures effect' after the introduction of futures trading. Shenbagarman, 2003 examined the impact of introduction of NSE Nifty index futures on Nifty index using an event study for the period October 1995 to December 2002. They found out that the future trading did not lead to a change in the volatility of the underlying stock index, on the other hand, it lead to a change in the structure of volatility.

Chiang and Wang, 2002 examined the impact of futures trading on Taiwan spot index volatility, focussing mainly on the macroeconomic and asymmetric effects of futures trading on spot price volatility. By employing an Asymmetric Time-Varying GJR Volatility Model, they conferred that the trading of futures on the Taiwan Index

stabilised spot price volatility. On the other hand, trading of MSCI Taiwan futures had no effects, except asymmetric response behaviour.

Adding to the domain, another study by Thenmozhi, 2002 was done to explore the possibility of any change in the volatility of the S&P CNX Nifty Index in India after the introduction of Nifty futures. The results came out to be contrary in the sense that futures trading reduced the volatility of spot index returns. Hussein Gulen and Stewart Mayhew 2000 did their study on 25 countries to examine stock market volatility before and after the introduction of index futures from 1973 to 1997 by employing GJR-GARCH, Non-linear GARCH, (NGARCH) and Exponential GARCH (EGARCH). They concluded that futures trading led to an increase in conditional volatility in US and Japan only among all countries studied. Antoniou and Holmes, 1995 found that the introduction of stock index futures caused an increase in spot market volatility in the short run while there was no significant change in volatility in the long run. Yet another study by Bessenbinder and Seguin, 1992 examined whether the introduction of stock index futures affect the volume-volatility relationship in the spot market, and also if spot market volatility is contemporaneously related to trading volume or open interest in the futures market. It was observed that the unexpected component of future trading activity was positively related to spot market volatility, suggesting that futures market volume responds to unexpected volatility events. The expected component of trading activity however, was found to be negatively related to spot market volatility, suggesting that futures markets help to stabilize cash markets. Brorson (1991), Lee and Ohk (1992), Antoniou and Holmes (1995) and Gulen and Mayhew, 2000 also reported an increase in volatility in United States, United Kingdom, and Japan due to more leverage present in futures market.

The review of the above mentioned studies bring to light that derivatives whether in the form of options or futures does have some effect on increasing or decreasing volatility. Studies related to options market are in fact scare which gives an insight to the authors of current research paper to move in the direction of exploring this market.

DATA ANALYSIS

Hypothesis Formulation

Keeping in view the main objective of the research paper, the following hypotheses were formulated for different purposes, which have been addressed throughout the research study.

H_{01}: Bse_Return has a unit root.

H_{02}: Volatility has a unit root.

H_{03}: Index_Option has a unit root.

H_{04}: Stock_Option has a unit root.

H_{05}: Co-Efficient of Index_Option = 0.

H_{06}: Co-Efficient of Stock_Option = 0.

H_{07}: Co-Efficient of Bse_Return = 0.

H_{08}: Residuals from Least Square Regression are serially correlated.

H_{09}: There is no significant impact of BSE Returns, Stock Option and Index Option on Volatility on daily basis for the period under study.

H_{10}: All the regression coefficients are equal to zero.

H_{11}: Residuals have multiple restrictions of C (1) = C (2) = C (3) = 0.

H_{12}: Residuals are not heteroskedastic.

UNIT ROOT TEST

Since the data in the present study is time series in nature, the peculiarities associated with such a data have been addressed. One such problem is associated with the presence of Unit Root in the time series data. A linear stochastic process has a unit root of 1 is a root of the process's characteristic equation. Such a process is non-stationary. If the other roots of the characteristic equation lie inside the unit circle—that is, have a modulus (absolute value) less than one—then the first difference of the process will be stationary. It tests whether a time series variable is non-stationary using an autoregressive model. Here the unit root test is conducted for checking the stationarity of time series data so that we can run various other kinds of tests on stationary data. Unit Root tests were conducted on all the series one by one through E-Views Software.

The results of unit root test on all four series at 'Level' and 'Intercept' are as follows:

Table No 1 shows that the p value in all the above four series is less than the alpha value of 0.05 i.e., 0.0005, 0.0001, 0.0000 and 0.0000 respectively, so, we can reject H_{01}, H_{02}, H_{03} and H_{04} and say with confidence that all series in our study are stationary and regression can be run without any modification in them.

Estimation of Equation with Regression Analysis

Since the objective of current research is to assess the impact of BSE Returns, Stock Option and Index Option on Volatility of BSE, Volatility is taken as dependent variable and BSE returns, Stock Options and Index Option as independent variable. Regression was run on the above four series with the help of E-Views Software and the equation was developed. Standard, single equation regression is performed using "Least Squares" (LS). The result of regression test is as under:

Least Square Method was used for the estimation as it gives the minimum chances of error in the residuals of an equation. With total observation of 2416 after adjustments, the top panel of Table No 2 summarizes the information about the estimated coefficient. H_{07} cannot be rejected whereas we are in a position to reject H_{05} and H_{06} on the basis of alpha values which in case of Bse_Ret is more than .05 whereas in case of Index Option and Stock Option, it is less than .05. All these independent variables are called as partial co-efficient. It can be concluded that Bse_Return does not have impact on Volatility. Index option has a very minute impact on Volatility i.e., 0.002255 or .002%, which means one percentage, increase in index option leads to .002% increase in Volatility, keeping other variables such Bse Return and Stock Option constant and this result is also significant. If we interpret Stock Option, we find that its value is -0.038797 i.e., -.03% which means that one percentage increase in Stock option leads to -.03% decrease in BSE Volatility keeping BSE return and Index option as constant and this result is also significant. Overall we can say that BSE return does not cause volatility on BSE Sensex for the period under study. There may be other factors, which are causing it. Constant is 22%, which means if all other independent variables were not present in the model, even then Volatility on BSE will be 20%, which can be accounted for other factors not taken into consideration in the present study. This Constant value, which is quite high, also supports the results of our study and we can say that besides derivatives (index options and stock option in the

present case) there are other factors responsible for volatility.

The bottom panel provides information regarding the summary statistics for the entire regression. R-squared is a statistical measure of how close the data are to the fitted regression line. Here, R-Squared is 0.025867 i.e., .02% (Which is very low) and it shows that the data are not closely fitted to the regression line. If we see the value of R-Squared Adjusted (as the number of independent variables are more than one in the present case) which is 0.024656 (which is again very low). S.E. of 13.20344 represents the average distance that the observed values that fall from the regression line, since it is not small, it shows that the observations are not closer to the fitted line. All these figures give a direction that the residuals from the estimated equation may be large and this fact further calls for 'Diagnostic Testing'. AIC, SC, HSC are used for model selection in which smaller values are preferred. Here, all AIC, SC, HSC are small values which means model selected is proper. The value of DW test is 0.078780, which is less than 2; we cannot reject the null hypothesis (H_{08}) and thus say that the residuals are serially correlated. All these indicate that there are some issues with the residuals of the equation, which calls for doing *'Diagnostic testing'* after developing the model. Basically Durbin Watson statistic is a statistics used to detect the presence of autocorrelation in the residuals from a regression analysis and that they follow a '*First Order Autoregressive Process'*.

The F statistic and its associated P value are significant which means that the overall regression model is significant. We can reject the H_{10} and confirm that the overall model is fit. The regression equation would look like this:

VOLATILITY= 22.9419764904 + 0.0182202353356

*BSE_RETURN + 0.00225455377078

*INDEX_OPTION - 0.038797498774

*STOCK_OPTION

DIAGNOSTIC TESTING

As we have already observed that there were certain issues with respect to the residuals of the model, we undertake proper '*Diagnostic Testing'* to check whether the linear regression model was appropriate for the data by defining residuals and examining residual plots. Difference between the observed value of the dependent variable (*y*) and the predicted value *(w)* is called the **residual** *(e).* Each data point has one residual.

$$\boxed{\begin{array}{c} \text{Residual = Observed value − Predicted value} \\ e = y - \hat{y} \end{array}}$$

Both the sum and the mean of the residuals are equal to zero. That is, $\Sigma\, e = 0$ and e = 0.

Actual, Fitted, and Residual Graph

First of all actual, fitted and residual graph were plotted to have a visual inspection of how far are the actual values from the fitted values.

From the above Figure No. 1, we find that the residuals are shown on the vertical axis and the independent variable on the horizontal axis. As the points in the above residual plot are randomly dispersed around the horizontal axis, linear regression model is appropriate which is the case in our study too. At the same time, we can see that the residuals of the model are relatively large.

HYPOTHESIS TESTING

Wald Test

We want to check whether there exists a relationship within or between data items that can be expressed as a statistical model with parameters to be estimated from a sample. For this purpose, we applied Wald Test (Named after the Hungarian statistician Abraham Wald) to assess the true value of the parameter based on the sample estimate. We impose restriction on co-efficient in Wald test and see if these restrictions will affect our results.

The result of conducting "Wald Test" is as follows:

In the above case, the p-value of F- statistic 0.0000 which is less than 0.05, so we can reject the $H_{11.}$

HETEROSKEDASTICITY AND ROBUST STANDARD ERRORS: WHITE TEST

We wanted to check whether the residual variance of a variable in a regression model is constant or homoscedastic. Halbert White proposed White Test an estimator for heteroscedasticity-consistent standard errors in 1980**.** We applied White test to check whether the independent variable (in our case Volatility) or their cross terms help in explaining the squared residuals. Cross terms would mean square of Volatility. The result of

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conducting "White Test" without cross terms are as Table-4.

From Table No. 4, we see the obs*R-squared statistics of the top panel and its associated p-value is less than 0.05. Hence, we can reject the null hypothesis and say that the residuals are not homoscedastic and we need to adjust standard errors. The following results are generated after adjusting consistent standard errors & covariance:

If we compare the co-efficient of all independent variables of Table no 2 with co-efficient of Table no 5, we find that there is no change, but the standard error has increased as compared to previous regression which means that the problem of hetroscedasticty has been rectified by penalizing S.E.

FINDINGS

Volatility, BSE Returns, Index Option and Stock Option did not have unit root problem i.e., all four series were stationary. Model was fit for assessing the impact of BSE returns, Index Option and Stock Option in affecting Volatility. Returns on BSE were not an important factor affecting Volatility. Where as derivative products i.e., stock option and index option did have some impact on volatility and they were significant too. Results of Wald test were promising in the sense that F-statistics and Chi-square had value less than .05. Study makes an important point that derivative products were once alleged with the cause of financial crisis by making the markets more volatile, have not been the cause of volatility for the period under study. The study can be extended to cover the aspect of measuring the conditional volatilities of daily returns on BSE Sensex before and after futures trading market. Markets must keep their main focus on index options and stock options and regularly make study of the environment and undertake research of market and impact of options in the market.

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Table No. 1: Result of Unit Root Test on Volatility, Bse_Return, Index Option and Stock Option for 2003 to 2013

Augmented Dickey-Fuller Test Statistic	T-Statistic	MacKinnon (1996) One-Sided Prob.	1% Level	5% Level	10% Level
Volatility	-4.295699	0.0005	-3.432879	-2.862543	-2.567349
Bse_Return	-46.22485	0.0001	-3.432848	-2.862529	-2.567342
Index_Option	-15.49956	0.0000	-3.432848	-2.862529	-2.567342
Stock_Option	-21.69856	0.0000	-3.432848	-2.862529	-2.567342

Table No. 2: Estimation of Equation with Regression

Variable	Coefficient	Std. Error	t-Statistic	Prob.
BSE_RETURN	0.018220	0.163533	0.111416	0.9113
INDEX_OPTION	0.002255	0.000464	4.859160	0.0000
STOCK_OPTION	-0.038797	0.006284	-6.174365	0.0000
C	22.94198	0.288871	79.41956	0.0000
R-squared	0.025867	Mean dependent var	22.45282	
Adjusted R-squared	0.024656	S.D. dependent var	13.36928	
S.E. of regression	13.20344	Akaike info criterion	8.000486	
Sum squared resid	420485.7	Schwarz criterion	8.010071	
Log likelihood	-9660.587	Hannan-Quinn criter.	8.003972	
F-statistic	21.34961	Durbin-Watson stat	0.078780	
Prob (F-statistic)	0.000000			

Table No.3: Results of Wald Test

Test Statistic	Value	Df	Probability
F-statistic	21.34961	(3, 2412)	
Chi-square	64.04882	3	0.0000

Null Hypothesis: C (1) = 0,C (2) = 0, C (3) = 0

Null Hypothesis Summary:

Normalized Restriction (= 0)	Value	Std. Err.
C (1)	0.018220	0.163533
C (2)	0.002255	0.000464
C (3)	-0.038797	0.006284

Restrictions are linear in coefficients.
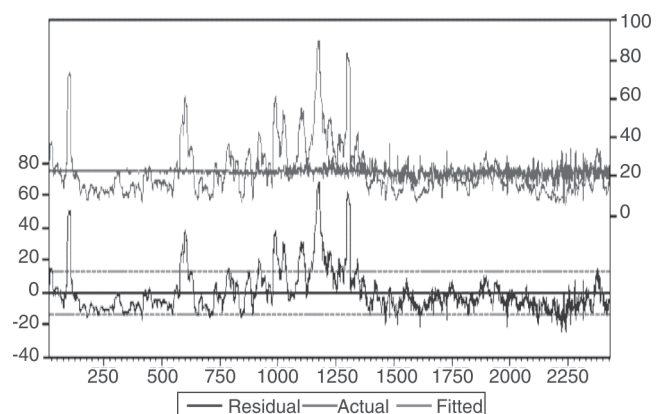
Figure No. 1: Residual Graph

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Table No. 4: Result of White Test

Heteroskedasticity Test: White				
F-statistic	41.98898	Prob. F (3,2412)	0.0000	
Obs*R-squared	119.9134	Prob. Chi-Square (3)	0.0000	
Scaled explained SS	446.3132	Prob. Chi-Square (3)	0.0000	
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	152.1882	10.63388	14.31164	0.0000
BSE_RETURN^2	11.27395	1.057548	10.66047	0.0000
INDEX_OPTION^2	-2.49E-05	8.45E-06	-2.949595	0.0032
STOCK_OPTION^2	0.000564	0.001291	0.436818	0.6623

Table No 5: Result of White Heteroskedasticity Test

White Heteroskedasticity-Consistent Standard Errors & Covariance				
Variable	Coefficient	Std. Error	T-Statistic	Prob.
BSE_RETURN	0.018220	0.280757	0.064897	0.9483
INDEX_OPTION	0.002255	0.000351	6.414958	0.0000
STOCK_OPTION	-0.038797	0.006174	-6.284005	0.0000
C	22.94198	0.306097	74.94998	0.0000
R-squared	0.025867	Mean dependent var		22.45282
Adjusted R-squared	0.024656	S.D. dependent var		13.36928
S.E. of regression	13.20344	Akaike info criterion		8.000486
Sum squared residual	420485.7	Schwarz criterion		8.010071
Log likelihood	-9660.587	Hannan-Quinn criter.		8.003972
F-statistic	21.34961	Durbin-Watson stat		0.078780
Prob (F-statistic)	0.000000			

ANNEXURES

1. BSE Returns and Volatility (2003 to 2013)

BSE return

VOL
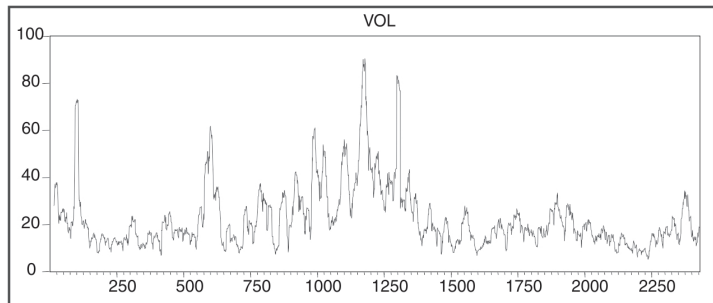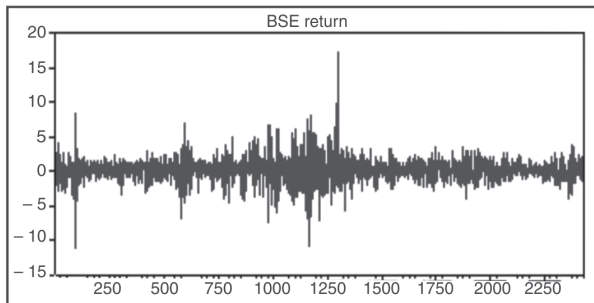
Index Option and Stock Option (2003 to 2013)

Index Option
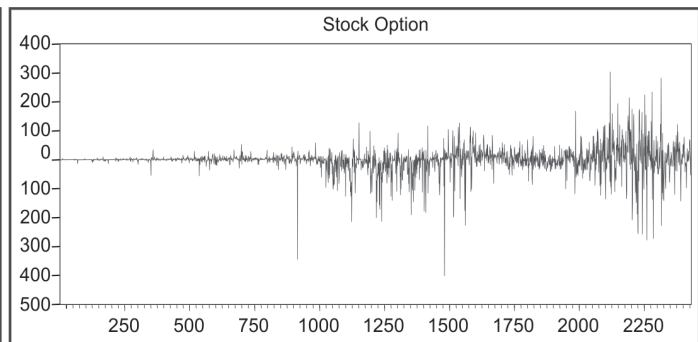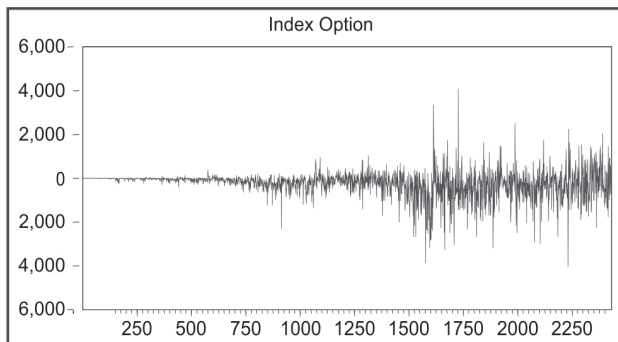
Stock Option

2: Descriptive Statistics

	VOLATALITY	BSE_RETURN	INDEX_OPTION	STOCK_OPTION
Mean	22.45282	0.064710	-225.9385	-0.561774
Median	18.34007	0.104130	-88.04500	0.430000
Maximum	90.46787	17.33933	4073.940	303.0900
Minimum	5.347381	-11.13855	-4037.240	-401.3500
Std. Dev.	13.36928	1.643426	578.0565	42.66458
Skewness	2.065592	0.199112	-0.988933	-1.080054
Kurtosis	8.394722	11.87438	10.15728	17.23007
Jarque-Bera	4647.749	7989.954	5582.791	20975.05
Probability	0.000000	0.000000	0.000000	0.000000
Sum	54246.01	157.2449	-549030.7	-1365.110
Sum Sq. Dev.	431651.4	6560.364	8.12E+08	4421427.
Obs	2416	2430	2430	2430

Volatility average returns are higher than other two derivatives. The median of volatility is 18.34007 and that of BSE Return is 0.104130, index option is -88.04500 and stock option is 0.430000 that is again higher than the median value of volatility than other derivatives. Maximum value of volatility is 90.46787 and the maximum value is BSE Return is 17.33933, index option is 4073.940 and stock option is 303.0900 that are higher maximum value of index option than other derivatives. Minimum value of volatility is 5.347381 and the minimum value of BSE Return is -11.13855, index option is -4037.240 and stock option is -401.3500 that is minimum value of index option than other

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derivatives. Mean of volatility is deviated by +13.36928 above the mean value and -13.36928 below the mean value. The mean of BSE Return is deviated by +1.643426 above the mean value and -1.643426 below the mean value. The mean of index option is deviated by +578.0565 above the mean value and -578.0565 below the mean value. The mean of stock option is deviated by +42.66458 above the mean value and -42.66458 below the mean value. Skewness of volatility is 2.065592 that are higher than that of other derivatives. The skewness of BSE Return is 0.199112, index option is -0.988933 and stock option is -1.080054. Kurtosis of volatility is 8.394722 that are less than the other derivatives. The kurtosis of BSE Return is 11.87438, index option is 10.15728 and stock option is 17.23007.

Jarque- bera of volatility is 4647.749 that are lower than the other derivatives. The jarque- bera of BSE Return is 7989.954, index option is 5582.791 and stock option is 20975.05. Probability of all derivatives is same that is 0.000000, which shows they are normally distributed. Sum of volatility is 54246.01, BSE Return is 157.2449, index option is -549030.7 and stock option is -1365.110. Index option and stock option has negative values. Sum of squared deviations of volatility is 431651.4 that are higher than other derivatives. The sum of squared deviation of BSE Return is 6560.364, index option is 8.12E+08 and stock option is 4421427. The total observation of volatility is 2416 is lower than the other derivatives. The total observation of BSE Return, index option and stock option is same that is 2430.

An Analytical Study on Developing Leaders for Building High Performance Teams with Special Reference to Public Sector Power Companies of India

Dr. D. S. Yadav*
Dr. Vijit Chaturvedi**

ABSTRACT

A team's success or failure are depends upon how team leaders are competent in communicating and reflecting the philosophy of top executives in the organization. Teams do well when team leaders are ready to invest in supporting social relationships, demonstrate collaborative behavior themselves and create a strong team culture, one in which individuals experience interactions with leaders and colleagues. High performing teams are essential for achieving outstanding organisational performance. This is especially apparent in situations of rapid or major change and during globalization.

This research paper aim to explore the public sector power companies specially National Thermal Power Corporation, National Hydroelectric Power Corporation, Rural Electrification Corporation, North Eastern Electric Power Corporation, Power Grid Corporation of India, strategies in building their future leaders and impact of team leaders in building high performance team. In this study both primary and secondary data have been used. In this study both primary and secondary data have been used.

The present paper focuses on understanding the role of three different leadership components intellectual stimulation, idealized influence, individual consideration as independent variables on developing high performance team which is treated as dependent variable. Friedman test, multiple regression, ANOVA was applied to determine the set objectives. After analysis it was found that different dimensions of the three selected leadership components affected building of high performance team .From regression and ANOVA it was found that intellectual stimulation and idealized influence affected and contributed maximum to building of high performance team.

The findings have applied implication for almost every organization that focuses on developing and sustaining the intellectual capital and ensuring sustainability of organization survival through building leadership and leading employees. Thus, the leadership dimensions if considered will help in developing high performance work team and will enhance organization effectiveness.

Keywords-*Leadership, high performance work team, organization sustainability, intellectual stimulation, idealized influence, individual consideration*

INTRODUCTION

While there are many things that impact the performance of a team, both research and experience confirm, the use of a trained facilitator, utilizing the proven approaches and tools of Creative Problem Solving (CPS), can make a huge difference in the productivity of a group.

Since teams are the basic building block of many organizations, transforming groups into high-performing teams is critical. Although rare, high-performance teamwork is one of the most important and influential attributes for organizational success in turbulent times.

Teamwork of this sort is critical when:

• The task is complex

• Creativity is needed

• The way forward is unclear

• More efficient use of resources is required

• High commitment is desired

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- High-quality results are needed quickly

The general obstacles in creating High performance team for building leadership includes-

A lack of a clear purpose or direction

- Poor commitment and engagement to team performance
- Critical skill gaps or lack of key competencies
- Clashes due to style differences
- Lack of role clarity
- Current work structures focused on individual performance
- Lack of an agreed approach for working together
- Lack of clear accountability for outcomes

There is no shortage of blocks to productive teamwork. In one more example, Lencioni (2002) described five key dysfunctions of a team. These included lack of trust, fear of conflict, lack of communication, avoidance of accountability, and inattention to results.

IT IS IMPORTANT TO UNDERSTAND THE FOLLOWING IN UNDER-STANDING LEADERSHIP-BASED ON PREVIOUS STUDIES

TEAM LEADERSHIP

Many of the researchers who are investigating leadership in teams do so from a functional approach where "(the leader's) main job is to do, or get done, whatever is not being adequately handled for group needs". Within this approach the leader is effective to the degree that he/she ensures that all functions critical to task and team maintenance are completed. While it is not necessary that the leadership functions be accomplished by a single person (i.e., it may be distributed throughout the team), the leader is responsible for ensuring that these functions are accomplished. Under this approach, team leadership can be described as a dynamic process of social problem solving accomplished through generic responses to social problems. These generic responses are captured in four broad categories: (1) information search and structuring, (2) information use in problem solving, (3) managing personnel resources, and (4) managing material resources

LEADERSHIP BEHAVIOUR IN TEAMS

Leadership research from the behavioural perspective has flourished. In fact, one review identified classification systems of leader behaviour proposed between 1940 and 1986 (Fleishman et al., 1991). Fleishman and colleagues noted that a common theme within nearly every identified classification system was a trend for behaviours to be broken into one of two categories: those dealing with task accomplishment (i.e., task-focused) and behaviours which facilitate team interaction and/ or development (i.e., person-focused). This dichotomy has not only appeared in the literature on individual leadership (i.e., initiating structure-consideration, directive–participative, task-orientated–socio-emotional), but has appeared in the literature on teams and leadership in teams. Building from the work of Salas, Dickinson, Converse, & Tannenbaum (1992), task-focused behaviours are those that facilitate understanding task requirements, operating procedures, and acquiring task information. Conversely, person-focused behaviours are those that facilitate the behavioural interactions, cognitive structures, and attitudes that must be developed before members can work effectively as a team. This dichotomy serves as a high level organizing framework for the leadership behaviours examined here.

When the accumulated studies permit such analyses, the relationships between specific leader behaviours and specific team performance outcomes will be estimated. The focus is limited to small sample of behaviours which have been empirically examined within team settings. The set of leader behaviours which are the focus of the current study include: transformational, transactional, initiating structure, consideration, and boundary spanning as well as behaviours that serve to motivate and empower

FACILITATIVE LEADERSHIP INVOLVES SKILLS

The facilitation of Creative Problem Solving is a process-oriented leadership role that guides the interaction and manages the effective deployment of tools, guidelines, language and behavior in order to help people produce new and useful outcomes.

A facilitative leader adds value by managing the distinction between process and content. By taking on the total responsibility for the process issues, the facilitative leader provides the group the freedom to be 100% immersed in the content. This enables the group to work without the worry of what has to happen next. By taking this role the facilitator significantly reduces the chance that groups go off track or experience the barriers to productive teamwork.

What a facilitator knows, does, and believes is clearly connected to their ability to create and lead high performance work teams. Based on our experience in training and developing facilitators we have defined the following seven categories of skills. It is important to observe and manage group behavior assuring that the interactions and other team dynamics like energy, teamwork, and synergy are present and attended to in order to maximize the productivity of the group and create a group climate that is truly conducive to creative effort.

Cook (2009) studied teams in IT companies and defined the characteristics of a high-performing team. High-performing teams have a clearly defined and commonly shared purpose, mutual trust and respect, clarity around individual roles and responsibilities, high levels of communication, willingness to work towards the greater good of the team, and a leader who both supports and challenges the team members. There is also a climate of cooperation and an ability to voice differences and appreciate conflict. A high-performing team does not sweep inevitable differences under the carpet and it values openness.

Their research revealed the importance of sharing personal information, such as background, work experience, and current organizational contexts. Trust, benevolence, ability, and integrity were perceived to increase because of team-building exercises. The exercises focused on enriching communication, creating a team identity and building team spirit. In high-trust teams people expressed their feelings, for example excitement, more freely. Team members also gave each other recognition and feedback.

Disagreements were discussed more openly. Overall, high-trust teams had more open interaction and discussion (Järvenpää et al., 1998). Reagans and Zuckerman's (2001) research about R&D teams reveals the positive relationship between communication frequency and productivity. Their research also shows that homogeneous teams yield a lower level of productivity.

PURPOSE OF STUDY

The focus of present paper is to identify role of different leadership behavior traits and function and its impact on developing team performance or developing high performance team behavior, Leadership function focused in this are independent variables whereas high performance team is a dependent variable.

Three important variables as defined as important components of transformational leadership viz-Idealized influence, intellectual stimulation, individualized consideration can affect team performance, commitment, shared vision, conflict management and behavior.

Thus based on the above the following objectives were framed-

1) To identify the role of Idealized influence on building high performance team or team behavior

2) To identify the role of intellectual stimulation on building high performance team or team behavior

3) To identify and determine how individualized consideration affects developing high performance work team

4) To determine the relationship between leadership and building high performance work team

RESEARCH DESIGN

The purpose of the present study was to determine how leadership behavior (with respect to developing transformation leadership) helps in building team behavior and making teams highly performance centric.

Thus keeping in mind the above purpose a structured questionnaire was designed including the above three important variables of transformation leadership as independent variables and high performance teams as dependent variable. For this based on the stated variables a sample of 30 different executives form the following(National Thermal Power Corporation

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(NTPC), National Hydroelectric Power Corporation (NHPC), Rural Electrification Corporation (REC), North Eastern Electric Power Corporation (NEEPCO), Power Grid Corporation of India (POWER GRID) (PSU) were collected to see if the set questionnaire will give the desired result.

It was crosschecked using cronbach Alpha which showed value of 0.83 for overall items which indicates a good reliability of the questionnaire. Content validity was established of the questionnaire as the variables chosen reflected core areas for developing transformational leadership.

Further the following includes the Research design for the present study-

Sampling type–Convenience sampling, exploratory research

Type of data-Primary

Sample size- 150 (Employees at Managerial and executive level)

Tool for data collection-Structured questionnaire (focused interview from the respondent)

Period of data collection –October-November 2013

DATA ANALYSIS AND INTERPRETATION

Tools used

Friedman test and multiple regression analysis

The Friedman test which is mainly used for ranking the variable .The Friedman test ranks the scores in each row of the data file independently of other row. Focusing on the three different categories that will affect building of high performance team behavior of employees at managerial and executive level the following as emphasized-

With respect to first objective it was attempted to find if idealized influence as a leadership function affects building of high performance team.

From the above Friedman test of chi –square the null hypothesis is tested and it is seen that there is no much variation in rank of variables and their expected values.

Since the concept says that higher is the value of chi-square larger is the difference between variable rank and expected value. Here the value of chi-square is 242.67 with 7 degree of freedom.

The asymptotic significance it is the approximate probability of obtaining maximum value of chi-square as 242.67 with 6 degree of freedom as repeated samples if the ranking of each factor are not truly different. Since it is quite obvious that the value of chi-square so obtained cannot have occurred by chance it can be concluded that all the employees or respondents do not have equal preference towards all the factors of leadership building.

From the above it is also clear that among different factors performance relationship, innovativeness in task, and individual opinion is been ranked higher and thus considered important in developing high performance work team. Thus, managers or organization while working on developing congruence in performance, or developing skill capabilities should emphasize on these factors ranked higher thus developing a strong idealized influence amongst them.

Further, to analyze the second objective that if intellectual stimulation affects and contributed in building high performance work teams Friedman test was again applied on various dimensions that explain intellectual stimulation.

From the analysis (table-2) it can be interpreted that managing differences in task and team, training and development, focus on learning and developing creativity ranked higher in the opinion of different respondents with respect to the role of intellectual stimulation for developing high performance work team.

Thus these factors affect the building of high performance team among employees working in these selected organizations. The chi-square value is seen to be 626.73 at 6 degree of freedom and could not have occurred due to chance and seeing the p value it can be concluded that all the employees have different preference towards different factors of intellectual stimulation with primarily influence of the top factors which have affect their preference utmost.

Thus from the above analysis and interpretation it can be concluded that while organization is planning to develop high performance team in their workplaces focus should be on helping employees resolve their differences so that an effective team based work culture also focus and emphasis on training consistently thus enhancing learning and transferring the best skills and attitude and empowering employees by enabling a creativity

based work culture thus inculcating leadership skills.

The third objective was framed to identify if there is a role of individualized considerations a leadership function in building high performance work team.

For this after Friedman analysis it was found that (table -3) –team empowerment, attentive listening, individual focus and involvement were ranked highest and were thought to be most important in building high performance work team through leadership.

From analysis it can be said that it is important for organization to focus on the above factors that were ranked highest while developing high performance team because it is at times the individual differences, lack of addressing by managers, poor feedback channels, low involvement which make employees show lack of interest, low output, poor outcome and thus poor leadership by increased conflict, selfish motives, limited accountability and low commitment. Thus by developing 2-way communication channels, prompt feedback, and high interaction leadership skills through team empowerment a strong capability driven team can be created.

The last objective was to determine whether leadership with respect to all three functions

Contributes in developing high performance team for this multiple regression analysis was applied.

With the help of linear regression the value of a dependent scale variable is modeled with one or more than one predictors. The linear regression models assume a linear relationship between dependent variable and its different predictors. In this study multiple regression analysis is used to explain the variation in dependent variable (i.e high performance work team) based on variation of different independent variables like idealized influence, intellectual stimulation and individualized consideration.

The equation in this condition becomes-

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3$$

Where

Dependent variable:

Y= High performance team

Independent Variables:

X_1= idealized influence

X_2= intellectual stimulation

X_3 = individualized consideration

From the descriptive statistics of the variables the satisfaction from high performance work team is seen to be 18.52132. From table-4 it is also clear that average level of idealized influence base factors was 17.78254, influence of intellectual stimulation was 19.654, and influence of individualized consideration factors was 16.12546.

From the table the strength of relationship between various independent variables and dependent variable can be seen.

The multiple correlation coefficients R which explains the correlation between the observed and predicted value of dependent variable was found to be 0.82, which clearly shows a strong correlation between different factors and dependent variable. The R squared value 0.70 of multiple correlation shows that 70% of variance in dependent variable is caused by these independent factors is explained by this model.

From the ANOVA table (**table–5)** tests well the acceptability of the above regression model statistically .The regression row shows the variation accounted for the model and the residual row shows the variation that is not accounted for the model. Since the regression sum of square is lesser than residual sum of square it is clear that nearly seventy percent of variance in the model is explained by the model.

Predictor – (Constant) idealized influence, intellectual stimulation and individualized consideration.

Dependent factor–High performance work team

The significance value of F is lesser than 0.01 which indicates that variation explained by the model is not by chance there is predictor in the model which is non significant coefficient, indicating that individualized consideration do not contribute much to the model. The other two factors intellectual stimulation and idealized influence affect building of high performance team.

Dependent variable –Satisfaction on performance of product or brand

From above (table 6) it is clear that expected level of leadership on building high performance team is equal to –

Y = 35, 6574+0.021674 X1-0.3203+0.175606

FINDINGS AND IMPLICATIONS

Thus based on above analysis the following findings were seen-

1) There are three different leadership functions/components that affect building high performance team like individualized consideration, idealized influence and intellectual stimulation.

2) Among the idealized influence function the following sub factors viz performance relationship, innovativeness in task, and individual opinion is been ranked higher and thus considered important in developing high performance work team. Thus it is important that while developing leadership skills managers and top management should focus on initiating and developing performance relation, welcoming innovativeness and high involvement to develop and nurture leadership.

3) Among intellectual stimulation as a component for developing leadership managing differences in task and team, training and development, focus on learning and developing creativity ranked higher in the opinion of different respondents with respect to the role of intellectual stimulation for developing high performance work team were given priority. Thus, consistently working on developing and transferring skills and welcoming creativity thus ensuring an innovative work culture should be emphasized.

4) Among individual consideration team empowerment, attentive listening, individual focus and involvement were ranked highest and were thought to be most important in building high performance work team through leadership.

5) A strong relationship between different independent and dependent variable was found and maximum variance was explained by the independent variable. Among different independent variable intellectual stimulation and idealized influence explained in majority the variance caused in dependent variable. Thus while developing high performance work team focus on the above two factors is felt important by the respondents

CONCLUSION

Thus, the basic purpose of this study was to determine the leadership factors/dimensions that help in developing high performance work team. It was found that in a generic way creativity, consistent learning, openness in communication, prompt feedback and support from top management, focus on reducing conflicts and differences among team, individual focus and accordingly focus n developing performance should be nurtured and cultivated that will help in developing strong leadership capability, will reduce conflicts and grievances, reduce monotony and traditional ways of working and performance and thus help organization to grow in a multiplied manner.

With increasing challenges and pressure all around in business, rising customer expectation , changes in market and customer expectations and obviously the competition it is important that organizations should focus on developing leadership as a intrinsic function and necessity of organization and thus enhance its chances of successful survival and sustenance in long run.

When focus will be on the above stated factors as found after analysis it is quite evident that a dramatic change in organization culture, employee empowerment, reduced differences will easily be made thus making employees intrinsically driven thus helping organization to grow and prosper.

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Table 1. Role of idealized influence as leadership function on developing high performance work team

Idealized influence	Mean	SD	Mean Rank	Chi-Square	DF	P
Performance relationship	2.68	.763	6.46	202.67	6	0.000*
cohesion	2.49	.802	5.85			
Individual opinions	243	.789	6.04			
Transparency	2.39	.903	5.72			
Feedback	2.47	.824	5.83			
Job compatibility	2.52	.789	5.73			
Innovativeness in task	2.56	.820	6.29			

Table-2 Role of intellectual stimulation as leadership function on building high performance work team

Intellectual Stimulation	Mean	SD	Mean Rank	Chi-Square	DF	p
Developing creativity	2.62	.752	6.40	112.73	6	0.00**
Involvement and participation	2.32	.920	5.43			
Consistency in improvement	2.60	.749	6.43			
Training and development	2.79	.725	6.89			
Focus on learning	2.76	.728	6.85			
Managing differences in team and task	2.82	.718	7.20			
Reduced task conflict	2.63	.745	6.44			

Table 3: Role of Individualized consideration in building high performance team

Individualized consideration	Mean	SD	Mean Rank	Chi-Square	DF	p
Attentive listening	2.75	.765	4.82	98.87	4	0.00*
Prompt feedback	2.68	.786	4.61			
Openness to suggestions	2.61	.826	4.43			
Individual focus and involvement	2.76	.796	4.53			
Team empowerment	2.78	.803	4.27			

Highly Significant at 1% level

Table 4: Regression Descriptive Statistics

Factor	Mean	SD	R	R Square
Overall satisfaction from High performance team	18.52132	4.60121		
Idealized influence	17.78254	6.21754		
Intellectual stimulation	19.654	7.426834	0.82	0.70
Individualized consideration	16.12546	5.327987		

Table 5. ANOVA-Statistics

	Sum of Squares	DF	Mean Square	F	P
Regression	664.8865	5	162.8672	4.6745	.000**
Residual	14861.32	145	19.3028		
Total	15526.2065	650			

** Highly significant at 1% level

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Table 6. Regression Coefficient

Factors	B	Std. Error	T	P
(Constant)	35, 6574	0.694232	48.57254	0.000**
Individualized consideration	0.021674	0.05802	0.345676	0.713104
Intellectual stimulation	.175606	0.03405	4.224322	0.000**
Idealized Influence	-0.3203	0.071342	-4.34212	0.000**

Analysis of XBRL Implementation by Technology Adoption Model (TAM) in Rajasthan

Dr. Vineet Chouhan*

ABSTRACT

Digital technology has become a mode of providing the financial information in current era. It is essential now that the meaning of the financial information articulated by the creator of the financial report and the meaning of the financial information derived by the users of the financial report should be the same. XBRL is fast becoming the new paradigm for reporting of financial information digitally. This paper analyse the views of financial experts in respect of implementation of XBRL and its satisfaction on the variables of TEM. For the purpose of analysis multiple regression model were used with the help of SPSS-19 software and the data were collected from 20 professional. The result revealed that on perceived easy to use constrain Interacting with the XBRL requires lot of mental efforts and on perceived usefulness constraints Using XBRL increases productivity have explained the attitude towards adoption of XBRL

Keywords: *XBRL, TAM Model, Digital information, perceived easy to use and perceived usefulness.*

I. INTRODUCTION

XBRL (eXtensible Business Reporting Language) is a Meta language, based on XML, for the electronic communication of business information. Its objective is to improve the disclosure, management and analysis of corporate data, through a unique tagging structure that provides interoperability. In fact, using the framework of XBRL it is possible to facilitate numerous types of reports that can efficiently be parsed by computers (Vasarhelyi and Alles, 2008) and software applications available for the analysis of such information (Silveira et al., 2007). XBRL can be considered as an innovation in the means used by companies to disclose their business information, and it is becoming an Internet business standardization language. The adoption of XBRL is a relevant research topic, of interest for academics and practitioners (Pinkser, 2008).

In the process of diffusion of innovations, it is possible to identify many different factors that may condition its success or failure. These factors can come from outside or inside the company. Sisaye (2003) stated that organizations respond to innovations in several ways, depending on the source of uncertainty. The impetus for environmental change is either internally or externally induced. External environmental influences include changes in customer demands, governmental requirements, market competitive forces, or stockholders' desire for better leadership and management styles. Internally, an organization's desire to improve current performance can demand innovations in order to meet or exceed the industry standards for excellent performance.

XBRL is a language for the electronic communication of business and financial data that has revolutionized business reporting around the world. Its major benefits include ease in preparation, analysis and communication of business information by the corporates. It offers cost savings, greater efficiency, improved accuracy as well as reliability to all those involved in supplying or using financial data. With increased coverage, it is hoped that the XBRL data thus collected would significantly enhance the Ministry's capabilities in policy formulation and regulatory functions for advantage of corporates as well as public and investors at large.

It is proposed to include all companies in a phase-wise manner to file their Balance Sheet and Profit and Loss account statements in XBRL from Financial Year 2011-12 onwards with the development of taxonomies for various sectors with updated taxonomies from 01.04.2011.

Objective

The objective of this research paper is as under:

1. To analyse the XBRL implementation on both

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the dimensions of technology adoption model and identify the variables which are responsible for its successful implementation.

II. REVIEW OF LITERATURE

As pointed by many researchers (Cohen, 2009; Lymer and Debreceny, 2003; Boritz and Wo, 2008; Plumlee and Plumlee, 2008; Shrivastava and Kogan, 2009; and Gonzalbez and Rodriguez, 2012) XBRL were used as most advanced and rigorous standards taxonomy developed to help for the for a better assurance of future Digital Financial reports.

This study has taken the help of TAM model to understand the benefits in respect of Perceived usefulness and ease of use. Both are most closely related to the characteristics of the XBRL system and are therefore the focus of this study. A variety of organizational, individual and system factors have been shown to influence perceived ease of use and usefulness (Igbaria et.al, 1995, Kumar et. al., 2006) Perceived usefulness (PU) the degree to which a person believes that using a particular system would enhance his or her job performance (Davidson et.al, 2006). Chin (1998) is influenced by cognitive absorption and perceived ease of use Antecedent of behavioral intention Perceived ease of use (PEOU) the degree to which a person believes that using a particular system would be free of effort. Chin (1998) is also influenced by cognitive absorption (Agarwal et.al, 2000) Antecedent of perceived usefulness, and behavioral intention.

As there are new specifications developed, when the focus on organisation is on technological factors the TAM model was considered for this study as shown in Figure-1

III. RESEARCH METHODOLOGY

The research methodology of this study is divided in following points:

- **Source of data-** The source of data collection is primary data which is collected from the professionals working in various companies and responsible for creation of XBRL reports.
- **Sample size-** as per the difficulty of finding the qualified respondents who were responsible for the XBRL based financial reporting; the sample 20 professionals of Rajasthan state were selected randomly. Each

author has contributed 5 the filled questionnaire and the data were collected from 12 companies as a representative sample**.**

- **Sampling technique-** The sampling technique used is convenient sampling.
- **Hypothesis-** as per the nature of the research two hypotheses were developed and shown under the head of data analysis.
- **Analysing Tool**: Multivariate Regression Analysis were used to analyse the data and to identify that which independent variable results change in dependent variable.

IV. DATA ANALYSIS

As per the research objective of the paper the data were collected on two dimensions i.e., perceived ease of use and perceived usefulness. The dependent variables were 14 and 10 were respectively included to identify the success of Implementation of XBRL as tool for digital reporting, subsequently following hypothesis were developed in step first:

H_0: The attributes configuring for *perceived ease of use* various dimension has no influence on Implementation of XBRL as tool for digital reporting.

H_1: The attributes configuring for *perceived ease of use* various dimension significantly influence on Implementation of XBRL as tool for digital reporting.

To analyse the data and significant of the hypothesis Multivariate Regression Analysis of perceived ease of use were conducted as under:

The final Regression model with 1 independent variables (Interacting with the XBRL requires lot of my mental efforts) explains almost 21.1% of the variance of change in XBRL. Also, the standard errors of the estimate has been reduced to 1.04985, which means that at 95% level, the margin of errors for any predicted value of change in XBRL implementation can be calculated as ± 2.0577 (1.96 X 1.04985). The regression coefficients, plus the constraints are significant at 0.05 levels. The impact of multi colinerarity in the variable is substantial. They all have the tolerance value 1.000, indicating that no variance is accounted for by the other variables in the equation.

The ANOVA analysis provides the statistical test

for overall model fit in terms of F Ratio. The total sum of squares (26.550) is the squared error that would accrue if the mean of XBRL Implementation has also been changed to predict the dependent variable. Using the values of Interacting with the XBRL requires lot of my mental efforts these errors can be reduced by 25.27% (6.711/26.550). This reduction is deemed statistically significant with the F ratio of 6.089 and significance at level of 0.024. With the above analysis it can be conclude that only one variables i.e., interacting with the XBRL requires lot of my mental efforts explains the perceived ease of use significantly over Implementation of XBRL as tool for digital reporting.

As per the research objective the second detention was perceived usefulness. To identify the success of Implementation of XBRL as tool for digital reporting, following hypothesis were developed in second step:

H_0: The attributes configuring for *perceived usefulness* various dimension has no influence on Implementation of XBRL as tool for digital reporting.

H_1: The attributes configuring for *perceived usefulness* various dimension significantly influence on Implementation of XBRL as tool for digital reporting.

To analyse the data and significant of the hypothesis Multivariate Regression Analysis of perceived usefulness were conducted as under:

The final Regression model with 1 independent variables (Using XBRL increases my productivity) explains almost 21.1% of the variance of change in XBRL. Also, the standard errors of the estimate has been reduced to 1.04985, which means that at 95% level, the margin of errors for any predicted value of change in XBRL implementation can be calculated as ± 2.0577 (1.96 X 1.04985). The regression coefficients, plus the constraints are

significant at 0.05 levels. The impact of multi colinerarity in the variable is substantial. They all have the tolerance value 1.000, indicating that no variance is accounted for by the other variables in the equation.

The ANOVA analysis provides the statistical test for overall model fit in terms of F Ratio. The total sum of squares (26.550) is the squared error that would accrue if the mean of XBRL Implementation has also been changed to predict the dependent variable. Using the values of Interacting with the XBRL requires lot of my productivity these errors can be reduced by 25.27% (6.711/26.550). This reduction is deemed statistically significant with the F ratio of 6.089 and significance at level of 0.024. With the above analysis it can be conclude that only one variable i.e., interacting with the XBRL increase my productivity explains the perceived usefulness of use significantly over Implementation of XBRL as tool for digital reporting.

V. CONCLUSION

This study is an examination of the effects of the variables reflected in Technology Acceptance Model (TAM) on the attitude of Indian Professionals towards XBRL technology reporting. As we expect that global adoption of XBRL reporting will have large influence on the technology acceptance in the near future, we found that on both the dimensions of TAM i.e., *perceived ease of use and perceived usefulness* only 1 independent variables each i.e., Interacting with the XBRL requires lot of my mental efforts and Using XBRL increases my productivity respectively, the alternative hypothesis were selected which revealed that the XBRL implementation has always subject to these two limitation of mental efforts and productivity of professional responsible for XBRL implementation.

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QUESTIONNAIRE

SECTION - A

(A) PERSONAL INFORMATION

Name: …………………………………………………………………………………..

Name of Company: ………………………………………………………………………….

Gender: Male ☐   Female ☐   Age (in Years): …………..

Experience: Most Experienced (>15) ☐   Moderate (5-15) ☐   Less Experienced (<5) ☐

Educational Qualification:

CA ☐   CS ☐   ICWAI ☐   MBA ☐   Other/Professional ☐

SECTION -B

Q1. I have favorable attitude towards adoption of XBRL?

Strongly disagree ☐   Dis-agree ☐   Neutral ☐   Agree ☐   Strongly Agree ☐

Initial scale items for *perceived ease of use*

S No.	Independent variable	Strongly disagree	Dis-agree	Neu-tral	Agree	Strongly Agree
1	Often become confused when I use the XBRL?					
2	I make errors frequently when using XBRL?					
3	Interacting with the XBRL is often frustrating?					
4	I need to consult the user manual often when using XBRL?					
5	Interacting with the XBRL requires lot of my mental efforts?					
6	I find it easy to recover from errors encountered while using XBRL?					
7	The XBRL is rigid and inflexible to interact with?					
8	I find it easy to get the XBRL to do what I want it to do?					
9	The XBRL often behaves in unexpected ways?					
10	I find it cumbersome to use the XBRL?					
11	My interaction with the XBRL is easy for me to understand?					
12	It is easy for me to remember how to perform tasks using the XBRL?					
13	The XBRL provides helpful guidance in performing tasks?					
14	Overall, I find the XBRL easy to use?					
Item scale for *perceived usefulness*						
1	Using XBRL improves the quality of the work I do?					
2	Using XBRL gives me greater control over my work?					
3	XBRL enables me to accomplish tasks more quickly?					
4	XBRL supports critical aspects of my job?					
5	Using XBRL increases my productivity?					
6	Using XBRL improves my job performance?					
7	Using XBRL allows me to accomplish more work than would otherwise be possible?					
8	Using XBRL enhances my effectiveness on the job?					
9	Using XBRL makes easier to do my job?					
10	Overall, I Find the XBRL Useful in my job?					
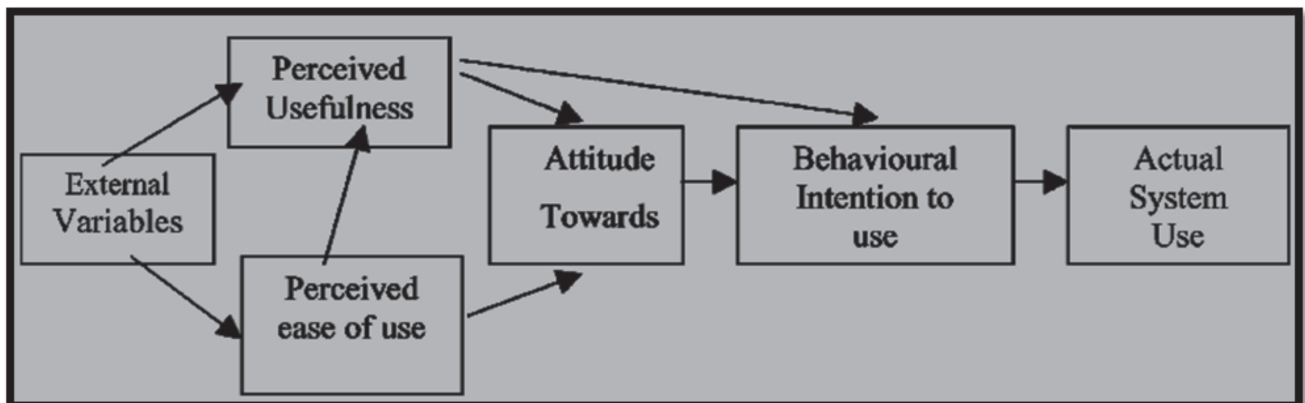
Figure-1: Original TAM Proposed by Davis (1989)

Table-1: TAM Model used in previous researches

Studies	Population	Data of year	Corporate website (%)	Financial data on websites (%)
Allam and Lymer (2003)	Top 50 companies in 5 countries (Australia, Canada, Hong Kong, the UK and the US)	First quarter 2002	99.6%	96.4%
Ashbaugh, Johnstone and Warfield (1999)	290 non-financial US listed companies	November 1997– January 1998	87%	70%
Brennan and Hourigan (2000)	94 companies listed on the Irish Stock Exchange	July 1998	37%	26%
Brennan and Kelly (2000)	99 companies listed on the Irish Stock Exchange	July 1999	67%	56%
Craven and Marston (1999)	Largest 200 UK companies	July 1998	74%	71%
Debreceny and Gray (1997)	50 largest US industrial corporations	Late 1996	98%	69%
Debreceny and Gray (1999)	15 largest listed companies from each of the UK, Germany and France	Late 1998	98%	82%
Deller, Stubenrath, Weber and Wolfgang (1999)	Top 100 Standard & Poor's companies	January 1998	95%	91%
Ettredge, Richardson and Scholz (2001)	259 Association of Investment Management Research companies plus 231 Compustat computer technology and biotechnology companies	May 1998	82%	>80%
Financial Accounting Standards Board 2000	Top 100 Fortune 500 companies	January 1999	99%	93%
Gowthorpe and Amat (1999)	All Spanish listed companies	July 1998	19%	49%
Gowthorpe and Flynn (1997)	Top 100 Fortune 500 companies	December 1996	89%	>71%
Hedlin (1999)	60 listed Swedish companies	September 1998	98%	83%
Hussey, Guillford and Lymer (1998)	FTSE 100 companies	August 1997	75%	54%
Hussey, Guillford and Lymer (1998)	FTSE 100 companies	March 1998	91%	63%
Louwers, Pasewark and Typpo (1996)	Top 150 Fortune 500 companies	March 1996	65%	37%
Lybaert (2002)	188 AEX companies	July 2000	86%	94%
Lymer and Tallberg (1997)	All 72 Finnish listed companies	Mid 1997	90%	82%
Lymer, Debreceny, Gray and Rahman (1999)	Top 30 companies in 22 countries including Australia, Canada, Germany, Spain, Sweden, UK and US	Mid 1998	Average 86%	Average 62%
Marston and Leow (1998)	FTSE 100 companies	November 1996	63%	45%
Marston and Polei (2004)	Top 100 DAX companies	July 2000	100%	99%
Petravick and Gillett (1996)	Top 150 Fortune 500 companies	May 1996	69%	55%
Pirchegger, Schader and Wagenhofer (1999)	32 companies listed on the Vienna Stock Exchange	December 1997 December 1998	72%- 88%	63%-82%

Table 2 summarises the list of factors reviewed and the expected impact on adoption of XBRL.

Table-2: Factors used in the current study

S No.	Independent variable	Variable numbers
	PERCEIVED EASE OF USE	
1	Often become confused when I use the XBRL?	VAR00001
2	I make errors frequently when using XBRL?	VAR00002
3	Interacting with the XBRL is often frustrating?	VAR00003
4	I need to consult the user manual often when using XBRL?	VAR00004
5	It is easy for me to remember how to perform tasks using the XBRL?	VAR00005
6	I find it easy to recover from errors encountered while using XBRL?	VAR00006
7	Interacting with the XBRL requires lot of my mental efforts?	VAR00007
8	I find it easy to get the XBRL to do what I want it to do?	VAR00008
9	The XBRL often behaves in unexpected ways?	VAR00009
10	I find it cumbersome to use the XBRL?	VAR00010
11	My interaction with the XBRL is easy for me to understand?	VAR00011
12	The XBRL is rigid and inflexible to interact with?	VAR00012
13	The XBRL provides helpful guidance in performing tasks?	VAR00013
14	Overall, I find the XBRL easy to use?	VAR00014
	PERCEIVED USEFULNESS	
15	Using XBRL improves the quality of the work I do?	VAR00015
16	Using XBRL gives me greater control over my work?	VAR00016
17	XBRL enables me to accomplish tasks more quickly?	VAR00017
18	XBRL supports critical aspects of my job?	VAR00018
19	Using XBRL increases my productivity?	VAR00019
20	Using XBRL improves my job performance?	VAR00020
21	Using XBRL allows me to accomplish more work than would otherwise be possible?	VAR00021
22	Using XBRL enhances my effectiveness on the job?	VAR00022
23	Using XBRL makes easier to do my job?	VAR00023
24	Overall, I Find the XBRL Useful in my job?	VAR00024

Table 3: Multivariate Regression Analysis on dimensions of Perceived ease of use

Descriptive Statistics			
	Mean	Std. Deviation	N
ADOPT_XBRL	3.3500	1.18210	20
VAR00002	2.8000	1.05631	20
VAR00003	1.5000	.51299	20
VAR00004	4.0500	.94451	20
VAR00005	2.5000	1.70139	20
VAR00006	2.5000	1.63836	20
VAR00007	1.8000	1.00525	20
VAR00008	2.0500	.82558	20
VAR00009	2.2500	.91047	20
VAR00010	1.7500	.71635	20
VAR00011	2.0000	.79472	20
VAR00012	1.8000	1.00525	20
VAR00013	4.0500	.94451	20
VAR00014	1.9000	1.29371	20
VAR00015	1.4000	.59824	20

Correlations

		ADOPT_XBRL	VAR00002	VAR00003	VAR00004	VAR00005	VAR00006	VAR00007	VAR00008	VAR00009	VAR00010	VAR00011	VAR00012	VAR00013	VAR00014	VAR00015
Pearson Correlation	XBRL	1.000														
	VAR02	-.278	1.00													
	VAR03	.043	-.777	1.00												
	VAR04	.219	.011	-.054	1.00											
	VAR05	-.327	.351	-.302	.213	1.00										
	VAR06	.503	-.395	.313	.221	-.548	1.00									
	VAR07	-.115	-.040	-.306	.067	.185	.000	1.00								
	VAR08	-.181	.253	-.186	.334	.244	-.097	-.178	1.00							
	VAR09	-.379	-.109	.282	-.015	-.051	-.018	.173	-.158	1.00						
	VAR10	.047	-.209	.358	.019	-.194	-.112	-.292	.022	.424	1.00					
	VAR11	-.112	.439	-.258	-.280	-.078	-.364	-.198	.080	.145	.185	1.00				
	VAR12	-.115	-.040	-.306	.067	.185	.000	1.000	-.178	.173	-.292	-.198	1.00			
	VAR13	.219	.011	-.054	1.00	.213	.221	.067	.334	-.015	.019	-.280	.067	1.00		
	VAR14	-.148	.062	-.079	.521	.263	.025	.065	.646	-.201	-.142	-.154	.065	.521	1.00	
	VAR15	-.060	.133	-.34 3	-.22 4	.207	-.16 1	.753	-.043	-.097	-.123	-.111	.753	-.224	-.082	1.00
Sig. (1-tailed)	XBRL	.														
	VAR02	.117	.													
	VSR03	.428	.000	.												
	VAR04	.177	.482	.410	.											
	VAR05	.080	.064	.098	.184	.										
	VAR06	.012	.042	.089	.174	.006	.									
	VAR07	.314	.434	.095	.390	.218	.500	.								
	VAR08	.223	.140	.216	.075	.150	.342	.227	.							
	VAR09	.050	.323	.114	.474	.416	.471	.234	.254	.						
	VAR10	.423	.189	.061	.468	.206	.319	.106	.463	.031	.					
	VAR11	.319	.026	.136	.116	.372	.057	.202	.368	.270	.218	.				
	VAR12	.314	.434	.095	.390	.218	.500	.000	.227	.234	.106	.202	.			
	VAR13	.177	.482	.410	.000	.184	.174	.390	.075	.474	.468	.116	.390	.		
	VAR14	.267	.398	.370	.009	.131	.459	.393	.001	.198	.275	.259	.393	.009	.	
	VAR15	.402	.288	.069	.172	.191	.249	.000	.429	.343	.303	.321	.000	.172	.366	.
N		20	20	20	20	20	20	20	20	20	20	20	20	20	20	20

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	VAR00006	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: ADOPT_XBRL

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
					Change Statistics				
1	.503[a]	.253	.211	1.04985	.253	6.089	1	18	.024

a. Predictors: (Constant), VAR00006

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.711	1	6.711	6.089	.024[a]
	Residual	19.839	18	1.102		
	Total	26.550	19			

a. Predictors: (Constant), VAR00006
b. Dependent Variable: ADOPT_XBRL

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	2.443	.436		5.602	.000					
	VAR00006	.363	.147	.503	2.468	.024	.503	.503	.503	1.000	1.000

a. Dependent Variable: ADOPT_XBRL

Table 4: Multivariate Regression Analysis on dimensions of Perceived Usefulness

Descriptive Statistics			
	Mean	Std. Deviation	N
ADOPT_XBRL	3.3500	1.18210	20
VAR00016	3.1000	1.29371	20
VAR00017	1.5000	.51299	20
VAR00018	4.0500	.94451	20
VAR00019	2.5000	1.70139	20
VAR00020	2.5000	1.63836	20
VAR00021	1.8000	1.00525	20
VAR00022	2.0500	.82558	20
VAR00023	4.0500	.94451	20
VAR00024	1.9500	1.27630	20
VAR00025	3.1000	1.29371	20

Correlations

		ADOPT_XBRL	VAR00002	VAR00003	VAR00004	VAR00005	VAR00006	VAR00007	VAR00008	VAR00009	VAR00010	VAR00011	VAR00012	VAR00013	VAR00014	VAR00015
Pearson Correlation	XBRL	1.000														
	VAR16	.148	1.000													
	VAR17	.043	-.159	1.000												
	VAR18	.219	.039	-.054	1.000											
	VAR19	-.327	-.263	-.302	.213	1.000										
	VAR20	.503	.248	.313	.221	-.548	1.000									
	VAR21	-.115	-.024	-.306	.067	.185	.000	1.000								
	VAR22	-.181	-.103	-.186	.334	.244	-.097	-.178	1.000							
	VAR23	.219	.039	-.054	1.000	.213	.221	.067	.334	1.000						
	VAR24	-.337	-.029	-.362	-.347	-.109	-.365	-.213	-.297	-.347	1.000					
	VAR25	.148	1.000	-.159	.039	-.263	.248	-.024	-.103	.039	-.029	1.000				
Sig. (1-tailed)	VAR16	.267	.													
	VAR17	.428	.252	.												
	VAR18	.177	.436	.410	.											
	VAR19	.080	.131	.098	.184	.										
	VAR20	.012	.146	.089	.174	.006	.									
	VAR21	.314	.460	.095	.390	.218	.500	.								
	VAR22	.223	.332	.216	.075	.150	.342	.227	.							
	VAR23	.177	.436	.410	.000	.184	.174	.390	.075	.						
	VAR24	.073	.452	.059	.067	.324	.057	.183	.102	.067	.					
	VAR25	.267	.000	.252	.436	.131	.146	.460	.332	.436	.452	.				
N		20	20	20	20	20	20	20	20	20	20	20				

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	VAR00006	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: ADOPT_XBRL

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
					Change Statistics				
1	.503[a]	.253	.211	1.04985	.253	6.089	1	18	.024

a. Predictors: (Constant), VAR00006

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.711	1	6.711	6.089	.024[a]
	Residual	19.839	18	1.102		
	Total	26.550	19			

a. Predictors: (Constant), VAR00006
b. Dependent Variable: ADOPT_XBRL

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	2.443	.436		5.602	.000					
VAR00006	.363	.147	.503	2.468	.024	.503	.503	.503	1.000	1.000

a. Dependent Variable: ADOPT_XBRL

Cause Related Marketing: Antecedents of Elaboration

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ABSTRACT

An increasing number of corporations are realizing the benefits that can be derived from cause-related marketing (CRM) and are therefore adopting it as a marketing tool to achieve their marketing objectives, by demonstrating a commitment to improving the quality of life in the communities in which they operate. This paper is intended to understand the factors influencing Extent of Elaboration in Cause Related Marketing Context, when a firm is associated to a cause or charity programme. The researcher examines the Familiarity of the Product/Company, Cause Proximity, Gender, Cause Participation Effort and Cause Importance as the antecedents of Extent of Elaboration. The higher the elaboration regarding the campaign the greater be the success of Cause Related Marketing. The study has been successful in understanding the relationship between the factors like Familiarity of the Product/Company, Cause Proximity, Gender, Cause Participation Effort and Cause Importance with Extent of Elaboration.

Keywords: Familiarity of the Product/Company, Cause Proximity, Gender, Cause Participation Effort and Cause Importance are the antecedents of Extent of Elaboration.

1. INTRODUCTION

In recent years, marketing campaigns and promotions with a social dimension have become more visible (Drumwright 1996). Consumers are becoming more concerned with corporate social responsibility (Benezra 1996) and firms are finding that consumers' perceptions of this responsibility influence their beliefs and attitudes about new products manufactured by a company (Brown and Dacin 1997). These findings make corporate social responsibility a vital element of organizational and brand associations.

Social responsibility can be manifested in the creation of social alliances (Lichtenstein, Drumwright and Braig working paper). Social alliances strive to increase society's welfare, which is a noneconomic objective, without sacrificing economic objectives (i.e. revenues and profits for example). Social alliances can come in several forms including advocacy advertising (Haley 1996), general alliances with non-profit organizations (Andreasen 1996), socially responsible employment practices (Drumwright 1994) and corporate volunteerism in the community (Forehand and Grier 1999). Currently, one of the most popular social alliances is cause related marketing.

Cause related marketing (CRM) is based on "profit motivated giving" (Varadarajan and Menon 1988). CRM programs are intended to improve corporate performance and help worthy causes by linking fund raising for the cause to the purchase of the firm's products and/or services. Since its inception in 1983 with American Express' highly successful Statute of Liberty campaign, which lead to a 28% increase in card usage and a $1.7 million donation to the renovation project (Varadarajan and Menon 1988), CRM has gained momentum as a viable marketing tool. CRM may improve consumers' perceptions of the firm, as well as provide help to worthy causes (Stroup and Neubert 1987). As such, several firms including Avon, American Airlines, Ocean Spray, Polaroid, Ramada Inns, Arm & Hammer and Wal-Mart have entered into social alliances with non-profit causes including cancer research and education initiatives (Andreasen 1996). In many cases, CRM increases profitability (Stroup and Neubert 1987). Smith and Alcorn (1991, p. 20) suggest that CRM may be "the most creative and cost effective product strategy to evolve in years, and one that directly addresses the issue of measured financial returns."

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CRM can be a very efficient mechanism to communicate the company's values of social responsibility and of the organization as well, hence building up its reputation. It is a public commitment in favor of society that the companies and organizations pledge in the interest of their relevant publics. Thus, coherence in the sustainability of the strategies of the organizations and their CRM programs is a pre-requisite in elaborating a successful program and thereby avoiding seeming opportunistic. A well elaborated planning scheme is vital, but for the program to be launched, the partners also need to negotiate. The elaboration processes of the product, as well as the communication campaign, planned jointly.

However, the success of cause related marketing is critical to the organization. The company should ensure that association with a not-for-profit organization will have a positive impact on the company's desired customer demographics and it should bolster or at least not alienate the company's customer base. Although one may expect that consumers would respond favorably when a brand engages in an alliance to raise money and awareness for a social cause, it is often difficult to predict consumers' reactions to such marketing campaigns. In this regard, the study assumes to study the significant antecedents of elaboration. It is assumed that *Familiarity of the Product/Company, Cause Proximity, Gender, Cause Participation Effort and Cause Importance* are the factors influencing Extent of Elaboration in return the success of CRM campaign. This study is first of its kind to understand the relationship between the above said variables.

2. LITERATURE REVIEW

Extent of elaboration plays prominent role in positively affecting attitudes toward the product and purchase and participation intentions. Menon and Kahn (working paper) manipulated elaboration to examine its impact on format and congruency. When subjects were encouraged to elaborate on the offer, consumers' evaluations of corporate social responsibility were higher. In addition, attitude toward the cause influenced interest and involvement with the brand (Berger, Cunningham and Kozinets 1998). In general, these results supported the effects of increased elaboration on attitudes and intentions. Bower and Landreth (2001) found that elaboration was needed for consumers to even formulate opinions

about the product. Research shows that when consumers are more involved in an issue or product, they weigh argument quality more heavily than peripheral cues. Based on a preponderance of evidence that supports the positive effects of elaboration (e.g., Petty and Caccioppo 1984). Hence, this study examines in first of its kind the factors influencing the elaboration of consumer regarding Cause Related Marketing.

2.1. Factors affecting Extent of Elaboration

2.1.1. Familiarity of the Product/Company

Familiarity is typically measured in terms of general awareness with research showing that increased familiarity with products or brands results in differential effects in information processing and brand evaluation (Alba and Hutchinson 1987; Fazio, Powell and Williams 1989; Ratneshwar, Shocker and Stewart 1987). For familiar brands, the relative degree of liking for the brand is well established and stable because brand-related experiences and associations are extensive (Bettman and Sujan 1987). For relatively unfamiliar brands, in contrast, pre-existing attitudes may be either unformed or weak in terms of attitude strength and accessibility (Fazio, et al. 1982).

Prior knowledge can also influence the way people process information. Experts elaborate on messages in an evaluative manner, whereas novices tend to process messages more literally (Maheswaran and Sternthal 1990). Johnson (1994) found that under low-relevance conditions, increased knowledge tended to increase message processing, but under high-relevance conditions, the opposite occurred. When consumers are moderately motivated and try to integrate the entire message information through the use of prior knowledge of the product, central processing of the message will result. Consumers tend to relate their own experience and personal relevance to the message at the deeper level and finally consumers tend to embellish the message information and add positive or negative attributes (Chebat, Charlebois and Gelinas-Chebat 2001). As a consequence, prior knowledge of a cause can enable more objective information processing since stored knowledge tends to be biased in favour of the initial thought or opinion (Taylor and Fiske 1984) in either a positive or negative manner. An example of cognitive congruity is the case of Avon cosmetics pairing with a breast cancer

cause. From a female's perspective, there is a congruent link between gender (female) and product category (cosmetics) and usage patterns.

Hypothesis 1: *Higher the familiarity importance of the product, greater the elaborative processing of CRM offer*

2.1.2. Participation Effort

Extent of elaboration will not work in the same way that it does with congruency. Extent of elaboration will moderate the relationship between participation effort and attitude toward the firm, but not purchase intention or intention to participate in the campaign. Consumers are experiencing hedonic benefits from active participation and this should not change with increased elaboration. However, when consumers are encouraged to think about the CRM offer, there may be some differences regarding their attitude toward the firm.

Despite the fact that consumers are likely to derive hedonic benefits from the sales promotion, once they begin to elaborate on the CRM offer, consumer may question the firm's

motives as to why it is requiring so much effort from the consumer in order to make the donation. Because participation effort is considered a marketing variable, the schemer's schema will play an important role in consumers' evaluations of the appropriateness of the tactic. These attributions are based on the amount of work required by the consumer. This leads consumers to generalize as to the possible reasons behind that request. Under conditions of high elaboration, consumers' will have more negative evaluations of the firm under active participation than under passive participation. As a result of this, it is hypothesized as follows:

Hypothesis 2: *Higher the willingness of the customer to put participation effort in CRM offer, greater will be the elaborative processing.*

2.1.3. Gender

Perceptions of argument quality is important for women than men, and arguments are perceived stronger when the brand is associated with the more positively evaluated cause Ross, Patterson, and Stutts (1992), and Dahl and Lavack (1995) used theory of pro-social behavior to explain the success of CRM campaigns, and some researchers believe that this tendency translates

into more acceptance of pro-social corporate behavior by women (Ross, Patterson and Stutts 1992). However, in a recent study, women's response showed a sensitivity to social alliances that suggests women are not accepting of alliances without discrimination (Trimble and Rifon 2006).

Fig 1: Antecedents of Extent of Elaboration
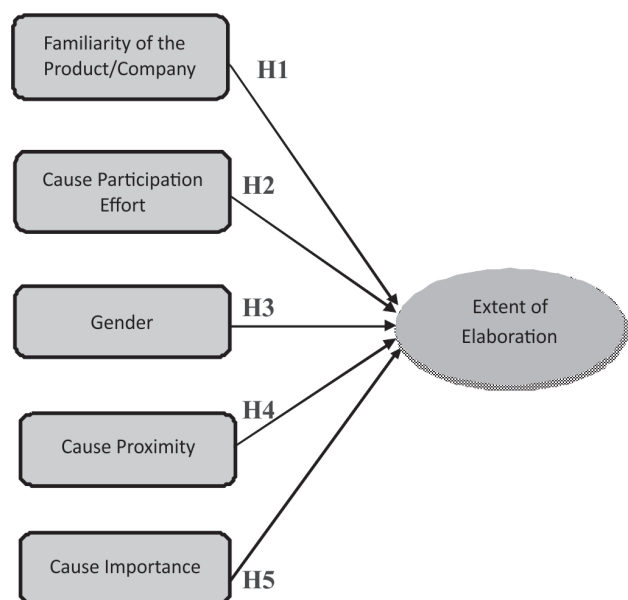
When women do not perceive an alliance to be a congruent fit, their evaluations of the alliance are more negative than the evaluation of men who do not perceive a good fit for an alliance. Therefore, a possibility of backlash exists. Additionally, the tendency toward more pro-social behavior suggests that women are better able to identify with others than men are (Eagly and Crowley 1986). This finding suggests that gender might be a factor for the effect of other personal characteristics of identifying with a group and attending to a specific cause.

Some researchers compared the reactions of men versus women to CRM programs (Cunningham and Cushing, 1993; Ross, Patterson, and Stutts 1992) but results were mixed. Strong causes also had to fulfill an important social need, and claims were viewed as stronger when the dollar amount to be donated was specified. Gender effects were also found during this pre-test. Women viewed all of the causes more positively. The finding is supported by another Australian study (Kropp et al., 1998, cited in Chaney and Dolli, 2000) which found that women were more favorable to CRM campaigns.

Women had a significantly higher level of awareness of the concept of CRM than men. CRM has the potential to be a valuable tool for persuading female consumers who have reasonable amounts of disposable income and are unlikely to choose products based simply on price. This is significant for hair and beauty industries, where products are in the mature stage of the life cycle and consumers find little to differentiate between them. In this instance, CRM might provide the opportunity to create product differentiation, increase market share and strengthen brand loyalty. In a similar vein, it is hypothesized:

Hypothesis 3: *Women have stronger elaborative processing of a CRM than men.*

2.1.4 Cause Proximity

It is understood that, in order to attempt to maximize their self-interest, individuals are most concerned with issues that would impact their lives directly. So there is a distance between the donation activity and consumers' purchase impacted by these donation activities. And whether consumers can enjoy and participate in a cause linking with a firm or not would influence directly consumers' purchase intention to this firm's product and/or service. In general, consumers may consider local causes more important to them than national causes due to the direct impact on their community. If donations support an overall cause on a local basis, it is more likely to impact the consumer directly than if the donations are provided on a national basis. That is so called cause proximity in the research.

Varadarajan and Menon (1988) identified three alternative levels of cause proximity: national, regional, or local. Cone, Inc. (2000) in the survey found that 55 per cent of consumers thought that local causes were most important, followed by national (30 per cent) causes and global (10 per cent) causes. This is consistent with elements of social exchange theory which argues that individuals attempt to maximize their self-interest. As shown in prosocial behavior literature, the physically closer the recipient to the potential donor, the more likely the potential donor will engage in some form of prosocial behavior. The same logic can apply to a CRM context where consumers should consider more about the cause that directly impacts their lives, which is usually

on a local level. The present study considers two categories of proximity: national and international. In this regard it is postulated consumer would be more inclined towards national cause rather international. Thus, the following hypothesis is posited:

Hypothesis 4: *when the CRM offer is designed as national cause campaign, greater will be the elaborative processing rather than international cause campaign.*

2.1.5 Cause Importance

When there is a high level of vested interest in the cause, consumers are likely to pay more attention to the message, process it and elaborate it more extensively, and generate more favorable and enduring attitudes toward the brand, the cause, and the brand-cause alliance, regardless of their familiarity with the brand or the cause. The choice of cause is most critical. Results suggest that companies should establish long-term commitments at a local level in areas such as education, health and poverty. Two pilot studies and one main study tested the influence of the four independent variables on attitudes and intentions. They examine the influence of these variables, using skin cancer as the cause and fictitious brands. Results from student subjects provided evidence of the relationship between cause importance and cause proximity to affect elaboration. Additionally, congruency was perceived as more effective and a segment of consumers was identified based on their participation level.

Cause importance and cause proximity increased the level of personal relevance, involvement and became an important determinant of the extent of elaboration the consumer engaged in upon being exposed to a CRM offer. Currently, cause importance has been treated in various ways in the CRM research and there is mixed results of the effectiveness of cause proximity on consumer attitudes and mixed evidence on whether congruence or incongruence is better for generating support for CRM campaigns. However, when cause importance is low, consumers will not devote attention to elaborating about the CRM program. Hence, it is hypothesized as:

Hypothesis 5: *when the cause importance is high, the elaborative processing of CRM offer is greater*

3. RESEARCH METHODOLOGY

Experimental design of after only without control group is adopted with five experimental groups. The experimental groups were named as "V-ray Corp", "Indian Electronics", "db drive", "Bread India", and "Horse Breweries". These names are given after the names of the hypothetical CRM campaigns involving these companies and some hypothetical non-profit organizations. Advertisements were designed for each CRM campaign. These advertisements give enough details of the corporate as well as the non-profit organization associated. The experimental groups were presented with the brief outline of company profile, performance in the industry and the cause attributes supported by the company along with the advertisement depicting the CRM campaign.

A structured questionnaire is designed to elicit the responses from the 846 sample respondents belonging to different parts of India. The respondents were reached through research enumerators (research scholars, faculty members, students) in different parts of India. Questionnaires were sent to these members and after collecting the opinions of the respondents, the questionnaires were sent back to the researcher for further analysis. The questionnaire was designed to capture the perceptions of the respondents towards the variables – Familiarity of the Product/Company, Cause Proximity, Gender, Cause Participation Effort and Cause Importance and Extent of Elaboration.

Familiarity of the Product/Company measures whether the individual gives importance to familiarity in selecting the product or purchase even he is unfamiliar with product/company associated with cause. This variable measures the intentions of the respondent about the familiarity factor and its importance in participation with CRM campaign. In the success of cause campaign and greater elaboration, it is assumed, familiarity of the product plays a prominent role. This variable is measured by considering the following items: "To be involved in this campaign it is essential to

Fig 2: An advertisement of V-ray Corp shown to a group of Respondents

be familiar with this company"; "The content given to me is enough for me to make a decision". These items are rated on 7-point Likert scale from "strongly agree" to "strongly disagree".

The participation effort measures whether the individual is interested in putting efforts to participate in cause campaign, like cutting the coupon on the product and sending to the company for making support a cause or paying higher price. The study hypothesizes is more the participation effort, the higher the elaboration about cause campaign. The items used for measuring the participation effort are designed as follows: "I will be willing to pay a higher price for "Horse Breweries Pvt Ltd" than for the other brands"; "I will be willing to do efforts whatever necessary to participate in the campaign"; "I will be willing to take extra effort to participate in cause campaign". All items are rated on 7-point Likert scale "strongly agree" to "strongly disagree".

The study considered gender as a factor which influences the extent of elaboration. It is understood from the literature that female are more inclined towards social campaigns than males and hence female elaborate more on cause campaign than males.

Cause proximity deals with the distance between the donation activity and the consumer thus affecting the impact of the donation. If donation supports an overall cause on a local basis, it is more likely to impact the consumer more directly than those provided on a national basis. Varadarajan and Menon (1988) identify three alternatives of cause proximity: national, regional or local. This research examines the national impact and international impact of causes. Cause proximity is an independent variable influencing the extent of elaboration. The variable is measured using the items designed as follows: "I prefer to choose those products which will donate more to the place I am concerned more", "I think my friends will prefer to choose those products which will donate to children education welfare" and "I am involved in the CRM campaign having International exposure". All these items are rated on 7- point Likert scale from "strongly agree" to "strongly disagree".

The internal arguments and discussion with surroundings faced by an individual after the exposure to the cause campaign are known as extent of elaboration. The greater the elaboration,

the positive will be the attitude towards the company and product. This variable is considered as both independent and as well as dependent variable; as independent variable this influences the attitude of the company and product. The items considered for measuring the variable are adopted from the work of Laczniak & Muehling (1993). The items are: "How much attention did you give to the CRM campaign described in the advertisement?"; "How much did you notice the details of the CRM campaign"; "How much did you concentrate on the information in the CRM campaign"; "How involved were you with the message describing the CRM campaign"; "How much thought did you put into evaluating the CRM campaign described in the advertisement. These items are to be answered on rating scale of 7-point Likert scale from "not much" to "very much".

Cause importance measure significance of a cause to a customer. Personal relevance, also known as involvement, has been studied extensively in both psychology and marketing. Krugman (1965) first defined the concept of involvement and stated that it varies across circumstances and individuals. Involvement is a personal connection or bridging experience for an individual. Several studies argue that subjects have stronger attitudes and greater elaboration toward a stimulus when it directly impacts them (Liberman and Chaiken 1996; Sorrentino et al 1988) or when the proximity of the stimulus impacts the consumer. The variable is measured adopting items from the work of Bower and Landreth (2001) and Ellen, Mohr and Webb (2000)) : "Unimportant"/ "Important", "Irrelevant"/ "Relevant", "Nothing to me"/ "Lot to me", "Doesn't matter to me" / "Matters great deal to me", "Of no concern to me" / "Of great concern to me". These items are measured using 7-point Likert scale.

4. DATA ANALYSIS

846 respondents participated in the study from different regions of India, among the respondents 294(34.8%) are between 20-30 years, 368(43.5%) are between 31-40 years, 109(13.0%) are between 51-60 years, and 36(4.3%) are between 61 and above. 476 respondents are male and 370 respondents are female. The data is qualified and internal consistency among the items of different variables is found to be good (Cronbach's alpha above 0.8).

Familiarity

H1 : Higher the familiarity importance of the product, greater the elaborative processing of CRM offer.

To test the hypothesis, independent sample t-test is run, considering elaborative processing as the dependent variable and familiarity as the grouping variable. The individual mean scores of familiarity are categorized into high (above the mean of familiarity subjects, Mean = 5.08) and low (below the mean of familiarity subjects, Mean = 2.52), as well as the respective individual means of elaborative processing of CRM offer are measured. The mean and significance of difference in mean scores of elaborative processing between the two groups of familiarity are measured through independent sample t – test.

The results incorporated in table: 1 indicate the main effect of familiarity importance of the product on elaborative processing of CRM offer is significant (F = 60.867; p- value = .000), thus supporting H1. The subjects are categorized into individuals feeling higher familiarity importance (N=405), and lower familiarity (N=441). Elaborative processing of CRM offer mean scores are higher with subjects (Mean=4.88) when level of familiarity importance is high and lower (Mean = 3.95) when familiarity is low, and the difference in mean sores of elaborative processing of CRM offer is found significant (t = 9.908, p-value =0.00). In this regard it can be interpreted that familiarity about the product/company is significant to influence elaborative processing of CRM offer.

Participation Effort

H2 : Higher the willingness to put participation effort in CRM offer, greater will be the elaborative processing.

To test the hypothesis, independent sample t-test is run, considering elaborative processing the dependent variable and participation effort the grouping variable. The individual mean scores of participation effort are categorized into active (above the mean of participation effort, Mean = 5.20) and passive (below the mean of participation effort, Mean = 2.73), and the respective individual means of elaborative processing are been measured as well. The mean scores and significance of difference in means of elaborative processing between the two groups are measured, employing independent sample t – test.

As we can be seen from table-1, the effect of cause participation effort on elaborative processing is significant (F = 55.510; p- value = .000), thus supporting H2. Based on participation effort subjects are categorized into active participants (N=572) and passive participants (N=274). Those active on participation efforts (Mean=4.77) have higher mean scores of processing than passive group (Mean = 3.61). The difference between the mean scores of processing is significant (t = 11.125, p-value =0.00). The study proven from the analysis, respondents with higher willingness to put participation effort have greater elaborative processing.

Gender

H3 : Women have stronger elaborative processing of CRM offer rather than men.

To test the hypothesis, independent sample t-test is run, considering elaborative processing as dependent variable and gender as grouping variable. The subjects are categorized into men and women and mean scores of elaborative processing are measured for respective gender groups. The mean scores and significance of difference in mean scores of elaborative processing between the two groups are measured through independent sample t – test.

As can be seen from table: 1 indicate the effect of gender on elaborative processing is significant (F = 8.624; p- value = .003), as hypothesized the results were contrary. Elaborative processing is higher in women (Mean = 4.42) than in men (Mean = 4.38), the difference being insignificant (t = -.457, p-value = 0.647). The hypothesis is partially supported, indicating the effect of gender on elaborative processing but the mean differences between the mean scores of two groups is found insignificant. Thus, the mean scores of processing CRM offer of male and female groups are marginally different.

Cause Proximity

H4 : When the CRM offer is designed as national campaign rather than international campaign, greater will be the elaborative processing.

To test the hypothesis, Independent sample t-test is run, considering the elaborative processing as dependent variable, and the cause proximity the grouping variable. The individual mean scores of cause proximity are categorized into high (above the mean of Proximity, Mean = 5.36) and low

(below the mean of Proximity, Mean = 1.93), and as well the respective individual means of elaborative processing are measured. The means and the significance of difference in the means of elaborative processing of the two groups are measured using independent sample t – test.

Results as shown in table: 1 demonstrate the effect of proximity on elaborative processing is significant (F = 77.915; p- value = .000), contrary to what is hypothesized. In terms of proximity subjects are categorized into those inclined towards international campaigns (N=443) and those towards national campaigns (N=403). The subjects having inclined to international campaigns have higher elaborative processing mean scores than the mean scores of the subjects inclined towards national campaigns; the difference in the mean scores of the two groups is significant (t = 750.154, p-value =0.01). The hypothesis H4 is partially supported, indication significant effect of proximity on extent of processing; the international campaigns are found to have more impact on elaborative processing than national campaigns. Mean scores of extent of elaboration processing of CRM offer as related to international and national campaigns are marginally different

Cause Importance

H5 : When cause importance is high, the elaborative processing of CRM offer is greater.

To test the hypothesis, independent sample t-test is run, considering elaborative processing the dependent variable and cause importance the grouping variable. The individual mean scores of cause importance are categorized into high (above the mean score of cause importance, Mean = 6.11) and low (below the mean score of cause importance, Mean = 2.50), and the respective mean scores of elaborative processing are measured as well. The mean scores and significance of difference in mean scores of elaborative processing between the two groups are measured through independent sample t – test.

From the results shown in table-1, indicates the effect of cause importance on elaborative processing is significant (F = 25.473; p- value = .000), thus supporting H5. The subjects are categorized into two groups- those perceiving cause important (N=573) and those least important (N=273). The elaborative processing

mean of CRM offer is higher (Mean =4.82) for high cause importance group as compared to low elaboration score (Mean = 3.51) of low cause importance group. The difference of scores of these groups is significant (t = 13.08, p= 0.00).It can be assumed from the above analysis, higher elaborative processing is present in respondents perceiving cause is important criteria for participating in CRM campaign.

5. CONCLUSION

Familiarity importance in this study measures the significance of familiarity to the customer as reflected in his purchasing company's product. It is assumed that familiarity is significant variable in the success of CRM campaign. Familiarity is defined as the accumulated information about the product/ brand by the consumer either by direct or indirect experience with the product. The familiarity of the product increases if the duration of the campaign is of long term rather than short-term. Since in the long-term campaigns, companies try to penetrate into the market by extensive communication through advertisements about the CRM campaign. These advertisements are repeated for a period of time, which increase the familiarity of the product. Higher familiarity of the product decreases skepticism and makes higher elaborations about the activities of the campaign.

The customers generally expect the product to be familiar and these products are analyzed more relatively with unfamiliar products. According to elaboration likelihood model, consumers analyze more familiar products through main route rather than peripheral and make more elaborations. There is a contrary situation where individuals unfamiliar with the product / brand, other things being constant, prefer product associated with the campaign because of the affection toward the company. These individuals use peripheral route to participate in CRM campaign. The customers purchasing the product after required levels of familiarity feed the cognitive activity make to extensive elaboration. Thus, there will be more elaboration when the customer feels more familiarity while participating in CRM campaign, since they use central route.

Cause proximity has relevancy in providing specific insights into CRM campaign's evaluation. Cause proximity deals with the distance between

the cause activity and the consumer, which can be categorized as local, national, and international. CRM campaigns often emphasis specific donations for distribution to communities, emphasizing the local aspect. Cone Roper (2000) suggests that 55 % of consumers prefer local causes, followed by nation (30%) and global causes (10%). Furthermore, the prosocial behavior literature argues that the physically closer the victim receiving the donation from the potential donor, the more likely it is that the potential donor will engage in some form of helping behavior.

Both signaling theory and social impact theory offer theoretical explanations, influential power of local relative to national donations identified in these studies. Signaling theory proposes the idea that cues provide consumers with tangible information often necessary to more easily construct evaluations for relatively unobservable factors. Signaling theory has proven useful to predict effects of several marketing signals like price, advertising, and warranties, thereby illustrating the significance of the theory both in sellers and buyers context.

In CRM context the cause might be abstract or unobservable to consumers, and the idea that such financial support will make difference in local communities' signals a greater or more tangible offer to consumers. Social impact theory suggests that response to social influence is dependent in part by immediacy or proximity to physical source. Social impact theory proposes that consumers consider the impact of company's support to a charity programme within their living society, and those located in the same social space are considered more immediate, and therefore more influential. Thus it is evident that the consumers are more inclined to participate in CRM campaigns when they believe those within their closer physical space will be directly impacted. The local donations will signal a more tangible value of the campaign and immediacy influence.

Gender roles as social experiences are programmed differently for each gender in society, that is, women and men are socialized differently and play distinct roles in society. Women and men have different concerns because they are treated in a different way from birth. In this regard, they learn behaviors that are classically women and male. These differences in gender behaviors can be credited to variance in cultural value and socialization that happens not only at home, but also through social experiences at high level social organizations. Coming to CRM context, it is believed that genders have different opinions, attitudes, and behaviors toward companies, product/services and social issues because of their distinct characteristics. Ross, Stutts and Patterson suggest that women are more sensitive to CRM than men. Therefore, women consumers have more favorable attitudes toward companies and causes than do men consumers.

Furthermore, women have more care about family health and assume more responsibility in the family system than men. Beutel and Marini (1995) suggest that woman show more responsibility and care than men towards the others. They are more compassionate with the social issues – polices targeting poor, unemployed, sick, elderly and others who are in need of help. Eagly and Steffen (1984) advocate, kindness and devotion are the communal characteristics related to women rather than men. Thus it is evident that women can have more inclination toward the CRM campaign. So, women have more information processing than men, since the CRM is related to societal activities and thus women are more elaborative than men.

Consumer participation effort is referred to the time, work and effort consumer spends in order to enable the firm make donation to cause programme. Some companies demand more efforts from the consumers to participate in CRM campaigns. For an instance, consumers are required to make SMS, mail or post the product key or label on packing to prescribed address in order to support campaign. It is reported in the literature that some consumers showing willingness in putting to participate in CRM campaign have high propensity to enjoy the process. So this research addresses whether more effortful campaigns result in motivation to participate, as this propensity exists in some consumers. The consumer's willingness to put participative efforts generally should have more cognitive activity like information and message processing, because to put efforts they require reasonable information about the campaign to participate. So, the consumer might have higher elaboration about the CRM campaign. The respondents with willingness to put more efforts to participate are categorized as active participants and the group with contrary characteristics as passive participants.

One potential means to improve involvement

toward CRM campaign is to focus on the issues or messages that appeal to specific consumer traits which are qualities unique to individuals and may improve their selective attention. Building on the theoretical work by Macinnis, Moorman and Jaworski (1991), one such trait significant to examine is Self-interest. If a customer is sensitive to social issues, and integral to his belief systems, generally they react to sponsorship (in their case, advocacy or cause promotions) in accord with their beliefs regardless of other variables such as congruence, cause proximity and message. In this study we have considered it as cause importance which measures personal relevance of the cause. It is understood that higher personal relevance of a cause will make the consumer to process the information through main route and elaborate more about the campaign.

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Table1: Independent Sample t-test Analysis (N=846)

Dependent Variable	Grouping Variable	N	Mean	Sig for Equality of Means
Extent of Elaboration	**Familiarity**			
	• High	405	4.8879	.000
	• Low	441	3.9556	
	Participation Effort			
	• Active	572	4.7797	.000
	• Passive	274	3.6131	
	Gender			
	• Male	476	4.3819	.647
	• Female	370	4.4276	
	Cause Proximity			
	• National	443	4.5688	.001
	• International	403	4.2184	
	Cause Importance			
	• High	573	4.8237	.000
	• Low	273	3.5165	

Celebrity Endorsement And Its Impact On Consumer Buying Behaviour

Dr. Kusum Gupta

ABSTRACT

Celebrity endorsement has been established as one of the most popular tools of advertising in these days. It has became a trend and perceived as a winning formula for product marketing and brand building. India is a country where people love to live in dreams. They worship celebrities. Celebrities which might be cricket stars like Sachin Tendulkar, Mahendra Singh Dhoni or Film stars like Shahrukh Khan or Salman Khan. Marketers use this preposition to influence their target customers. For this they rope in these celebrities and give them whopping amount of money. They believe that by doing this they can associate their products with their target customers. Thus, this paper highlights the impact of celebrities on the buying decision of the consumer.

Key Words: - Celebrity endorsement, Advertising, Consumer.

INTRODUCTION

The term "Celebrity" refers to an individual who is known to the Public, such as actors, sport figures, entertainers and others of the like for his or her achievement in areas other than that of the product class endorsed. The general belief among advertisers is that advertising massages delivered by celebrities provide a higher degree of appeal, attention and possibly message recall than those delivered by non-celebrities. Marketers also claim that celebrities affect the credibility of the claims made, increase the memorability of the message and may provide a positive effect that could be generalized to the brand.

Millions of dollars are spent on celebrity contracts each year by assuming that the benefits of using celebrities will exceed the cost. Celebrity endorsement has been established as one of the most popular tools of advertising in recent times. It has became a trend and perceived as a winning formula for product marketing and brand building. It is easy to choose a celebrity but it is tough to establish a strong association between the product and the endorser. For advertisements about Pepsi-Cola significant correlations were identified between credibility and knowledge and between advertising believability and purchase intentions. Celebrity appearance, knowledge, liking and credibility of the celebrity were also highly correlated with advertising believability. At the same time, liking for the celebrity and advertising believability were both correlated with purchase intentions. Thus this paper will help to know whether celebrity endorsers are able to influence the buying behaviour of the customer or not.

REVIEW OF LITERATURE

- Assael (1984) explained that celebrity advertising is effective because of its ability to tap into consumers symbolic association to aspirational reference groups. Such reference groups provide points of comparison through which the consumer may evaluate attitude and behaviour.

- Atkins & Block (1983) explained that celebrity advertising may be influential because brand ambassadors are viewed as dynamic, with both attractive and likeable qualities. They found that advertisements with celebrity spokesperson had more favourable effect on consumer than those with non-brand ambassadors. Additionally, their fame is thought to attract attention to the product or service.

- Mc Cracken (1989) proposed the meaning transfer model in an attempt to explain the celebrity endorsement process. According to the model, celebrity's effectiveness as endorsers stem from the cultural meanings with which they are endowed. A three-stage process of meaning transfer that involves the formation of celebrity image, transfer of meaning from

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celebrity to the brand, and finally from the brand to the consumer is suggested.

- Misra & Beatty (1990) studied the effects of congruence in terms of recall and transfer of affections. The results indicate that recall of brand information is significantry higher when the image of the celebrity is congruent with the brand image. The results also indicate that when the image of celebrity is congruent with the brand, a transfer of affection takes place.

- Schumann (1983) found that under high involvement conditions, arguments but not celebrities influenced altitudes, whereas under low involvement conditions, celebrities but not arguments influenced attitudes. This suggests that celebrity influence may be related to the nature of the product rather than the person. Despite mixed findings, three factors seem to be associated with the degree to which celebrity advertising is effective: Source credibility, celebrity knowledge, trust worthiness and celebrity appearance.

OBJECTIVES OF THE STUDY

1. To analyse the impact of celebrity endorsed advertisements on consumer buying behaviour.
2. To reveal and re-establish the positive impact of celebrity endorsement on brand image.
3. To identify the celebrity endorsed adversitement as an effective mean of increasing sale.

RESEARCH METHODOLOGY

For the achievement of these objectives a primary sample of 100 respondents is taken from Bathinda City. Respondents were both male and female and were in the age group of 18 – 30 years.

SAMPLE TECHNIQUE

The most prevalent convenience sampling technique is used for collecting the data.

DATE COLLECTION

(a) **Primary Data :** Primary data has bee collected by survey of the respondents by using a non disguised structured questionnaire.

(b) **Secondary Data :** Secondary data has been collected from magazines, websites, Journals etc.

Data Analysis : The data collected was analyzed by using tables, percentage, graphs, pie-charts etc.

DATA ANALYSIS AND INTERPRETATION

Q1. White buying a product which factor affect you the most?

INTERPRETATION: The chart depicts that 45% of the people consider celebrity endorsed products while going for the purchase, 30% people, consider quality of the product whereas 20% people consider the price and only 5% consider other factors of the product.

Q2. Do you think that the use of celebrities in advertisement is an effective mean of increasing sale?

INTERPRETATION : It is clear from the chart that 85% of people think that the celebrity endorsed advertisements is an effective mean of increasing sale, only 15% people disagree to it.

Q3. Do you think that celebrities affect your purchase decisions.

Interpretation : Chart clearly shows that majority of people (76%) agree that celebrity affect their purchase decisions. Only 24% of people said that their purchase decisions are not influenced by celebrities.

Q4. Which type of celebrity affect you the most?

INTERPRETATION: The chart shows that majority people (50%) like sport stars to endorse their products. Whereas 40% people like Bollywood Stars, Only 10% people want other celebrities in advertisements.

Q5. Is celebrity endorsement making you loyal towards the product?

Interpretation: Table 1.5 and Fig. 1.5 clearly show that celebrity endorsed advertisement make respondents loyal towards the product as majority of the respondents about 55% show the positive response.

FINDING AND CONCLUSION

Findings:

- The research shows that the celebrity endorsement in advertisements play a key role

on Indian consumers.

- Most of the respondents agree that when they goes to purchase a product, the celebrity endorsing a particular products came in their mind.

- People are influenced both by bollywood stars and sports stars.

- Most of the respondents agree that the celebrity endorsement is an effective persuation.

- Although the celebrity endorsement is useful in the Indian Scenario, the amount of impact of the effect varies with the celebrity and the product profile, as 45% of the respondents said that they are not loyal to a particular brand, although it is endorsed by a celebrity if product doesn't have good quality.

CONCLUSION

In India celebrities position in the mind of people is very high. People look as their idol and millions of people follow them. In all region of the country different celebrities follow by their fan like a God. So the study concludes that companies associate their product with celebrities to enhance the image of the product for Brand awareness, recall retention and credibility. Consumers believe the advertisements endorsed by celebrities as reliable and knowledgeable, and it has positive impact on company as well as brand and customers.

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Table 1.1

Options	No. of Respondents	Percentage
1. Price	20	25%
2. Quality	30	30%
3. Celebrity endorsement	45	45%
4. Others	05	05%
Total	100	100%
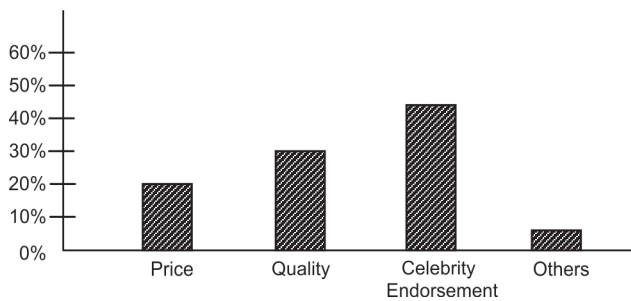
Fig. 1.1

Table 1.2

Options	No. of Respondents	Percentage
Yes	85	85%
No	15	15%
Total	100	100%
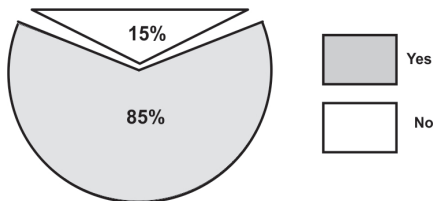
Fig. 1.2

Table 1.3

Options	No. of Respondents	Percentage
Yes	76	76%
No	24	24%
Total	100	100%
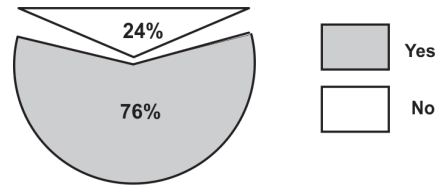
Fig. 1.3

Table 1.4

Options	No. of Respondents	Percentage
1. Bollywood stars	40	40%
2. Sports starts	50	50%
3. Others	10	10%
Total	100	100%
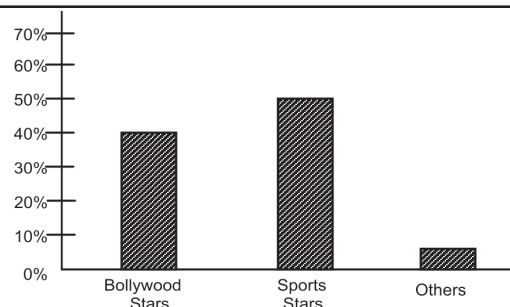
Fig. 1.4

Table 1.5

Options	No. of Respondents	Percentage
Yes	55	55%
No	45	45%
Total	100	100%
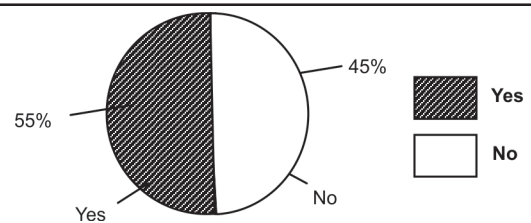
Fig. 1.5

Financial Performance Evaluation Of State Bank Of India And Its Associates: A Camel Approach

Dr. Kingshuk Adhikari*
Ms. Nitashree Barman**
Mr. Pinkumoni Kashyap***

ABSTRACT

The present study makes an attempt to examine the financial performance of State Bank of India and its Associates for a period of five (2008-09 to 2012-13) years. In order to evaluate the performance, five specific ratios of CAMEL model have been used. The study reveals that on an average, the performance of State Bank of Hyderabad has been much better in respect of all the selected parameters except liquidity management. The trend of concentration has been increased among the banks in respect of all the selected parameters except management efficiency and liquidity. The differences across the banks under consideration are not statistically significant except in respect of asset quality.

Keywords: Capital Adequacy, NPA, Advances, Profit, Asset and Deposit

INTRODUCTION

The banking sector is one of the important financial pillars which plays a vital role in the success or failure of an economy. Infact, the competitive and healthy banking system is one of the prerequisite of any developing country and India is no exception to this. Indian banking sector plays a multidimensional and multi directional role over the decades. The sound health of the banking companies is extremely important because of the strategic importance of the sector in the development pursuits of the government of India. The banking sector of India is dominated by public sector banks and the role of State Bank of India and its associate banks can hardly be undermined. However, the process of liberalisation followed by technological and structural changes in Indian banking industry during early 90's has made the market conditions precarious and as a result almost every bank, both in public and private sector has been experiencing substantial pressure for survival and growth. In order to retain the space and the market share, Indian public sector banks need to have an in-depth analysis of their Strengths, Weakness, Opportunities and Threats. It is only this introspection the individual bank will be in a position to survive in the age of competition.

Indian banking system is comprised of four groups of banks, *namely,* public sector banks, private sector banks, cooperative banks and regional rural banks. Public sector banks dominate over the other groups of bank in terms of business network and market share. Again, in the group, State Bank of India along with its Associates occupy special place because it is the biggest commercial bank in Asia. It is believed that bigger size of the bank means larger contribution towards the society and economy. Hence, an attempt is being made to evaluate the performance of State bank of India and its associate banks with the help of five measures under the umbrella of CAMEL.

BRIEF REVIEW OF LITERATURE

A good number of studies have been carried out for measuring the profitability performance of banks in India and consequently, findings of all such literatures cannot be generalised as they are related to different financial institutions and time period. Moreover, many of such studies used CAMEL as a tool for measurement and comparison of financial performance of different commercial bank in India. A brief review of literature on the subject has been portrayed below:

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Prasad (2012) revealed that both the public and the private sector banks did not differ significantly as far as management efficiency and liquidity is concerned. Similarly, Aspal and Malhotra (2013) found that Bank of Baroda was ranked first position due to its better performance in the areas of liquidity and asset quality, whereas, United Bank of India was ranked last due to its management inefficiency, poor assets and earning quality. Lakhtaria (2013) revealed that overall rank of Bank of Baroda topped the list which was followed by Punjab National Bank and State Bank of India. Vijayakumar (2012) found that State Bank of India and its associate banks succeeded in maintaining capital adequacy ratio at higher level than the prescribed level during the study period. In particular, Aspal and Mishra (2013) concluded that in terms of capital adequacy ratio, State Bank of Bikaner and Jaipur and State Bank of Patiala were at the top position, while SBI got lowest rank. Mathiraj and Ramya (2014) studied performance of five private sector bank and found that all the banks have succeeded in maintaining CRAR at a higher level than the prescribed level. Mishra et al. (2012) concluded that private sector banks were at the top of the list, with their performances in terms of soundness. Prashad and Ravinder (2012) discovered that Canara Bank stood at top position in terms of capital adequacy, Andhra Bank & Bank of Baroda was at top in asset quality, Punjab & Sindh bank positioned at first in management efficiency, Indian Bank topped in terms of earning quality and Bank of Baroda ranked top in liquidity position. Thus, the review of related literature indicates that CAMEL model is a widely used for measuring performance of banks and ranking them thereafter.

Objective of the Study

The objective of the present study is to evaluate the financial performance of the State Bank of India and its Associates for a period of five years from 2008-09 to 2012-13.

Methodology of the Study

The present study is based on secondary data collected from the website of Reserve Bank of India. In order to evaluate the financial performance of State Bank of India and its Associates banks, CAMEL approach has been adopted. Out of the various ratios of CAMEL

approach, the study only five ratios, namely, Capital Adequacy Ratio Measuring Maintenance of Adequate Capital, Net Non-performing asset to net Advances Gauging Asset Quality, Profit Per Employee Estimating Management Efficiency, Return on Asset Measuring Assessing Efficiency and Cash–Deposit Ratio determining liquidity position of the banks. Mean, Standard Deviation and t-Test have been used to evaluate the financial performance of the banks selected for the study.

Analysis and Discussion

Capital Adequacy Ratio (CAR) shows the ability of a bank to meet its earning needs of additional capital. Higher the capital adequacy ratio better is the bank's ability to meet the needs of further capital. Table-1 depicts the adequate capital maintained by the State Bank Group during 2008-09 to 2012-13, which is measured by capital adequacy ratio. Capital adequacy ratio is computed by capital divided by risk-weighted assets multiplied by hundred. In both first and last year, all the banks have been able to maintain Capital Adequacy Ratio much above the minimum requirement of 9 percent[1].

In 2008-09, State Bank of Bikaner & Jaipur has been ranked first in CAR while in 2012-13 first rank has obtained by State Bank of India. In 2008-09 State bank of Hyderabad has been ranked last while in the year 2012-13 State Bank of Patiala has been ranked last. In the year 2008-09, State Bank of India, State Bank of Bikaner & Jaipur and State Bank of Travancore have higher capital adequacy ratio as compared to group average of 13.11 percent. Similarly, in 2012-13, State Bank of India, State Bank of Bikaner & Jaipur and State Bank of Hyderabad have better capital adequacy ratio than the group average of 12.01 percent.

For measuring asset quality, Net Non Performing Asset to Net Advance has been considered. Lower the value of this ratio better is the bank's ability to recover the loan disbursed. Table 2 depicts asset quality maintained by the sample banks during 2008-09 to 2012-13. In the year 2008-09, State Bank of Hyderabad has performed well in risk management and thus has been ranked first but the rank has been dropped down to fifth position in 2012-13. In the year 2012-13, State bank of Mysore has improved its performance and has

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[1] http://www.rbi.org.in/scripts/BS_ViewMasCirculardetails.aspx?id=8133

attained first rank and State Bank of Travancore has got the last rank. State Bank of India and State Bank of Bikaner & Jaipur have higher asset quality ratio as compared to group average in both the years. Moreover, in 2012-13, State Bank of Mysore has also been able to attain higher asset quality ratio as compared to group average of 1.96 percent.

Table 3 shows management efficiency of SBI and its Associates banks which is measured by means of profit per employee during 2008-09 to 2012-13. Higher the ratio, higher the level of management efficiency in managing human resources towards earning higher amount of profit.

In 2008-09, the management of State Bank of Travancore was highly efficient with first rank but it could manage only fourth rank in 2012-13. Further, State Bank of Hyderabad has obtained second rank in 2008-09 but the bank has improved its performance and achieved first rank in 2012-13. In 2008-09, four banks having higher management efficiency ratio as compared to group average of 4.45 percent while in the year 2012-13 only three banks could manage higher profit per employee ratio as compared to group average of 5.73 percent.

Table 4 provides earning quality or efficiency of SBI and its Associates banks which is measured by return on assets during 2008-09 to 2012-13. Positive increase in the ratio means improved performance in earning profit. In the beginning of the study period, the State Bank of Travancore has been highly profitable bank with first rank but its performance has been declined in 2012-13 to a large extent as is evident from its rank.

On the other hand, State Bank of Hyderabad and State Bank of Mysore have obtained equal ranks in 2008-09 but the former bank has improved its performance and got first rank in 2012-13 followed by State Bank of Bikaner & Jaipur and other banks. In the year 2008-09, State Bank of India and State Bank of Travancore have higher earning quality ratio than group average of 0.99 percent while, in the year 2012-13, State Bank of Bikaner & Jaipur and State Bank of Hyderabad could record higher earning quality as compared to group average of 0.81 percent.

Table 5 reveals the performance of the banks in respect of maintaining liquid asset in order to meet the maturity of the liabilities and day to day operational expenditures during 2008-09 to 2012-13. Higher the cash-deposit ratio, higher the amount of deposit blocked in liquid asset.

In both the years, State Bank of Bikaner & Jaipur has maintained highest liquidity which is revealed by first rank in the list. On the other hand, in both the years, the State Bank of Mysore has least amount of liquid assets. In the year 2008-09 State Bank of India, State Bank of Bikaner & Jaipur and State Bank of Hyderabad have higher liquidity ratio as compared to group average of 7.06 percent. Similarly, in 2012-13 State Bank of Bikaner & Jaipur and State Bank of Hyderabad shows higher liquidity ratio as compared to the group average of 5.63 percent.

Table-6 portraits Mean and Standard deviation as well as the results of t-test for measurement of performance of SBI and its associate banks between 2008-09 and 2012-13. Trend of concentration has been increased among the banks in respect of capital adequacy, asset quality and earning efficiency which is evident from the values of standard deviation. The results of t- test shows that there are no significant changes in average performance of the banks in terms of all the select parameters except maintenance of asset quality.

Note: Ranking is based on the average value of the ratio for the period (2008-09 to 2012-13)

Table 7 shows the overall ranking of SBI and its Associate based on average of Capital adequacy Ratio, Asset Quality Ratio, Management Efficiency Ratio, Earning Quality Ratio and Liquidity Ratio for the period of five years. The overall performance of State Bank of Hyderabad has been found to be excellent in all counts except liquidity management. The overall ranking of the State Bank of Travancore is second followed by State Bank of Bikaner & Jaipur, State Bank of India, State Bank of Patiala and State Bank of Mysore. The overall performance of State Bank of Mysore seems to be the most unpleasant in all the counts under CAMEL approach thus, got sixth rank during the study period.

CONCLUSION

To conclude, State Bank of Hyderabad has outperformed all other banks in the group including the State Bank of India in respect of all the parameters except liquidity management. Thus,

overall rank of State Bank of Hyderabad is first which is followed by State Bank of Travancore (SBT) State Bank of Bikaner & Jaipur, State Bank of India, State Bank of Patiala and State Bank of Mysore. It is suggested that State Bank of Mysore needs to think seriously about improvement of its financial position since its performance is poor on all the counts. Moreover, the parent bank, State Bank of India, is expected to rethink about its credit policy as its performance in terms of asset quality is exceptionally poor as compared to its associate banks. It is worthwhile to mention that during the study period, trend of concentration has increased among the banks in respect of selected parameters of CAMEL approach except management efficiency and liquidity.

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Table 1: Capital Adequacy (CAR) of SBI and its Associates

Name of the Bank	2008-09		2012-13	
	in %	Rank	in %	Rank
State Bank of India	14.25	2	12.92	1
State Bank of Bikaner & Jaipur	14.52	1	12.16	3
State Bank of Hyderabad	11.53	6	12.36	2
State Bank of Mysore	11.73	5	11.79	4
State Bank of Patiala	12.60	4	11.12	6
State Bank of Travancore	14.03	3	11.70	5
Group Average	13.11		12.01	

Source: Statistical Tables Relating to Banks of India, RBI (various issues)

Table 2: Asset Quality (Net NPA to Net Advances) of SBI and its Associates

Name of the Bank	2008-09		2012-13	
	in %	Rank	in %	Rank
State Bank of India	1.76	6	2.10	3
State Bank of Bikaner & Jaipur	0.85	5	2.27	2
State Bank of Hyderabad	0.38	1	1.61	5
State Bank of Mysore	0.50	2	2.69	1
State Bank of Patiala	0.60	4	1.62	4
State Bank of Travancore	0.58	3	1.46	6
Group Average	0.78		1.96	

Source: Statistical Tables Relating to Banks of India, RBI (various issues)

Table 3: Management Efficiency (Profit per Employee) of SBI and its Associates

Name of the Bank	2008-09		2012-13	
	₹in %	Rank	in %	Rank
State Bank of India	4.74	3	6.45	2
State Bank of Bikaner & Jaipur	3.55	5	6.00	3
State Bank of Hyderabad	4.87	2	8.29	1
State Bank of Mysore	3.48	6	4.00	6
State Bank of Patiala	4.68	4	4.62	5
State Bank of Travancore	5.36	1	5.00	4
Group Average	4.45		5.73	

Source: Statistical Tables Relating to Banks of India, RBI (various issues)

Table 4: Earning Quality (Return on Assets) of SBI and its Associates

Name of the Bank	2008-09		2012-13	
	in %	Rank	in %	Rank
State Bank of India	1.04	2	0.91	3
State Bank of Bikaner & Jaipur	0.92	3	0.96	2
State Bank of Hyderabad	0.91	4.5	0.99	1
State Bank of Mysore	0.91	4.5	0.66	5
State Bank of Patiala	0.83	6	0.68	4
State Bank of Travancore	1.30	1	0.66	5
Group Average	0.99		0.81	

Source: Statistical Tables Relating to Banks of India, RBI (various issues)

Table 5: Liquidity (Cash-Deposit Ratio) of SBI and its Associates

Name of the Bank	2008-09		2012-13	
	in %	Rank	in %	Rank
State Bank of India	7.49	3	5.47	3
State Bank of Bikaner & Jaipur	9.17	1	8.54	1
State Bank of Hyderabad	8.69	2	5.63	2
State Bank of Mysore	5.27	6	4.22	6
State Bank of Patiala	6.20	4	4.52	5
State Bank of Travancore	5.54	5	5.37	4
Group Average	7.06		5.63	

Source: Statistical Tables Relating to Banks of India, RBI (various issues)

Table 6: Result of *t*-test

Parameters	2008 – 09		2012-13		t value	p value
	Mean	SD	Mean	SD		
Capital Adequacy	13.11	1.33	12.01	0.62	1.84	0.09
Asset Quality	0.78	0.51	1.96	0.48	-4.16*	0.00
Management Efficiency	4.45	0.76	5.73	1.54	-1.82	0.10
Earning Quality	0.99	0.17	0.81	0.16	1.85	0.09
Liquidity	7.06	1.16	5.63	1.54	1.56	0.15

Note: *significant at the 0.05 level (2-tailed)
Source: Based on data obtained from Reserve Bank of India

Table 7: Overall Ranking of Banks of Five Years from 2008-09 to 2012-13

Name of the Bank	Capital Adequacy		Asset Quality		Management Efficiency		Earning Quality		Liquidity		Average of Ranks	Final Rank
	in %	Rank	in %	Rank	in lakh	Rank	in %	Rank	in %	Rank		
State Bank of India	13.28	2	1.81	6	4.96	4	0.88	4	7.17	3	3.8	4th
State Bank of Bikaner & Jaipur	13.08	4	1.33	4	4.71	5	0.95	3	8.71	1	3.4	3rd
State Bank of Hyderabad	13.32	1	0.94	1	7.11	1	1.06	1	7.24	2	1.2	1st
State Bank of Mysore	12.45	6	1.48	5	4.18	6	0.87	5	5.78	6	5.6	6th
State Bank of Patiala	12.54	5	1.16	3	4.96	3	0.82	6	6.35	5	4.4	5th
State Bank of Travancore	13.11	3	1.09	2	5.71	2	1.00	2	6.50	4	2.6	2nd

Impact of TQS on Financial Performance of the Business through Service Profit Chain

Dr. Jyoti Sharma*

ABSTRACT

The purpose of this paper is to test the link between Total Quality Service and firm performance through service profit chain in automobile sector. This is an exploratory study based on primary data through questionnaire relating to eight different scales viz; TQS, Internal Service Quality, Employee Satisfaction, Employee Commitment, Employee Loyalty, External Service Quality, Customer Satisfaction, and Financial Performance. Census method was used for collecting the data from executives and employees while customers were selected on the basis of the results of pre testing. SEM was used to study the relationship among different variables. Findings suggest that TQS alone may not create a better performance. If it is applied with service profit chain then TQS strategy may yield better performance in service sector. Therefore, service profit chain is considered as a facilitating management tool for improving the business financial performance in dynamic service sector.

Key word: Business Performance, Customer Satisfaction, Employee Commitment, External Service Quality, Financial Performance and Service Profit Chain.

INTRODUCTION

Quality is a term that carries important meaning to both producer and customer. In the global market today, many organisations realized that their survival in the business world will depends highly on producing high quality product and services. Everyone has had experiences of poor quality while dealing with business organisations (Gelade and Young 2008). The experience of poor quality is exacerbated when employees of the company either are not empowered to correct quality inadequacies or do not seem willing to do so. There are service employees who do not seem to care and the consequences of such an attitude are lost customers and opportunities for competitors to take advantage of the market need. Successful companies understand the powerful impact customer-defined quality can have on business (Osman et al., 2007). For this reason many competitive firms continually increase their quality standards. Hence, TQS has become increasingly prevalent as one of the management strategies in ensuring customer satisfaction and loyalty, improving product and service quality and reinforcing continues improvement. The present research investigates TQS in the automobile service sector due to the general quest for quality and to find its impact on external and internal market orientation. Automobile service sector plays a very vital role in the economic life of the country. This sector is chosen for the present study due to its importance as end product and service provider. In addition, TQM is one of the measurements to ensure that the vehicles produced are rightly delivered, providing excellent after sale service, attaining and retaining the customers, repeat business sales, growth and customer satisfaction. So for a vigorous economic system of a country it is essential that this service sector of the country must be profitable enough to generate enough funds necessary for economic growth. Whereas, profitability of the sector is largely influenced by the trust of its customers that can only be sustained by efficient working. Efficiency can only be achieved if employees are satisfied enough to satisfy the customers. According to Heskett et al. (2008), Internal service quality components consisted of work place design, Job Design, Employee's selection and development, Employee rewards and recognition and tool for serving customers. They linked internal service quality with employee satisfaction that further navigate employee loyalty and commitment that leads to the external service values of

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organization i.e. customer perception of service quality. In general, it appears that favorable experiences in the workplace are frequently associated with favorable experiences for the customer. In addition to gaining high levels of employee satisfaction, the importance of achieving high levels of customer satisfaction has also gained the attention of researchers and practitioners. This is especially the case in the service sector, where many companies are focusing upon service quality improvement issues in order to drive high levels of customer satisfaction which ultimately leads to better business performance in the form of profitability and growth. Total quality service (TQS) and its components have a direct impact on customers' assessment of a company and the willingness to choose the service provider. Cavana et al. (2007) reported that Total Quality service becomes a crucial competitive bludgeon in service sector for the survival and growth as they compete in the marketplace so, only thing through which service oriented firms can gain customers is the service quality in totality (Heskett et al., 2008;Stafford, 1996).

These interlinks that started from internal service quality up to organization's financial performance are referred to as Service Profit Chain. The Service Profit Chain Model provides an integrative framework for examining how total quality service (TQS) effects the internal service quality and how its variables are related to external service quality i.e., customer satisfaction variables and how they ultimately results in profit. According to Richheld (2000), the two main variables that form different links in the service-profit chain model are customer and employee.

Numbers of studies are conducted in the past decades on the relationship among these drivers for successful service delivery (Schneider and Bowen, 1985; Hallowell et al., 1996; Prichard and Silvestro, 2005). These studies focused on the partial relationships between internal service quality (Employee satisfaction) and external service quality (customer satisfaction). More comprehensive relationships are reflected with the service profit chain and a conceptual model for including the linkages of management practices with service companies (Heskett et al., 2008). However, they did not consider service quality that affects the performance of employees and thus

affecting customer satisfaction. Furthermore, numerous researches have been undertaken to look at the relationship between employee satisfaction and customer satisfaction but no study yet conducted to unearth the links of service profit chain at one place. The purpose of this research is to determine all the possible links involved in the relationship between total quality service and financial performance of the business through service profit and to investigate an integrated model for the relationships among total quality service, internal service quality, external service quality and business performance which ultimately leads to profit and growth

PROPOSED MODEL
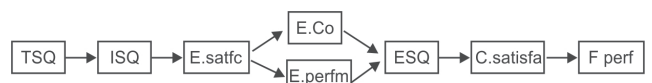
OBJECTIVES OF THE STUDY

Automobile sector is becoming more and more competitive every day. In order to be successful in the field, focus is on providing quality services to its customers by satisfying its employees. The paper is designed to investigate the role of total quality service on financial performance through service profit chain. The paper also plans to design a model depicting the direct structural relationship between Total quality service, Internal service quality, Employee satisfaction, Employee commitment, Employee loyalty, External service quality, Customer satisfaction and Financial performance.

LITERATURE REVIEW

The Service Profit Chain provides an integrative framework for examining how employee satisfaction variables are related to customer satisfaction variables and how they ultimately results in profit (Xu and Goedegebuure, 2005). The impact of TQS on financial performance of the business in the form of profit and growth through service profit chain states that satisfied and motivated employees are productive in a sense that they give rise to satisfied and loyal customers and loyal customers incline to purchase more, thus, escalating the revenue and profits of the organization (Gelade and Young, 2005). According to him the two main variables that form

different links in the service-profit chain models are customer and employee. The organizations activated a righteous cycle through total quality service that won employees' and customers' loyalty. This cycle was: increased in customer loyalty enhanced profitability that facilitated the organization to better pay, fascinated and retained the best employees. Within this framework, the impact of TQS on financial performance of the business through service profit chain may be described as follows: total quality service affects the internal service quality through its components (like management commitment, Benchmarking, Human Resource Management, Technical Systems, Information and Analysis, Service Marketing, Social Responsibility, Service Culture, Servicescape and Continuous Improvement), internal service quality affects employee satisfaction and employee satisfaction affects customer satisfaction through commitment and loyalty which ultimately affects the financial performance of the business in the form of profits and growth.

Different authors have suggested different dimensions of internal service quality. According to Gelade and Young (2005) and Hallowell et al., (1996) there are eight components of internal service quality, which are tools, teamwork, management, training, reward/recognition, goal alignment, policies/procedures, and communication. According to the "service-profit chain" model presented by Heskett et al., (1994) Internal service quality components consisted of work place design, job design, employee's selection and development, employee rewards and recognition and tool for serving customers. They linked internal service quality with employee satisfaction that further navigate employee loyalty and employee commitment that leads to the external service values of organization i.e. customer perception of service quality. Hallowell et al., (1996) argued that service organizations which are attempting to increase external customer satisfaction must initiate by delivering high service quality to internal customers. It was reported that internal service quality is strongly related to job satisfaction and external customer satisfaction. Lee and Park (2008) also found significant relationship between internal service quality and perceived service quality.

CUSTOMER LOYALTY AND FINANCIAL PERFORMANCE

Satisfied employees leads to satisfied customers and lead an organization towards profits as employee satisfaction has a strong influence on employee turnover intention, employee loyalty and also customer satisfaction (Xu and Goedegebuure, 2005). Many authors suggested that the positive relationship prevails between customer loyalty and business performance (Reichheld, 2000; Sheth and Parvatiyar, 1995). Loyal customers in addition to increase the value of the business also enable it to sustain lower costs than those attached with attracting new customers. Reichheld and Sasser (1990) also emphasized that the positive relationship exists between customer loyalty and business performance. Customer loyalty means that more customers will repurchase in the future. Strong Customer Loyalty base of a firm should be reflected in firm's financial returns because a stable stream of future cash flows is guaranteed by it.

Internal Service Quality, Perceived Service Quality and Employee Satisfaction:

Internal service quality refers to the attitude that people have towards their jobs, colleagues and companies (Heskette et al., 2008). Whereas, Perceived service quality is regarded as the feeling customers have regarding the superiority and inferiority of the service provider (Tsoukatos and Rand, 2006). Many authors are of the view that the strategy that is considered essential and indispensable for success and survival in today's competitive and cutthroat environment is delivering service quality (Parasuraman et al., 1985). An important determinant of employee satisfaction is internal service quality perceived by the employee (Xu and Goedegebuure, 2005; Heskette et al., 1994).

Employee Satisfaction and Customer Satisfaction:

When internal customers are happy they will try to make external customers happy. As Dick Clark, Group Leader of Financial Services at Monsanto said, "its common sense. When people feel great about the place where they work, they provide better customer service."The service profit chain is thought to involve an association between employee satisfaction and customer satisfaction.

Reported correlations between customer satisfaction and a wide range of employee perceptions provide ample evidence to suggest that favorable employee experiences, as reflected by attitudes such as satisfaction and commitment, and by positive evaluations of organizational climate, are associated with elevated levels of customer satisfaction. As Bulgarella (2005) stated that: "Employees that interact with customers are in a position to develop awareness of and respond to customer goals and needs. Satisfied employees are empowered employees; in other words, they have the resources, training, and responsibilities to understand and serve customer needs and demands." Heskett et al., (2008) also proposed that there is an association between employee satisfaction and customer satisfaction.

Employee Satisfaction directly influences Customer Satisfaction:

Another crucial link in the relationship is the relationship between customer satisfaction and financial performance. Management theorists and chief executives have often argued that superior business performance depends critically on satisfying the customer (Harter et. al., 2002). In support of this view, consumer researchers have established that customers who are satisfied with a supplier report stronger intentions to purchase from that supplier than do dissatisfied customers (e.g. Anderson et al 1994; Mittal, Kumar, & Tsiros, 1999; Zeithaml, Berry and Parasuraman, 1996). Strong and positive correlations between customer satisfaction and financial performance have been noted in the restaurant sector by Beerli et al. (2004) and in the retail sector by Rucci et al. (1998) and Luo and Homburg (2007). In the banking sector, Loveman (1998) found that higher customer satisfaction leads to increased cross-selling at the branch level, and Ittner and Larcker (1998) found customer satisfaction was a leading indicator of revenue, and growth. These lead to the following hypotheses-

H1: TQS leads to internal service quality;

H2: Internal service quality leads to employee satisfaction;

H3: Employee satisfaction leads to employee commitment

H4: Employee satisfaction significantly affects employee performance;

H5: Employee commitment significantly

affects external service quality;

H6: Employee performance significantly affects external service quality;

H7: External service quality significantly affects customer satisfaction;

H8: Customer satisfaction significantly affects financial performance.

Mediating Role of Employee and Customer Satisfaction:

The total quality service is a conceptually appealing theory of organizational performance, and the empirical evidence suggests that it may be applicable at the business unit level of analysis. The central proposition of the relationship of TQS on financial performance through service profit chain is that employee satisfaction and customer satisfaction mediates (either partially or completely) the relationship between total quality service and financial performance. Both Loveman (1998), and Ryan et al. (1996), examined employee attitudes, customer satisfaction, and financial performance at the business unit level, but neither examined mediation effects. Only Rucci et al. (1998) have reported a mediation model. They stated that 'a 5-point improvement in employee attitudes will drive a 1.3- point improvement in customer satisfaction which in turn will drive a 0.5% improvement in revenue growth.' However, insufficient statistical detail was presented in their article to allow a critical assessment of these findings, and it is not clear whether they tested for partial mediation or simply assumed a fully mediated model. In the present study, first we examine a structural model and then we conduct formal tests for the mediating effects of employee satisfaction and customer satisfaction.

RESEARCH DESIGN AND METHODOLOGY

The study is evaluative in nature as it tries to establish the theoretical relationships between total quality service and financial performance through service profit chain. To prove the relationship following methodology has been adopted:

GENERATION OF SCALE ITEMS

The survey questionnaire is composed of questions relating to eight scales viz; total quality

service, internal service quality, employee satisfaction, employee commitment, employee loyalty, external service quality, customer satisfaction and financial performance.

The Total Quality Service questionnaire consisted of 91 statements on 7 point Likert scale, covering ten dimensions (Saravanan and Rao, 2006; Osman et al., 2007; Sureshchandar et al., 2001).

For the measurement of Internal service quality 22 statements with three dimensions were taken up.

The questionnaire for measuring employee satisfaction, customer satisfaction, employee commitment and employee loyalty has been adopted from Sureshchandar et al., (2001) and Fuentes et al. (2007).

The scale for measuring employee commitment has been adopted from Lawler (1994) with seven statements.

The questionnaire for measuring employee performance has been adopted from Fuentes et al. (2007) and Venkatraman and Ramanujam (1986) having five statements.

The scale for measuring external service quality has been adopted from Narver and Slater's (1990) 7- point rating scale with 15 items.

The questionnaire for measuring financial performance has been adapted from Fuentes et al. (2007) and Venkatraman and Ramanujam (1986). It consists of five statements. Financial performance has also been measured through objective criteria's like sales growth and profits in % age.

SAMPLE SIZE AND DESIGN

The study confines to the showroom cum service stations of major players of automobile industry i.e. Maruti Udyog, Hyundai Motor Ltd., and Tata Motors Ltd. In order to avoid the problem of common method variance data have been collected from multiple respondents i.e. executives, employees and customers. All (85) executives, which include General Managers, Deputy General Managers, Managing Director, and Functional Managers of the showrooms, employees (380) and customers (289) in Jammu Province were contacted for primary data collection. Census method was used for collecting the data from executives and employees. The total number of customers was 10,800. To determine

the final sample size, a pilot survey of seventy customers, selected conveniently, was conducted. The final sample size for customers comes to 289, which has been identified on the basis of pre testing results by the application of formula proposed by J.K Sharma (2007).

$$n = no \ N/no+ \ (N-1)$$

Where $no = (Za/2)^2 * S.D^2/ E^2$

$(Za/2) = 1.96$,

S.D= Standard Deviation,

E= Sample Error

The response rate from executives was seventy two percent, from employees it was eighty nine percent and for customers it was ninety three percent.

DATA ANALYSIS

The data has been analyzed with the help of two software (SPSS and AMOS). Before data analysis, it was duly purified with the help of exploratory factor analysis and validated through confirmatory factor analysis (CFA). The detailed result of exploratory and confirmatory factor analysis is as under:

SCALE PURIFICATION-EXPLORATORY FACTOR ANALYSIS

The multivariate data reduction technique of factor analysis has been used for the study. It involved examination of inter-relationship among variables and reduction of large number of variables into few manageable and meaningful sets. Factor analysis was carried to simplify and reduce the data. It was carried with Principal Component Analysis along with orthogonal rotation procedure of Varimax for summarizing the original information with minimum factors and optimal coverage. The study aims at using factor analysis, primarily because of its three general functions i.e. reducing the original set of variables to a small set, which accounts for most of the variance of the initial set; searching data for qualitative and quantitative distinctions and statistically testing of priori hypothesis about number of dimensions or factors underlying a set of data (Kaur et al., 2009). All the five major methodological issues that a researcher should consider when conducting a factor analysis (Fabrigar et al., 1999) were taken care of while pursuing factor analysis, as these decisions have

an important bearing on the results obtained. These are: a) What variables to include (Cattell and Gorsuch, 1963), b) appropriateness of factor analysis, c) selection of appropriate procedure, d) number of factors to be included, and e) selection of appropriate rotational method.

Factor analysis resulted in measured variables with communalities above 0.50, indicating high reliability and validity. Further, as the goal was to identify a set of dimensions underlying the measured variables so as to arrive at a parsimonious representation of the associations among measured variables, factor analysis was found to be an appropriate form of analysis. The statements with factor loading less than 0.5 and Eigen value less than 1.0 were ignored for the subsequent analysis (Sharma and Jyoti, 2006). The detailed outcome of scale purification for all constructs is explained as under:

The TQS questionnaire consisted of 91 statements covering 10 dimensions namely top management commitment, benchmarking, HRM, technical system, information analysis, service marketing, social responsibility, service culture, servicescape and continuous improvement got reduced to 47 under ten factors explaining about seventy nine percent of total variation. The Factor loadings, mean, standard deviation, alpha and Eigen values are presented in Table 1

The 22 items of internal service quality got reduced to 10 generating 0.798 as KMO value (Table 2).

The nine statements of employee satisfaction got reduced to six under one factor with good KMO value (0.876). The communalities were above 0.50. The variance explained was also very good (72%) and eigen value came to 11.678 (Table 3).

The seven statements of employee commitment generate 0.789 as KMO value and explaining 72 percent variance (Table 4).

The five statements of employee performance explain about seventy percent variations and 0.701 as KMO value (Table 5).

The 15 items of external service quality got reduced to 8 having good KMO value (0.780).The variance explained was also very good (80 %, Table 6).

The sixteen items of customer satisfaction scale got reduced to ten under one factors generating 0.754 as KMO value. The Variance explained for customer satisfaction has arrived at sixty eight percent and the eigen value is 6.80 (Table 7).

The financial performance construct which initially consisted of 15 statements got reduced to 12 explaining 63 percent variance. The mean and standard deviation is presented in Table 8.

VALIDITY-CONFIRMATORY FACTOR ANALYSIS (CFA)

Confirmatory factor analysis (CFA) uses a multivariate technique to test whether a pre specified relationship exists between the manifest and latent variables. It is used to provide a confirmatory test of our measurement theory. It is a way of testing how well measured variables represent a latent constructs (Demirbag et al., 2006). The items that emerged after EFA under the individual factor were averaged for the application of CFA and items with Standardised regression weights (SRW) less than 0.50 were deleted (Hair et al., 2006). Fitness of the model has been assessed with various global fit indices like goodness of fit index (GFI), adjusted goodness of fit index, comparative fit index (CFI), normed fit index (NFI), Root mean squared error (RMR) and Root mean square error of approximation (RMSEA). For the model to be fit, at least one absolute criterion and one incremental fitness criteria should meet the prescribed limits (Hair et al. 2006).

The measurement models proved acceptable with all the values of absolute goodness fit measures and incremental fit measures being within the prescribed limit (Table 9). For internal service quality, external service quality, employee commitment, employee loyalty, external service quality and financial performance no item was deleted, as all the items generated standardized regression weight above 0.50. Seventy five items of total quality service were reduced to fifty and ten items of customer satisfaction scale were reduced to six.

CONVERGENT VALIDITY

It is defined as "the degree to which two or more attempts to measure the same concept ... are in agreement" (Bagozzi and Phillips, 1982, p. 468). Convergent validity tests the extent to which the covariance between the two measures is uniquely explained by the trait factor (Lim and Ployhart 2006). Thus, items that are indicators of a specific

construct should converge or share a high proportion of variance in common. According to Bagozzi and Phillips (1991) CFA can be used to assess convergent validity. The authors suggested that if all the factor loadings of indicators on their constructs are significant, convergent validity is attained. It can be established in three ways:

a) Factor Loadings: High factor loadings, i.e., above .50 or ideally .70 or higher, indicate level of convergence. Convergent validity gets established in the study as all loadings are above .50 (Table 1, 2, 3, 4).

b) Average Variance Extracted: In CFA, the average percentage of variance extracted (VE) is a summary indicator of convergence. VE has been calculated by using standardised loadings, which is as under

AVE= Ó (Std. Loading) ^{2} / number of items

If AVE is 0.50, convergent validity gets established and in our case AVE for all the constructs is 0.70 (Table 10).

c) Bentler-Bonnet Delta Coefficient: It indicates that the scale is measuring its intended concept (Hair et al., 2006). A scale with Bentler-Bonnet coefficient values of 0.90 or above implies strong convergent validity (Bentler and Bonnet, 1980). Bentler- Bonnet coefficient for all the four scales are above 0.90 (Table 10), indicating strong convergent validity.

DISCRIMINANT VALIDITY

It describes the degree to which the operationalisation is not similar to other operationalisation. Fornell and Larcker (1981) highlighted the importance of evaluating the discriminant validity of the constructs used. A successful evaluation of discriminant validity shows that a test of a concept is not highly correlated with other tests designed to measure theoretically different concepts. It has been proved by comparing the variance extracted with squared correlations between two constructs. The variance extracted for the constructs is higher than the squared correlation thereby proving Discriminant validity of the constructs (Table 11).

RELIABILITY

Reliability of the constructs has been checked through internal consistency by the application of Cronbach's alpha (Cronbach, 1951) as well as by

extracting the composite reliability with the help of variance extracted. Alpha values equal to or greater than 0.70 indicate high construct reliability (Nunally, 1970; O'Leary-Kelly and Vokurka, 1998). The alpha values for total quality service ranged from 0.89 to 0.96 (Table 1), for internal service quality it was 0.954 (Table 2), for employee satisfaction it was 0.974 (Table 3), For employee commitment it was 0.879 (Table 4), for employee performance it was 0.952 (Table 5), for external service quality it 0.972 (Table 6), for customer satisfaction it was 0.954 (Table 7) and for financial performance, it was 0897 (Table 8). Composite Reliability for all is above 0.70 (Table 10) during CFA. Thus the Cronbach's alpha and composite construct reliability indicate that the scales are quite reliable.

RESULTS

Profile of the Respondents

The demographic information included position, gender, age, academic qualification, professional qualification, and job experience. The descriptive statistics in case of executives indicates that out of seventy two, 75% are male. Most of the respondents are above 40 years in age. About 62% are graduates and 39% are under graduate and about 22% respondents have professional qualification like MBA. Out of total, 12% are managing directors, 13% are general managers and 19% are deputy general managers and 56% are functional managers. In case of employees eighty nine percent respondents were male. About 34% employees were under graduate and 37% were graduates, 15% belong to post graduate category. About 69% customers are male.

ANALYSIS OF FINANCIAL PERFORMANCE

The data for financial performance has been analyzed in both subjective and objective ways. The objective performance of the business as per the sales growth and profits in % age reveals that the performance of the showroom of Maruti in Jammu dominates the performance of others in term of sales and profit growth. The average sales of the showroom of Maruti increased by an average of 3% per year (27% on 2006, 29% in 2007and 32%in 2008) accompanied with growth in profits (16% in 2006, 18% in 2007 and 22% in 2008). In case of Hyundai, the sales increased

from 16% to 23% and profit increased from 7% to 17%. This raise in performance was mainly due to the opening of new showroom of Hyundai. From 2006 to 2008 average sales and profits of Tata Motors has arrived at 20.66% and 11.33%. This reflects that Tata Motors ltd. in Jammu province trying to improves its performance and competes with Hyundai ltd. in terms of average sales and profits. **The subjective analysis is as under:**

The **financial performance** of an organization can be evaluated from its profits and profitability growth, sales volume, competitive position and market share. The managers viewed that the competitive position of their showroom has been strengthened, which is reflected through their increased sales volume, increased profits as compared to previous years and enhancement in the overall market share (Antony et al., 2002). The overall analysis of the financial performance reflected that for improving financial performance, its sales growth, market share and profitability play a major and significant role.

ANALYSIS OF EMPLOYEE PERFORMANCE

The analysis of data from managers as well as from employees reflects the level of satisfaction, absenteeism, employee turnover, participation and efficiency level. Managers as well as employees both revealed that they are satisfied with the organization which helps to reduce the employee turnover. On the whole both are satisfied with their business performance and are continuously striving to move ahead.

ANALYSIS OF EMPLOYEE SATISFACTION

Employee satisfaction is the terminology used to describe whether employees are happy and contented and fulfilling their desires and needs at work. Many measures purpose that employee satisfaction is a factor in employee motivation, employee goal achievement, and positive employee morale in the workplace. The analysis revealed that they are satisfied (5.73). Factors contributing to their satisfaction were monetary awards for up to mark performance, various incentives for motivation, satisfaction from job, conducting of grievance redressal meetings, treating employees with respect and freedom to do work with least interference.

ANALYSIS OF CUSTOMER SATISFACTION

Conforming customer's needs and expectations is the essence for success in today's business. Organisations that understand what customers really want and provide a product or service to meet these requirements can gain competitive advantage and profit. The mean value has arrived at 5.78 reflecting its importance as a driving force to establish the quality goals. Customers revealed that they get correct delivery of services at the first instance, which is based on their feedback forms provided to them for, continues improvement. According to customers, the employees are technically capable and always strive to make them feel safe and secure. Moreover they agreed that they get caring and best attention from employees of the showrooms because they keep customer's delight in mind such as convenient working hours and effective redressal of complaints. About eighty percent customers stated that time to time analysis is done to measure their satisfaction from services provided. They further added that employees are courteous and behave well with them which enhance their satisfaction. In-depth analysis of the aspect reflected that customers feel that executives and employees of the showrooms are customer focused and keep their satisfaction in mind while providing services.

ANALYSIS OF EXTERNAL SERVICE QUALITY

Depending on circumstances, a variety of techniques will be used to provide assistance to customers by providing then required information as well as supplementary guidance on approaches, procedures, and techniques for increasing the level of satisfaction. They remarked that they get reminder on time when the installment is due as well as on time reminder for after sale services. Along with on time reminders, service delivery status is also displayed for the convenience of the customers. The analysis reflects that showroom authorities gave assistance to customers in the form of information to its customers. The whole analysis of the external service quality reflects that customers are satisfied with the efforts made by showroom authorities.

ANALYSIS OF INTERNAL SERVICE QUALITY

Internal service quality means the analysis pertaining to employees' need and preferences which includes the analysis of the factors, which makes them committed, loyal and performs well. Internal service quality might be affected by endogenous factors like managerial policies, competitors, technology and other forces (Johlke and Duham 2000). Analysis revealed that employees are satisfied with the managerial efforts to sort out their grievances at their work place by meeting them at regular intervals to find out their future expectations from their jobs. Further regular staff meetings are conducted to make them more satisfied. Seminars and workshops are organized on regular basis for their knowledge enhancement. On the whole employees feel that management respond properly towards their needs and expectations by providing them quality services.

ANALYSIS OF MANAGEMENT COMMITMENT

Employees opined that top management is committed to the philosophy of quality management as well as quality implementation. Moreover employees are also committed to the job which leads to customer satisfaction. Management also consider their employees as valuable asset for their organization and help them to solve their problems this will encourages mutual trust and respect among employees which in turn enhances their performance and commitment level. In short employees are committed to their work and work place.

ANALYSIS OF TOTAL QUALITY SERVICE (TQS)

Managers reflect that they are fully committed to their job for enhancing the quality of products. They fulfill their social obligations towards society by providing various services to their customers at easier reach. They technically guide their subordinates which become the part of service culture. This will strive them for continuous improvement. In order to achieve the targets and to improve their performance, they set benchmark to facilitate the comparisons with competitors. In depth analysis of TQS reflects that effective implementation of TQS system can positively influence business performance both in financial and operational context.

Relationship between Total Quality Service (TQS) and Financial Performance through / Role of Service Profit chain

Structural Equation Modeling is a multivariate technique that seeks to explain the relationship among multiple variables. In the present study, the relationship among total quality service, internal service quality, employee satisfaction, employee commitment, employee performance, external service quality, customer satisfaction and financial performance have been assessed. First, a test of not-close fit was carried out for each model. The root-mean square error of approximation (RMSEA), a measure of model residuals, has been used in conducting this test. Since the upper bound of the RMSEA confidence interval for all of the models is quite below 0.10, the hypothesis of not-close fit could be rejected (MacCallum et al., 1996). Thus, it could be inferred that none of the models had a poor fit. Furthermore, to minimize the effect of sample size in assessing model adequacy, CFI and SRMR were used to assess model fit in addition to the $\chi 2$ significance test, because CFI and SRMR are relatively unaffected by sample size. The goodness-of-fit indices for the structural model, ($\chi 2$= 33.651, df =6, $\chi 2$/df =5.608, GFI = 0.954, AGFI= 0.978, NFI= 0.965, CFI= 0.992, RMR= 0.034, RMSEA=0.062, Table 12) are well within the generally accepted limits, indicating a good fit. The effect of total quality service on financial performance has been explored indirectly through the components of service profit chain i.e. internal service quality, employee satisfaction, employee commitment, employee performance, external service quality, customer satisfaction. Nine paths have been traced (Fig.2) and the results revealed that all the paths explored in the model are significant viz; total quality service significantly affects the internal service quality (β =0.72, P < 0.001, Fig. 2, Table 12). It supports the first hypothesis i.e., total quality service significantly influences internal service quality. The possible reason behind the significant impact of total quality service on internal service quality lies in the notion that total quality implementation in a service organization brings all the people together to ensure and improve the services provided by improving the work environment, working culture and satisfaction level of employees. Thus it brings/ improves internal service quality (Hua et al 2000).

The second path traced the relationship between internal service quality and employee satisfaction. The standardized regression weight for the hypothesized relationship between internal service quality and employee satisfaction (β= 0.65, p<0.001, Table 12) is significant which confirms the third hypothesis that internal service quality significantly affects the employee satisfaction. The employees in an organization where internal service quality is good are generally highly motivated and thus they reflect their satisfaction (Hemdi et. al., 2003).

In internal service environments in which customers are highly demanding of employees, coupled with employees who in turn hold high expectations and satisfaction from their jobs leads to high commitment toward their job (path 3) and better performance (path 4). Thus our third and fourth hypothesis stands to be accepted i.e. employee satisfaction leads to employee commitment and employee satisfaction significantly affects employee performance. Satisfied employees always considered as a valuable asset for the organization (Harter et. al. 2002).

The fifth path traced the in direct relationship between employee satisfaction through employee commitment. In order to finds out whether there is moderating or mediating relationship between employee satisfaction and employee performance, variables i.e. employee commitment was introduced in between the relationship. When the variable employee commitment was introduced in the relationship between employee satisfaction and employee performance, the direct effect of employee satisfaction on employee performance was increased (β from 0.51 to 0.67) which reflected the moderating role of employee commitment in the relationship. In order to check out the significance of indirect relationship, sobel test was applied through Sobel software whose values is significant (ES-EC – E.Perf= 4.721, p < 0.001 The rationale behind this is that satisfaction among employees from their work and work place makes them committed which ultimately improves their performance. They work for the betterment of the organization with more zeal and enthusiasm (Patterson et al. 2004).

The sixth path reflected that the employee commitment (β = 0.75, CR=7.562, p <0.001) and seventh path reflected that employee performance (β = 0.71, CR=7.201, p <0.001) significantly affects

the external service quality (ESQ). The reasons might be that in today's business world the linkage between employee commitment and his performance with external service quality (ESQ) is undeniable due to the importance of employees' as the most critical point of differentiation for any company. Satisfied employees generate satisfied customers', who in turn build long term relationship and spend more money. The organization regardless of industry, could improve organizational performance by improving employee satisfaction (Allen and Grisaffe, 2001). Thus our fifth hypothesis i.e. employee commitment significantly affects external service quality and sixth hypothesis i.e. employee performance significantly affects external service quality stands to be accepted.

Further the eighth path reflected that external service quality affects customer satisfaction (β = 0.70, CR=7.874, p <0.001). It is because when an organization provides every sort of service to customer at their ease and door step, then customer reflects their satisfaction with that particular service provider and wants to associate with him in future also. Thus it leads to the acceptance of hypothesis that external service quality affects / brings customer satisfaction.

Ninth path reflects the direct and significant relationship between customer satisfaction and financial performance of the business (β = 0.81, CR=3.865, p < 0.001) because the customer satisfaction directly affects equity prices, annual sales growth, market share and gross margins, leads to the acceptance of eighth hypothesis. Companies that are better than their competitors in terms of satisfying customers generate superior returns. Thus customer satisfaction may be regarded as a strong predictor of future business performance in financial terms (Gruca and Lopo, 2005).

In nut shell, total quality service brings financial performance by providing quality service to its employees who further responsible for external service quality and making customers satisfied. External customer satisfaction cannot be achieved without the fundamental contribution of the employees who provide them service. It is the employees who stay focused on customer's needs and TQS is one of the way of creating the work environment which initiates and maintains the work culture that may aid to produce the appropriate behavior of employees by making

them satisfied and thus improving financial performance of the business.

CONCLUSION AND RECOMMENDATIONS

The novelty of this study lies in its inclusion of total quality service along with the components of service profit chain like internal service quality, employee satisfaction, employee commitment, employee performance, external service quality, and customer satisfaction while investigating the relationship between total quality service and financial performance in service sector. This paper investigated a link between total quality service and financial performance of the business through employees and customers variables that is core in a service profit chain. In this study, exploratory and confirmatory factor analyses have been used to produce empirically verified and validated underlying dimensions of various constructs. TQS provides a vision that keeps focus on quality and performance improvement. The result shows that total quality service directly affects internal service quality, internal service quality directly and positively affects employee satisfaction, employee satisfaction directly and positively affects employee commitment and employee performance as well as indirectly affects to employee performance through employee commitment. Employee performance and employee commitment, in turn, directly influences external service quality and external service quality in turn, positively affects customer satisfaction. Finally, customer satisfaction results in elevated profits i.e. financial performance. So showroom managers should devise such policies and HR practices that result in increased employee satisfaction that lead to increased customer satisfaction. The findings of the study suggest that an effective implementation of TQS system can positively influence organizational financial performance through service profit chain. Although numerous marketing studies have proved that total quality service has a direct and positive impact on organization performance (Samad, 2009), the study finds indirect relationship between employee satisfaction and employee performance mediated by employee commitment. The findings of the study further conclude that employees of the showrooms are more satisfied with the internal service quality provided to them than that of the customers from external service quality which reflects the employees should do some more efforts to disseminate what they will receive from managers in the form of service quality. So, it is recommended from the need of the hour for the automobile service sector is to integrate systems that design and implement such HR practices and policies to support the employees and customers in high service environment.

The findings confirm that TQS alone may not create a better performance in current scenario. If it is applied with service profit chain then TQS strategy may yield better performance in service sector. Therefore, service profit chain is considered as a facilitating management tools for improving the business financial performance in dynamic service sector.

The findings of the study further conclude that employees of the showrooms are more satisfied with the internal service quality provided to them than that of the customers from external service quality which reflects the employees should do some more efforts to disseminate what they will receive from managers in the form of service quality. So, it is recommended from the need of the hour for the automobile service sector is to integrate systems that design and implement such HR practices and policies to support the employees and customers in high service environments.

LIMITATIONS

The study is also subjected to some limitations like-

- This study covers the managers, employees and customers belong to service sector alone.
- The link between employee satisfaction and employee performance through employee commitment is not hypothesized.
- The data were collected from automobile showrooms of the Jammu province, which may restrict to some extent generalizability of the findings.
- Scope of subjectivity might be there because respondents responded according to their own perceptions.

RECOMMENDATIONS FOR FUTURE RESEARCH

The issues associated with the limitations inherent in this study require further research considerations. Future research should consider some more mediation test and research is also needed to empirically test the relationships.

THEORETICAL IMPLICATIONS

The study reflects the relationship between TQS and financial performance through service profit chain.

FUTURE RESEARCH DIRECTION

The study provided a detailed investigation into the fast growing concept of total quality service with relation to business performance. The findings highlight the role of mediators in total quality service which affect the performance of the business. Since the study measures the perception of executives of the showrooms, in future the perception of employees and customers need to be explored. Moreover a comparison between manufacturing and service sector may provide further insights into TQS and Business performance relationship.
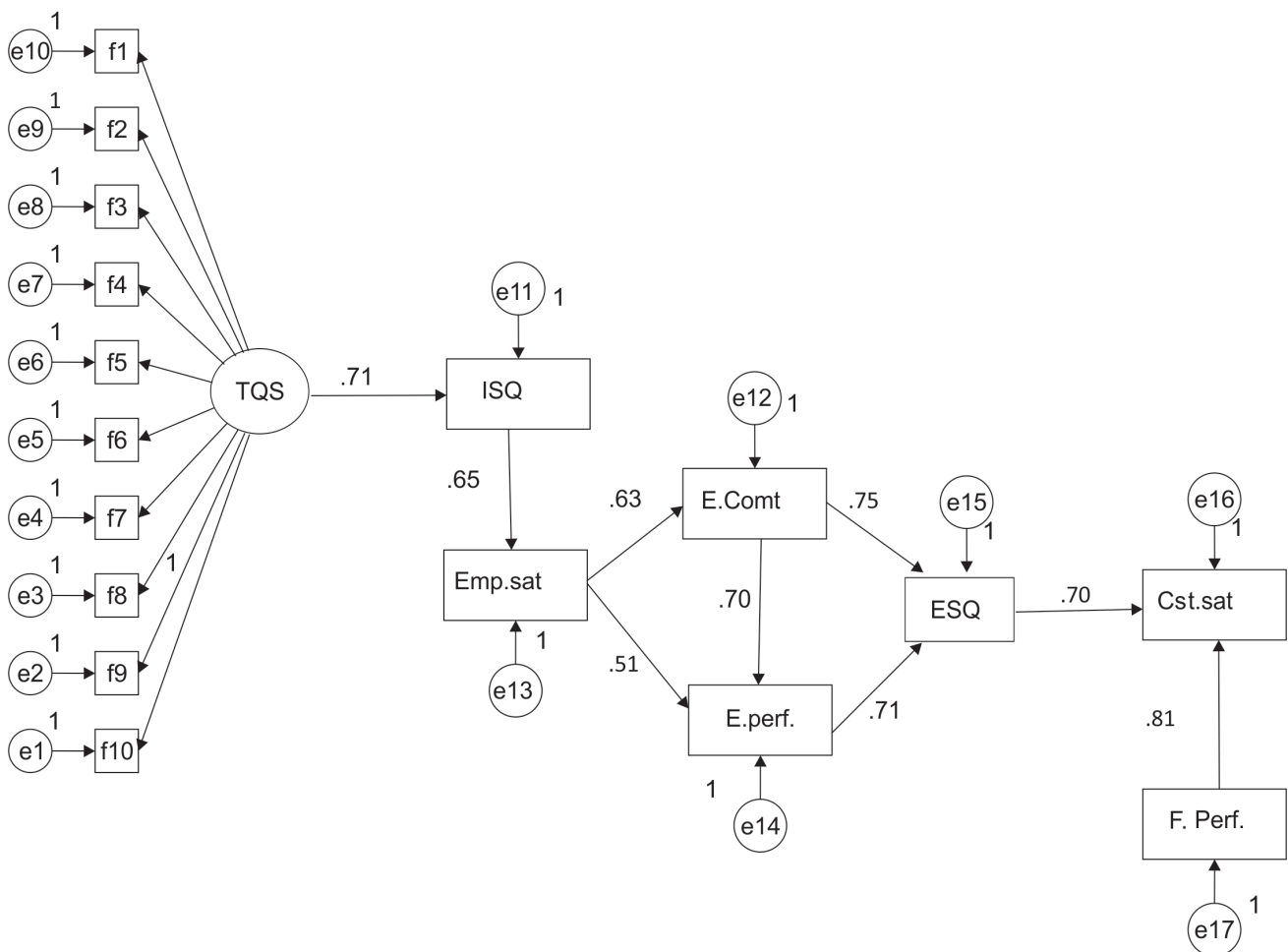
Key: F1- top management commitment, F2-Benchmarking,F3-Human Resource Management, F4-Technical system, F5.- Information analysis,F6- Service marketing, F7.- Social Responsibility, F8- Service culture, F9-servicescape, F10- Continues improvement, TQS-Total quality service ISQ- Internal service quality.

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Table 1 : Summary of result from scale purification for Total Service Quality

Total Service Quality	Factor Loading	Mean	S.D	Alpha	Eigen Value	KMO	VE
MGT. COMMITMENT (F1)		5.80			1.233	0.806	78.82
Mutual trust and respect	0.813	5.58	1.910				
Participative management	0.915	5.87	0.983				
Skillful supervisor	0.698	5.57	0.956				
Consensus approach	0.527	5.91	0.991				
Planning and decision making	0.862	5.45	0.876				
Guidance to subordinates	0.838	5.62	0.873				
BENCHMARKING (F2)		5.69			2.10	0.789	74.77
Achieving Cust. satisfaction	0.749	5.66	0.982				
Training and development	0.768	5.75	0.863				
Customer satisfaction	0.783	5.66	0.823				
HRM (F3)		5.64			2.453	0.688	73.05
Inspection of vehicles	0.902	5.41	1.34				
Usage of quality circles	0.904	5.70	0.977				
Employees involvement	0.893	5.54	1.06				
Suggestions for innovations	0.920	5.58	0.653				
Effectiveness of quality circles	0.928	5.50	0.722				
TECH. SYSTEM (F4)		5.65			1.927	0.686	64.217
Redesigning of processes	0.806	5.70	0.550				
Time and Motion studies	0.866	5.66	0.637				
Documentation of ser. processes	0.726	5.70	0.690				

INFO.ANALYSIS (F5)		5.78		2.340	0.727	68.234
Market analysis	0.892	5.83	0.761			
Analysis of costs	0.818	5.79	0.721			
Market investigation	0.858	5.64	0.733			
SERVICE MKT. (F6)		5.67		1.908	0.657	64.836
Extended warranty	0.868	5.79	0.658			
Reminder letters to customers	0.823	5.75	0.675			
Information to customers	0.639	5.54	0.721			
SOCIAL RESP. (F7)		5.73		2.112	0.753	75.469
Disciplined behavior	0.838	5.91	0.653			
Customer satisfaction	0.826	5.66	0.637			
Equal treatment to all customers	0.908	5.70	0.690			
Establishment of service stations	0.875	5.83	0.816			
Value added services	0.893	5.58	0.717			
SERVICE CUL. (F8)		5.70		3.843	0.809	64.055
Team work and human relations	0.808	5.70	0.750			
Trust and openness	0.872	5.79	0.832			
Make the right in first time	0.792	5.83	0.868			
Feeling of oneness	0.640	5.79	0.779			
Service to customers	0.894	5.62	0.923			
Importance to quality mgt.	0.771	5.50	1.142			
SERV. SCAPE (F9)		5.81		2.958	0.696	66.979
Neat and professional appearance	0.893	5.79	0.721			
Cleanliness practices	0.874	5.87	0.797			
Proper working environment	0.772	5.83	0.761			
Display boards	0.697	5.87	0.740			
Showroom's layout	0.565	5.83	0.701			
Product advertisement boards	0.796	5.87	0.679			
Display of service delivery status	0.889	5.79	0.721			
Attractive materials and colors	0.875	5.66	0.761			
C. IMPROVEMEN (Factor 10)		5.72		3.060	0.762	68.253
Strategic improvement	0.553	5.70	0.750			
Importance to quality	0.844	5.87	0.612			
Importance of work instructions	0.908	5.83	0.701			
Quality management systems	0.729	5.70	0.550			
Quality awareness programmes	0.768	5.66	0.637			
Autonomy in quality department	0.835	5.75	0.675			
Automated inspection/review/ checking	0.840	5.58	0.829			
Quality department data	0.792	5.70	0.750			
Total mean of TQS		**5.70**				

Table 2: Purification for Internal Service Quality Scale

Statements	FL	Mean	Comm.	S.D	Alpha	E.V	KMO	VE
All grievances are duly addressed	0.868	5.83	0.765	0.603	0.954	3.80	0.798	72.00
Training is provided to low performing employees.	0.867	5.75	0.822	0.794				
Employees are rewarded	0.842	5.75	0.897	0.692				
Seminars/workshops are organized	0.855	5.83	0.753	0.730				
Regular staff meetings	0.823	5.57	0.765	0.581				
Efforts were made to find out employees' real feelings.	0.742	5.00	0.875	0.692				
Manager regularly talks to employees about their work.	0.809	5.41	0.887	0.644				
Manager meets employees at regular interval	0.906	5.33	0.786	0.701				
Regular staff appraisal is done.	0.835	5.58	0.754	0.829				
Manager interacts directly with employees.	0.699	5.34	0.689	0.579				
Management does a lot of internal market research.	0.755	5.48	0.876	0.672				
Total Mean and VE		6.087						

Table 3: Purification of Employee Satisfaction Scale

Employee Satisfaction	Factor Loading	Mean	Comm.	S.D	Alpha	Eigen Value	KMO	VE
Grievance redressal meetings	0.916	5.71	0.865	0.739	0.974	11.678	0.876	71.00
Implementation of appraisal system	0.878	5.70	0.873	0.739				
Job satisfaction	0.867	5.83	0.920	0.692				
Monetary awards	0.892	6.04	0.768	0.615				
Freedom to do work	0.776	5.59	0.789	0.876				
Incentives for motivation	0.856	5.86	0.823	0.692				
Total Mean		5.73						

Table 4 : Summary of result from scale purification for Employee Commitment

Statements	FL	Comm.	Mean	S.D	Alpha	EV	KMO	VE
Committed to philosophy of quality mgt.	0.876	0.890	5.32	1.042	0.879	4.532	0.789	72.35
Employees commitment	0.871	0.902	5.45	1.091				
Accounting the competitors for planning and decision-making.	0.790	0.876	5.63	0.989				
Customer satisfaction.	0.821	0.897	5.87	0.976				
Employees as valuable asset.	0.776	0.789	5.79	0.956				
Proper guidance your subordinates.	0.699	0.821	5.99	1.450				
Committed to quality implementation.	0.854	0.934	6.01	1.230				
Total Mean and VE			5.723					

Table 5 : Summary of result from scale purification for Employee Performance

Statements	FL	Comm.	Mean	S.D	Alpha	EV	KMO	VE
The level of employee satisfaction is increased	0.876	0.932	5.67	0.923	0.952	3.401	0.786	69.88
The employee turnover has decreased.	0.764	0.921	5.79	0.956				
Employee efficiency has improved.	0.789	0.945	5.99	1.340				
The level of absenteeism is reduced.	0.890	0.890	6.00	1.230				
Employee participates in managerial affairs.	0.856	0.877	5.97	0.988				
Total mean and VE			**5.88**					

Table 6 : Summary of result from scale purification for External Service Quality

Dimensions	FL	Comm.	Mean	S.D	Alpha	EV	KMO	VE
Feed back for quality Improvement	0.635	0.504	5.460	1.25	0.972	2.789	0.780	79.67
Reminders on time for due installment	0.908	0.828	4.48	1.10				
Reminders for after-sale services	0.849	0.765	5.93	0.612				
Sales staff is responsive and courteous	0.775	0.611	5.996	0.844				
New strategies for customer satisfaction.	0.641	0.592	5.636	1.03				
Service delivery status is displayed in the showroom	0.771	0.597	6.090	0.619				
Modern services like E-cash and cheques are used	0.751	0.565	5.906	0.776				
Customers' complaints are properly addressed.	0.796	0.633	5.425	1.154				
Total mean and VE			**5.615**					

Table 7: Purification for Customer Satisfaction Scale

Customer Satisfaction	FL	Mean	Comm.	S.D	Alpha	EV	KMO	VE
Correct service delivery	0.868	5.83	0.765	0.603	0.954	6.80	0.754	68.00
Feedback forms	0.867	5.75	0.822	0.794				
Technical capability	0.842	5.75	0.897	0.692				
Make customer feel safe	0.855	5.83	0.753	0.730				
Convenient working hours	0.823	5.87	0.765	0.581				
Customer delight in mind	0.742	6.00	0.875	0.692				
Handle customer grievances	0.809	5.91	0.887	0.644				
Dissatisfaction analysis	0.906	5.83	0.786	0.701				
Courteous employees	0.835	5.58	0.754	0.829				
Customers satisfaction	0.699	5.54	0.689	0.579				
Total Mean and VE		5.789						

Table 8: Purification of Financial Performance Scale

Financial performance	FL	Mean	Comm.	S.D	Alpha	EV	KMO	VE
Competitive position	0.856	5.58	0.789	0.775	0.897	2.558	0.701	62.793
Increase in profits	0.973	5.45	0.865	0.931				
Sales volume	0.921	5.58	0.874	0.880				
Market share	0.838	5.70	0.897	0.750				
Firm's reputation	0.734	5.66	0.786	0.816				
Total Mean and VE								

Table 9: Fit Indices of CFA

Constructs	χ2	DF	χ2/df	RMR	GFI	AGFI	NFI	CFI	RMSEA
TQS	75	30	2.500	0.015	0.956	0.869	0.964	0.993	0.065
Internal Service Quality (ISQ)	20.540	6	3.423	0.011	0.983	0.967	0.961	1.000	0.000
Employee satisfaction	15.675	6	2.612	0.042	0.958	0.899	0.936	0.960	0.042
Employee Commitment	36.0	10	3.600	0.023	0.982	0.923	0.945	0.978	0.031
Employee Performance	61.24	17.88	3.425	0.017	0.922	0.976	0.934	0.982	0.023
External Service Quality	30.56	10	3.056	0.016	0.951	0.975	0.976	0.943	0.002
Customer Satisfaction	14.645	5	2.929	0.016	0.965	0.924	0.985	1.000	0.000
Financial performance	25.87	9	2.874	0.023	0.898	0.919	0.967	0.032	0.076

Table 10: Reliability and Validity Analysis

Constructs	Construct Reliability	Bentler-Bonett Coefficient Delta	Cronbach's Alpha
TQS	0.879	0.964	0.965
Internal Service Quality	0.899	0.961	0.954
Employee satisfaction	0.903	0.936	0.974
Employee Commitment	0.945	0.945	0.879
Employee Performance	0.890	0.934	0.952
External Service Quality	0.965	0.976	0.972
Customer Satisfaction	0.978	0.985	0.954
Financial performance	0.946	0.967	0.897

Table 11: Discriminant Validity

	TQS	ISQ	E. Satis	E.Comit	E. Perf	ESQ	C. Satis	F. Perf.
TQS	0.942							
ISQ	0.040**	0.936						
E. Sati	0.043**	0.057**	0.899					
E.Com	0.033*	0.036**	0.032**	0.884				
E. Perf	0.024**	0.041	0.022	0.020	0.865			
ESQ	0.036*	0.035	0.030	0.016	0.022	0.799		
C. Sati.	0.029	0.023	0.029	0.018	0.036	0.019	0.780	
F. Perf.	0.036	0.041	0.021	0.024	0.019	0.020	0.021	0.776

Table 12: Inner Regression Weights between Latent variables in the Structural Model

Relationship	Casual Path	SRW	CR
Direct relationship	TQS → Internal Service Quality (ISQ)	0.72	5.245***
Direct relationship	ISQ → Employee Satisfaction	0.65	7.053***
Direct relationship	Employee satisfaction → Employee Commitment	0.63	8.617***
Direct relationship	Employee satisfaction → Employee Performance	0.51	4.102***
In direct relationship	ES → E. Commitment → E. Performance	0.70	3.805*
Direct relationship	E. Commitmentà External Service Quality (ESQ)	0.75	7.562***
Direct relationship	Employee Performanceà ESQ	0.71	7.201***
Direct relationship	ESQ → Customer satisfaction	0.70	7.874***
Direct relationship	Customer Satisfactionà Financial Performance	0.81	3.865*

χ2= 33.651, df =6, χ2/df =5.608, GFI = 0.954, AGFI= 0.978, NFI= 0.965, CFI= 0.992, RMR= 0.034, RMSEA=0.062

Managing Organizational Transformation in the Era of VUCA

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ABSTRACT

Modern era is characterized by high degree of Volatility, Uncertainty, Complexity, and Ambiguity. The environmental developments are continuously throwing up newer challenges before organizations, accompanied by the constraint of very lesser time available to respond to such challenges. For ensuring organizational survival & growth, the need for frequent business transformation is ever increasing.

While most organizations look forward to business transformation as a saviour, some organizations fail to achieve desired transformation results due to variety of reasons. As there are many hurdles & challenges in the transformation process and its failure rate is high, it is very important to plan and execute business transformation process in a systematic and proper manner.

This study has been undertaken to explore the hurdles & challenges which crop up in the transformation journey and the measures which can be taken by the organization to cope with such hurdles & challenges. The study builds on the available literature and presents PICS framework to manage the transformation process successfully.

Keywords: *Transformation, Change, Process, Organizational, Business*

INTRODUCTION

Modern era is characterized by high degree of Volatility, Uncertainty, Complexity, and Ambiguity (VUCA). We are living in the 'Age of Discontinuity' that is continuously subjecting all of us to undergo wave after wave of changes. The businesses of the world are in the constant state of flux. As a result, organizations are facing newer challenges with every passing day, which are disrupting their normal course of business operations at an accelerated rate, for example: frequent economic turbulence, changes in technology and energy costs, changing regulations, emergence of breakthrough products, disruptive technologies & innovations, changes in leadership team, increasing globalization and greater integration, mergers and acquisitions, to name just a few. All these developments come together in ways that confound decision making process and impact the capacity to look ahead, plan ahead and move ahead. These developments mean that organizations have no choice but to make major changes & improvements to their operations i.e. they have to transform to next higher level capabilities. Organizations need to constantly adopt changes to be able to survive and thrive in such a context (Ascari, Rock & Dutta, 1995; Chakravarthy, 1996).

Dealing effectively with these challenges usually requires an organization to re-imagine its underlying business processes, manner of stakeholder engagement and its business model – in essence, necessitating the business transformation. In fact, it is "transform or lose pace" i.e. "transform or wither" in today's business environment, with multiple triggers creating strong change pressures on the organizations simultaneously. For survival, organizations need to look forward to 10X improvement (disruptive) and not mere 10% improvement (incremental).

As the time periods of these trends continue to shorten, the organizations need to respond with flexible solutions at faster speed so as to survive and move on to the next higher level. As the business environment and markets are continuously changing, and evolving rapidly, there is no starting point and no ending point in the transformation journey.

Firms always have to keep on aligning their

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business model with the ground realities in the business environment and marketplace. In the 'Global Innovation Barometer' survey conducted by the GE (2013), 52% respondents opined that business model innovation is one of key areas of innovation in the present era. In the transformation survey by KPMG (2013), 93% respondents said that their organizations have just completed, or they are planning or they are in the midst of a business transformation.

In the survey by Forbes Insights & Oracle (2014), 86% respondents emphasized that their organization should execute a business transformation initiative regularly to stay competitive and relevant. 40% respondents suggested that their industry needs continuous business transformation. In other words, managers & business leaders believe that their organizations need to change ahead of their industry in order to stay relevant.

According to the transformation survey conducted by KPMG (2013), transformation is caused by multiple triggers, like, coping with changes in customers' demand (33% respondents), followed by coping with changes in technology (30%), coping with domestic competitors (29%), etc. Changing customers' demand has been reported as a primary trigger for transformation in the automotive sector (59% respondents), followed by Healthcare sector (46%), Communications (43%), Engineering & industrial products (43%), Electronics & software services (42%) & so-on.

In the survey by Forbes Insights & Oracle (2014), 35% respondents said that the need to transform is accelerating. 82% respondents emphasized the need for innovation as a major driver of business transformation, followed by the need for operational efficiencies and reduced costs (77%), effective management of capital to increase returns (74%), mitigating or reducing risk (72%) etc.

As per Corporate Renewal Solutions, key drivers for business transformation are: The need to revitalize the businesses so as to survive and prosper; Responding to marketplace events & factors like political factors etc so as to adapt to the ever-changing competitive landscape, and Resolving underperformance issues.

The drivers of organizational transformation could be many. Two meta-drivers may incorporate all such drivers. The first meta-driver is - the change - in the rate of change and complexity that make up the external and internal environments of all organizations. The second meta-driver is human aspiration, itself, i.e. desire to improve and prosper.

Thus frequent business transformation is a must for organizations that do not want merely to succeed in their industries but want to lead them. Transformational change is regarded as an essential catalyst for future strength, growth and competitiveness of organizations, as presented in figure 1 below.
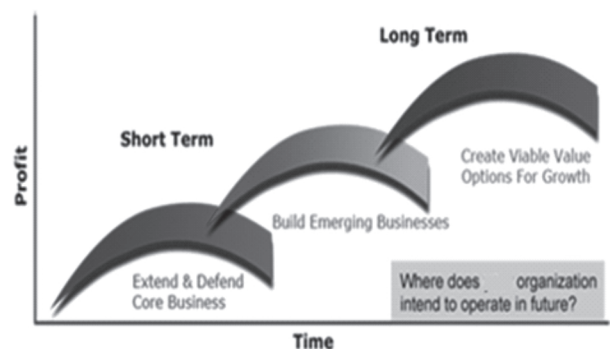
Fig. 1: Need for Business Transformation

As the need and frequency of business transformations are increasing with every passing year, this study has been undertaken to explore the hurdles & challenges which crop up in the transformation journey and the measures which can be taken by the organization to cope up with such hurdles & challenges.

LITERATURE REVIEW

A transformation means an extreme psychological or character change. In common English parlance, transformation is defined as a "change to another form or shape to metamorphose, to change in character or condition, to alter in function or nature" (Oxford English Dictionary, 1989). In an organizational context, business transformation means a process of profound & radical change that orients an organization in a new direction and takes it to an entirely different level of effectiveness. Usually there is little or no resemblance with the past organizational form or configuration or structure.

Organizational transformation can be said to be a change in some core property of the organization (Tolbert & Hall, 2010), including a change in mission, core values, power, status, culture, structure, strategy, systems, procedures,

interaction patterns, personnel and power distributions (Tushman et al 1986; Romanelli & Tushman, 1994), organizational form (Forte et al, 2000), the current way of doing things in an organization (Nutt, 2004), vertical information flow direction, horizontal process designs and performance measures (Orgland & Von Krogh, 1998), culture, skills, teams, strategy-structure, reward systems (Kilmann, 1995).

Organizational transformation also includes a change in organizational orientation (Greenwood & Hinings, 1996; Johnson, 1987; Miller 1982, 1990), employee behaviors like trust, cooperation, learning and innovation (Chakravarthy, 1996) and how the employees perceive, think and behave (Kilmann, 1995, Muzyka, Koning & Churchill, 1995).

In the transformation survey by KPMG (2013), the largest group of respondents (51%) termed transformation as - a continuous process of aligning the business model to support the organizational strategy. The second-largest group (31%) defined transformation as - narrower efforts limited to specific functions, processes or areas, continuous or finite. Remaining respondents (18%) viewed transformation as - an all-out turnaround effort that results in an overhaul of a business model. It is obvious that the organizational approach to transformation is mostly ongoing and strategic.

Thus a business transformation may be defined as a complex organizational change process affecting almost the entire value chain that has the potential to radically alter the organization's relationship with the wider economic and societal environment. A buisness transformation is a process by which an organization achieves and maintains major operational and competitive advantages by … a. Changes in technology, b. Changes in operational concepts (tactics, techniques & procedures), c. Changes in organizational structure (roles & responsibilities) d. Changes in human resource, or through any combination of above four.

According to the classical models, transformation encompasses following four stages:

a. Reframe – create a new vision of the future, mobilize the organization behind it, and build a measurement system to track its performance against expectations.

b. Restructure – redesign the value chain and organization in alignment with its revised business strategy and in accordance with its new business model.

c. Revitalize – ignite growth through revitalizing the value proposition, inventing new business and changing the working rules.

d. Renew – upgrade the people side of the organization, by improvise the reward systems, encourage individual learning and develop the organization.

According to Stiles et al (2012), every business transformation is an iterative process which undergoes following four phases in recurring cycles:

a. Envision – Create case for change, sense of urgency, re-formulate vision / strategy

b. Engage – Empower people to act on the vision and plan the efforts

c. Transform – Change the processes, technology, behavior, culture, values etc

d. Optimize – Internalize, institutionalize and optimize transformation; create stability

According to Corporate Renewal Solutions, transformation process has three stages: strategic repositioning, re-organization of the structure and value chain improvement, which need to be backed by the enablers, namely: project management, leadership alignment, and stakeholder management.

'Strategic repositioning' deals with reframing of the elements of strategy including vision, mission, segmentation, targeting, positioning, customer value proposition, business model, value chain design, and strategy maps. 'Reorganization of the structure' entails organizational restructuring, and all HR issues including staffing, skills, training and compensation. 'Value chain improvement' deals with total overhaul of all functions and activities viz. sales, marketing, operations, information technology, human resources, finances, etc through new technologies, processes, systems and structures.

The 'transformation project management' helps in planning, tracking and review of progress, resources and cost of project activities to ensure adherence to transformation plan. 'Leadership alignment' to the transformation project is crucial

prior to commencing and throughout the transformation programme. 'Stakeholder management' involves building financial, commercial and organizational stakeholders' support by ensuring awareness, involvement, buy-in, and ownership through effective communication and mobilization.

The business transformation may be planned by the internal management or it may forced / thrust upon by external factors / environment. It may be a systematic as well as an unsystematic process. A number of perspectives on organizational transformation have been developed over the passage of time to explore the dynamics of transformation process viz. perspectives of planned change, technological imperative and punctuated equilibrium etc.

'Planned change' models suggest that managements/ managers are the primary drivers of organizational transformation and these actors deliberately initiate and implement changes in response to perceived opportunities to improve organizational performance or fit with the environment.

'Technological imperative' perspective states that there is little discretion available to managers and other organizational actors. Technology is regarded as the primary and relatively autonomous driver of organizational change; and thus technological change creates changes in organizational structures, work routines, information flows, and performance.

'Punctuated equilibrium' models of transformation (Miller & Friesen, 1980a, 1984; Tushman & Romanelli, 1985; Gersick, 1991) emerged in opposition to gradualist models which had suggested that organizational change is slow, incremental, and cumulative (Meyer et al., 1993). According to 'punctuated equilibrium' perspective, transformation usually occurs through brief, discontinuous, radical and simultaneous changes in all or most domains of organizational activities; and not through incremental and asynchronous changes. Relatively long periods of stability are punctuated by rapid & radical changes, as shown in figure 2 below.
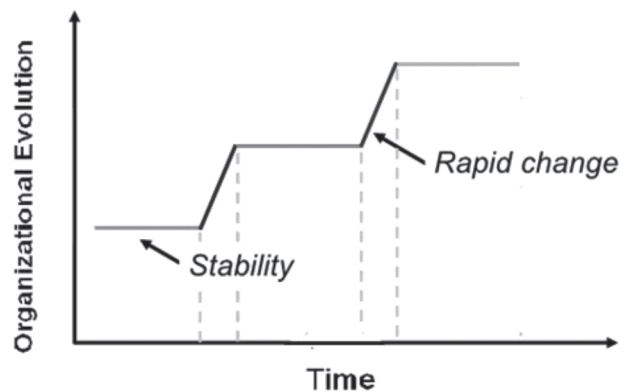
Fig.2: Punctuated Equilibrium Model of Organizational Transformation

Relatively Long Periods of Stability Punctuated by Radical Transformation

Adapted from: Jarvis, David A. (2012). Understanding change. *MGT581 Business Foresight & Futuring.* Available at, http://www.slideshare.net/dajarvis/mgt581-understanding-change

Romanelli & Tushman (1994) in their study found that business transformations most frequently occur in short, discontinuous bursts of change in most or key domains of organizational activities. Small changes in individual domains of organizational activities will not accumulate incrementally to yield a fundamental transformation. Major declines in the short-term performances of an organization or sustained declines over several years will substantially increase the likelihood of revolutionary transformation. Similarly major changes in environmental conditions and installation of new chief executive officer may significantly increase the likelihood of revolutionary change.

Wischnevsky & Damanpour (1994), in their study highlight that both revolutionary and non-revolutionary change patterns are used as common means to accomplish organizational transformation. The installation of a new top executive not previously affiliated with the organiztion and major shifts in the regulatory environment may increase the likelihood of revolutionary transformation.

According to Orlikowski (1995), the common models of organizational transformation -planned change, technological imperative, and punctuated equilibrium - make a number of assumptions about the nature of agency, context, technology, and change which are appropriate to an organizing practice premised on stability. However, contemporary demands for organizations to be flexible, responsive, and capable of learning

require organizing practices to deal with the ongoing change. Thus organizational transformation is heavily influenced by situational factors and actors. It arises as an endemic change, enacted through the situated practices of organizational actors as they improvise, innovate, and adapt their work routines over time.

As per Bacharach et al (1996), change is continuously occurring in the organizations. Periods of relative stability are usually marked by alignment of logics of actions that actors at the institutional, managerial and technical levels adopt, across the organization. During revolutionary change, logics of actions of different organizational subgroups may get mis-aligned. Business transformation occurs when logics of actions get re-aligned.

According to Bodnarczuk (2012), organizational transformation has two elements i.e. 'change' and 'transition'. The change is situational, radical & rapid which is required to align an organization's structures, systems, and resources around a new mission and new strategy to increase the value delivered to customers. The transition is protracted cultural and psychological process which enables employees to let go off old ways of working and learn new ways of working.

According to MITRE Systems Engineers, organizations usually pursue following transformation strategies:

● Data-driven change strategies - emphasize reasoning as a tactic for bringing about a change in a social system.

● Participative change strategies - assume that the degree of success depends upon the extent to which the organizational units, impacted users, and stakeholders are involved in the transition plan.

● Compliance-based change strategies - are based on the leveraging of power coming from the sponsor's position within the organization to implement the change.

The choice of strategy-mix depends upon the type and culture of organization [e.g., whether it is loosely coupled (relaxed bureaucratic organizational cultures) or tightly coupled (strong bureaucratic organizational cultures)].

Sharma (2012), in her study on typology of transformations suggested that there are three main components of transformation, namely: the object of the transformation (what changes), the magnitude of the transformation (the extent of impact) and the speed of the transformation (how fast the change occurs). Based on these dimensions, she suggested nine types of transformations, which are Quick-fixer (Restructuring and Turnaround), Extender (Reorientation), Healer (Renewal), Evolver (Revitalization), Peripheral (Reengineering), Recurrent (Reorientation), Methodical (Turnaround), Internal (Regeneration) and Cultivator (Revitalization).

Thus every business transformation may be different. Despite differences in size, industry, and nationality, there appear to be four common underlying themes that characterize the process and ultimate shape of the organizational transformations. These are: redefining the business and focusing on the customer; teaming and supporting non-hierarchical structures; leadership and shared values; and a change in the language.

The transformation does not happen only on balance sheets. It also happens in people's minds. It is reflected through revolutionary changes in the way: a. Employees think and plan, b. Employees speak and interconnect, c. Employees act & respond, & d. Employees create value and manage.

As discussed above, most of the studies on business transformation are descriptive in nature, which mainly describe the need, drivers and general process of business transformation. This study builds on the available literature, and presents steps & strategies to manage the transformation process successfully.

CHALLENGES IN ORGANIZATIONAL TRANSFORMATION

In the survey by Forbes Insights & Oracle (2014), one in five executives suggested that their attempts at transformation had failed, and three in five executives said that they had not yet attempted a transformation. In the survey by KPMG and Forbes Insights (2013), just 18% respondents said that their transformations were of a wholesale, and turnaround variety. From above discussion, it is clear that while most organizations see the need for transformation; many organizations are struggling with it.

Many organizations fail to achieve the desired transformation results due to variety of reasons. According to Uhlenbruck et al (2000), external barriers to organizational transformation include weak institutional systems, turbulent product markets, and underdeveloped factor markets. Internally, many firms are hindered by outdated product lines, inadequate assets, and management team with little experience in competitive market environments.

In some organizations, transformation initiatives do not succeed, because there is no 'meta-management' of the overall process. The transformation process involves a series of phases that, in total, usually require a considerable length of time. Skipping steps creates only the illusion of speed and never produces desired results. A single mistake in any of the phases may have a devastating impact, slowing momentum and negating initial gains. As most of managers have relatively less experience in renewing organizations, even highly capable persons may make some big error.

Organizations & managers often tend to underestimate the significance of operating model refinements necessary to effect transformation across people, process, technology, data management and risk management components, as there may be big quantum and diversity of stakeholders and interests, unclear expectations and responsibilities, and ineffective leadership and communication, often resulting in resistance, conflicts, anarchy and lack of support.

Business transformation brings revolutionary changes in the organization. Like any change process, it may face hurdles & challenges, viz: Lack of strong guiding team, Poor vision, Lack of resources, Poor communication systems, Lack of flexibility in systems & structures, Poor coordination & integration, Employee resistance to change, Lack of prioritization, Complacency in approach etc. Transformations are often met with resistance as members of the organization need to shift their way of thinking, learn new skills, and deal with unfamiliar, ambiguous & uncomfortable situations, which may come along with the radical change process.

Challenges to business transformation initiatives may arise at the planning stage as well as execution stage. As per the survey by Forbes Insights & Oracle (2014), at the planning stage, following challenges can derail business transformation initiatives: Failure to anticipate market changes (39% respondents), Misjudging or not anticipating risk factors (35%), Inability to evaluate and model different options/ plans (30%), Challenges to ensuring a standardized/ consistent approach (29%), Lack of visibility into resource capacity (27%), Inadequate feedback and measurement (25%), Struggling to achieve consensus/ buy-in (21%), Lack of agreement on scoring and weighting methods (19%) etc.

In the above survey, at the execution stage, the most often-cited causes for failure in the business transformation initiative were - inefficient execution (41% respondents), followed by resource and budget constraints (35%), regulations/ regulatory change (29%), lack of change management acumen (28%), lack of support from leadership (26%), inability to define/ quantify matrices of success (26%), lack of adequate technology infrastructure / systems (24%), lack of prioritization of transformation initiatives with other critical business initiatives (22%), etc.

In the above survey, 51% respondents cited support from leadership as a key factor in the success of business transformation projects. If the leader is wedded to a past or current business/ success, then he may become a key obstacle to transformation process. Buy-in of employees is another key determinant of success or failure, and getting employees throughout an organization on board with transformation process tends to start with the leadership team and its ability to set, communicate and sell an executable vision.

As there are many hurdles & challenges in the transformation process, and its failure rate is high, hence it is very important to plan and execute business transformation process in a systematic and proper manner.

PICS FRAMEWORK FOR MANAGING TRANSFORMATION

Based on literature review, PICS framework is proposed for successful management of transformation process, as presented in figure 3 below.
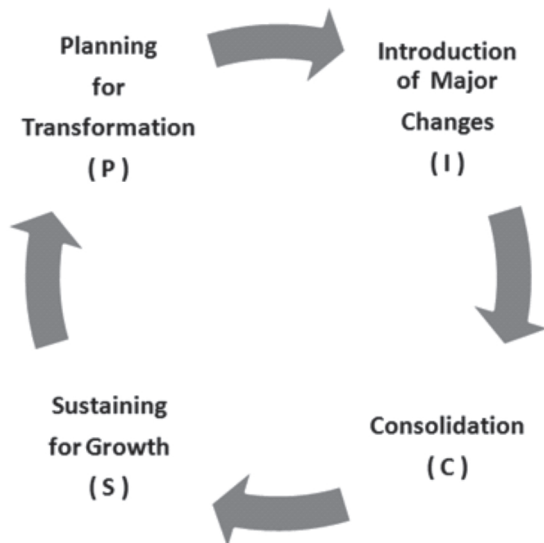
Figure 3: **PICS Framework for Transformation**

The PICS framework comprises four steps which are discussed as follows.

Planning for Business Transformation (P)

Successful transformation requires a good plan and its dedicated execution. Owner (1993), in his study, emphasizes the need to plan for organizational transformation. Moving from the 'world of today' to the 'world of tomorrow' is not an easy task. It requires evolutionary change that must be thoughtfully studied, planned, implemented, and improved upon over a long period of time. Spending time planning for organizational transformation is critical to integrating quality into an organization's operations, and short-term & long-term strategies. Before embarking on the transformation journey, managements/ managers need to explore following issues:

a. Is a transformation necessary or whether a mere surgical, limited repositioning be enough?

b. Will it be worth the time, energy, disruption and organizational pain that will be borne to get there?

c. What type of transformation will best serve long-term requirements of the business?

d. Is the current state of the organization optimal for the type of transformation chosen?

e. Do we need to transform the organization before transforming the business?

Once the necessity & basis for transformation become clear, then the next step is planning for business transformation. Transformation planning is a process of developing a strategic plan for modifying an organization's business processes through the modification of policies, procedures, processes, systems and structures, to move the organization from current / present state to next higher state. The planning usually begins with seeking answers to following questions:

a. What is the scope of the transformation project?

b. What should be the appropriate vision of the transformation project?

c. How can the goal of the transformation process, including the vision and sense of urgency be communicated internally?

d. What are key drivers of the change, and what are the factors that enable a successful transformation?

e. What are the best ways to achieve engagement of all stakeholders including employees, and what cultural changes may be necessary?

f. How can we ensure that the transformation is sustainable, and there is proper integration across the organization?

At the outset, organization need to identify scope of the change by identifying stakeholders involved, costs and benefits of the proposed radical change. Next step is to create the vision for transformation project. This means to anticipate what the customer is going to want and how best to achieve it. It also includes defining the depth and scope of the changes and the redesign of internal processes and structures. Organizational transformation needs to be aligned with customers' needs. The organization need to assess its present situation rigorously, identify the current state of its capabilities as well as problems, and its future target state and projected capabilities needed for such target state.

Organization needs to engage employees as early as the planning stage itself. Collaboration and co-creation are very crucial for successful transformation. According to McKinsey Global Survey (2010), nearly a quarter of the extremely successful transformations were planned by groups of fifty persons or more, compared with just six percent of unsuccessful transformations.

Organization should align transformation goals with business vision and strategies; and break

down the transformation goals into specific, clearly defined initiatives. In addition, organization needs to take following steps:

- Incorporate use of technology (including I T) from the planning stage itself

- Assess and forecast future market needs

- Assess and forecast future technological trends

- Study & assess future business risks

- Study & assess risks associated with the transformation process

- Identify the underlying mind-sets that need to change

- Use business intelligence (BI) tools for planning & decision-making

- Define the targets, role, and structure of the transformation clearly

- Identify & re-define value streams

- Define the team & leadership – make sure that firm has right people at right places

- Develop the roadmap & key activities to be performed for transformation. Plan for major changes

- Re-design systems & structures to provide for flexibility

- Re-design communication systems

- Re-design control systems and MIS

- Establish the proper metrics (measures) to monitor implementation of transformation process

- Develop consensus / buy-in across the organization

- Design suitable involvement/ engagement strategies for all stakeholders including employees

- Plan and accumulate resources required for transformation

According to Corporate Renewal Solutions, transformation planning involves following steps:

a. Situation Assessment :–

  i. "As-Is" Analysis - of the business, its markets and the industry in which it competes in - from the leadership, strategic, financial, operational and organizational points of view.

  ii. "Could-Be" Assessment - of benchmarks, best practices, breakeven, and targets.

b. Gap Analysis: Situation assessment facilitates SWOT analysis, & helps in identification of key issues, constraints, drivers of business transformation, (including financial drivers and levers, operational drivers and levers).

c. Transformation Strategy Assessment :–

  i. Issues Assessment - How to resolve issues and overcome constraints; Expenses/ investment required; Benefits; Options, risks, trade-offs.

  ii. To-Be Design - Solutions, strategies and actions to address identified business issues; Quick wins that can be achieved with little delay and effort.

d. Financial Assessment: Impact of 'To-Be' design on future profit, cash flow, balance sheet and funding needs; Impact on EVA/SVA; Financial feasibility.

e. Formulation of Transformation Strategy: The above deliberations lead to formulation of appropriate transformation strategy.

f. Formulation of Transformation Plan: It encompasses - strategy to transform the business, strategy to manage the process, plans for 'transformation project management', 'leadership alignment' & 'stakeholder management'.

EXECUTING TRANSFORMATION PROCESS

Most organizations re-set the vision right, but the execution of transformation process remains the most difficult part. As per the survey by Forbes Insights & Oracle (2014), following challenges arise in execution of the transformation plan: Un-anticipated challenges in execution/ change management; Lack of management/ employee buy-in and support; Change in leadership/ key sponsors; Short-term strategic priority causing delay/ distraction; Delays in implementing supporting technology due to technical complexity or other factors; Uncertainty in (or incorrect) original strategic assumptions; Budget overages/ changes; Insufficient resources (number/ skill set) etc.

The success of transformation process depends upon the complex interplay & interaction of multiple factors & actors in the dynamic eco-

system. Therefore organizational transformation plan needs to be implemented in a systematic and proper manner. According to Khurana (2007), it should be carried out in three stages as suggested below.

- Introduction of Major Changes (I)
- Consolidation (C)
- Sustaining for Growth (S)

a. Introduction of Major Changes (I)

At this stage, the combination of organisational dissatisfaction with the present state, vision for the future and the possibility of immediate, tactical action must be much stronger than the resistance & structural inertia within the organization in order for fundamental transformation to occur. Based on transformation plan and situational requirements, some major changes may be required to be introduced as under:

- Board reconstitution, Reconstitution of guiding/ leadership team
- Product/ Project portfolio restructuring
- Process & systems re-engineering
- Major quality improvement program
- Radical performance improvement through thrust on productivity and pursuit of new opportunities
- Investment in transformational technologies and rapidly transitioning those technologies into operational systems
- Cross-border investments & alliances including research collaborations
- Encouraging creativity and innovation
- Making changes to roles & responsibilities so as to harness the potential and energy of its people
- Increasing integration & collaboration
- Opti-sizing and VRS
- Ensuring implementation of best practices, benchmarks, technology leadership frameworks etc
- Changing the culture of organization
- Creating desire among stakeholders to participate and support the transformation viz. creating a compelling message as to why change is needed, creating hope for better future, increasing urgency, communicating

often, offering incentives & rewards

- Creating ability among stakeholders to implement the transformation viz. By empowering action, coaching, mentoring, training (growth workshops, technical training, customer oriented training etc)
- Using appropriate change management strategies

b. Consolidation (C)

Most people have tendency to revert back to old systems of working as human-beings are usually bound by routines/ habits. People usually take time to embrace the new direction & systems. Further structural inertia tends to pull the organization back to older ways of working. Thus transformation process needs to be consolidated, which can be attained through:

- Removing communication gaps.
- If required, using informal communication networks
- Understand and manage the doubts and concerns, Deal with problems immediately, Dispel rumours.
- Prioritization of efforts
- Removing bottlenecks & empowering actions
- Continued focus on performance & key operating parameters
- Continued organizational initiatives on – sourcing, channel and service
- Leveraging reach & service business potential
- Using multi-functional teams
- Requiring leadership with accountability
- Continued senior mangement commitment
- Continuing efforts for increased integration and collaboration
- Assessing and measuring the progress viz. by using balanced scorecards
- Monitoring value creation
- Celebrating short-term wins, recognizing personal efforts
- Take corrective action if needed
- Adapting the organizational structures & systems as necessary.
- Using appropriate change management strategies

c. Sustaining for Growth (S)

At this stage, people should not think or worry about the newly installed system anymore. It should become their system by now. The business transformation needs to be sustained, which can be attained through:

- Ever-increasing emphasis on mission assurance
- Senior mangement commitment
- Further improving integration & collaboration
- Reviewing and improving business strategy
- Sustaining cost & quality optimisation
- Reinforcing performance culture
- Reiterating customer focus
- Sustaining operational efficiency improvement program
- Adapting the organizational structures & systems as necessary.
- Using appropriate change management strategies
- Anchor the transformation into organizational culture viz. Ensure that it is seen in every aspect of the organization; Share success stories about the transformation; Publicly recognize key members of the original guiding team, and make sure the rest of the staff - new and old - remembers their contributions; Include the new ideals and values when hiring and training new staff; Create plans to replace key members of the original guiding team as they move on. This will help ensure that their legacy is not lost or forgotten.

According to McKinsey Global Survey (2010), strong leadership and maintaining continuously energy for change among employees are key building blocks of successful transformation that reinforce each other when executed well. When frontline employees feel a sense of ownership, the results show a 70% success rate for transformations. When frontline employees take the initiative to drive change, transformations have a 71% success rate. When both drivers are effectively used, the success rate rises to 79%. Managements / managers must pay adequate attention to "people issues," especially fostering collaboration among leaders and employees and building capabilities. Employees must remain engaged collaboratively throughout the transformation journey. The organization also needs to build capabilities - particularly leadership capabilities - to maintain long-term organizational health. In addition, a focus on strengths and achievements, not just problems, throughout the entire transformation process is strongly tied to success. A key enabler for successful business transformation initiatives has been found to be the use of balanced scorecard for monitoring key metrics and progress towards transformation goals.

Thus by pursuing steps in the PICS framework, as discussed above, business transformation process can be implemented in a systematic and proper manner. The transformation is a continuous journey and should never be complete. Once vision & goals of a particular transformation project have been attained, organizations need to move on to another transformation cycle.

CONCLUSION

Frequent business transformation is emerging as the burning need in this era of VUCA. No organization can survive over the long-term if it does not re-invent itself. The leadership / guiding team must not lull themselves into complacency based on a present business model, they must keep the organization transforming for the future. The transformation process should be continuous, and thus never be complete. That is because once it gets to this end-point, then transformation becomes a life-or-death matter, an emergency rather than an elective strategy.

While most organizations & managements crave for transformation, some organizations fail to achieve the desired results due to variety of reasons. Organizational transformation brings revolutionary changes in the organization. Like any change process, it faces many hurdles & challenges at both planning stage & execution stage, and its failure rate is high.

For transformation initiatives to succeed, organizations need to carry out 'meta-management' of the overall process. PICS framework can be used by the organizations for ensuring systematic and proper management of transformation process. Strong leadership team and employee engagement act as crucial enablers of the transformation process.

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Study of Price Performance of IPO with Nifty

Prof Nitin Saxena*

ABSTRACT

Stock market is most promising sector in an Indian economy for raising the level of Indian financial system. After liberalization phase stock market has proven as a weapon of fighting with the foreign economies.. Directions of an economy can be measured by movement of volatility index .Stock Index has been a barometer for measuring the performance of Indian economy with its development. Our financial industry has been affected by financial crisis frequently that has proven the stock market full of risk and uncertainty. That was already an unsolved problem for the investors.

But CAPM, APT, Portfolio diversification has proven a very effective risk management tools. Nifty and Sensex always have been in the mind of active investors which have changed the life as miracle. Initial public offer was the major attraction before subprime crisis (Before 2008). But return given by many IPO's was not as per the expectation of investors. Investors are always in dilemma whether to invest in IPO or to directly invest in secondary market.

This paper tries to analyze the performance IPO during the period2011 to 2013 and return given by Nifty. Some IPO were really as per the expectation of investors but some even do not able to recover the primary investment. In this paper return of IPO is evaluated on the date of listing, after six months and after 12 month of the listing date. Also this return is compared with the return given by Nifty.

Key Words: SENSEX , IPO, MAER, MR_RET,

INTRODUCTION OF IPO

The transition from being a private company to a public one is one of the most important events in the life of a firm. It is also one of particular interest to institutional investors, and the transition is facilitated through the INITIAL PUBLIC OFFERING (IPO) process. The IPO provides a fresh source of capital Shareholders such as venture capitalists a liquid market for their shares. From an institutional investor's perspective, the IPO provides an opportunity to share in the rewards of the growth of the firm.

When a firm issues equity to the public for the first time, it makes an initial public offering consisting of two kinds of issues – the primary issue and the follow-on issue. In a primary, the firm raises capital for itself by selling stock to the public, whereas in the follow on issue, existing large shareholders sell to the public a substantial number of shares they currently own.

It is a well documented fact that IPOs tend to be generally under-priced, though some issues tend to be overpriced. From the viewpoint of financial research, IPO under-pricing in the sense of abnormal short-term returns on IPOs has been found in nearly every country in the world. This suggests that IPO under-pricing may be the outcome of basic problems of information and uncertainty in the IPO process, and is unlikely to be a figment of institutional peculiarities of any one market.

There have also been various studies made to suggest the reasons for such underpricing. From the investors' point of view, this under-pricing appear to provide the sure and quick profit that most dream about. Though first day return could vary, few of the issues tend to provide a very high return over the first day. One of the examples is VA Linux which had a first day return of 700%. It is also seen that for some of the issues, the first day return could also be negative. It then becomes inevitable for most investors to measure the performance of IPOs by the short term (usually within one week of issue), as the general scheme is to buy the shares at a low initial offering price and sell it the next day when the price increases.

Pricing of the IPOs are done by the issuers with guidance from underwriters from investment banks. There are various ways to price the stocks but what is commonly used now is a process called book building. It is basically a capital issuance process used in an Initial Public Offer which aids price and demand discovery. It is also a process used for marketing a public offer of equity shares

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of a company. During the period for which the book for the IPO is open, bids are collected from investors at various prices, which are above or equal to the floor price. The offer/issue price is then determined by the issuing company after the bid closing date based on the various bids that have been collected. For a more detailed discussion of book building, one can visit any of the many stock exchanges. An example of the book building process can be seen from the National Stock Exchange. This Initial Public Offering can also be made through the fixed price method or a combination of both book building and the fixed price method.

LITERATURE REVIEW

GadeSurendar and Dr. S. Kamaleshwar Rao (2011) Companies raise capital in the primary market by way of an initial public offer, rights issue or private placement. An Initial Public Offering (IPO) is one through which an unlisted company makes either a fresh issue of securities or an offer for sale of its existing securities or both for the first time to the public. This paves way for listing and trading of the issuer's securities. IPOs deepen the market, diversify investor's portfolios, reduce volatility in stock prices, bring domestic investors money into the market and attract Foreign Institutional Investor funds.

Qiming Wang (2010) the price clustering of Initial Public Offerings (IPOs) in the secondary market trading during the first 240 trading days after their IPO dates. The results indicate the huge difference between the integer price frequency of IPOs in the primary market and that of matched stocks in the secondary market almost disappears on the first trading day after IPO.

S S S Kumar (2010) this study examines the performance of IPOs issued through the book building process in India over the period 1999 2006. The sample comprises 156 firms that offered their shares through the book building route on the NSE. Upon listing the IPOs on an average offered positive returns (after adjusting for market movements)to investors and a large part of the closing day returns on the listing day were accounted for by the opening returns. In the long run the IPOs offered positive returns up till twenty four months but subsequently they underperform the market.

Satyendra K. Singh (2008) The Under pricing

phenomenon for the common stock for initial public offerings (IPOs). Book-building company was made compulsory for the companies during the year 2000-2001. In this case 60% of the offer should be allotted to Qualified Institutional Buyers. The main study is to understand the relationship between performance of index and the average returns on the IPO.

In this paper, Soumya Guha Deb* and Banikanta Mishra* studied a variety of issues pertaining to 184 IPOs in India during April 2001 and March 2009. They found that there is, on the average only, significantly positive return on the listing-day and the day following that, which gets reversed - but not annulled - within ten days. When they group the firms into two groups based on whether they yielded positive or negative absolute return (using AR does not change this conclusion), many new insights are obtained. Not only does the 50%-plus day-0 average R_i for the former group is in sharp contrast with the -14% day-0 R_i for the latter, but the positive group does not gain anything from an up- market preceding the IPO, whereas a down-market is a major cause for the poor listing-day performance of the negative day-0 R_i group. Even the average holding-period return of the negative group (starting day-1, not day-0) becomes significant only after four years, while it is positive throughout for the positive group. Corresponding CARs - from day-1 onwards – continue to be positive for the positive group throughout and negative for the negative group up to two years, becoming statistically zero thereafter. It is observed that positive group has gained nothing from the pre-IPO mood in the market, whereas this mood is an important determinant of the "poor show" by the negative group. Positive-group IPOs experience significant intra-day volatility in the after-market up to thirty days and it is the reverse for the negative group; but, whereas the negative group's day-0 R_i is related to its post-IPO standard-deviation of returns in the after-market, they are unrelated for the positive group.

DATA ANALYSIS & INTERPRETATION

Statement of problem:

To measure short term means same day & long term performance of IPOs (6month, 12month).

Scope of the study:

Analysis of 43 IPOs from different years

● Measurement of performance with reference to average return with the same day (6 month, 12 month)

● Project emphasis more in fluctuation of share price after public offering retain then effect of systematic factor.

Selection of sample: Project covered 39IPOs from different sectors from the year 2011, 2012 & 2013.

Methodology

The study includes the prices of those companies which satisfy the following criteria:

● The IPO is listed on NSE, companies pricing performance is available on the NSE for the time period considered.

● Data regarding offer price, listing date, listing price and the prices subsequently required are available.

● If the returns are positive, the indication is that of underpricing while negative returns imply overpricing. It is not possible to compare these return across the board, because the market was different phases during the period. So, this return has been adjusted using the returns on the CNX S&P Nifty Index for the corresponding period. In order to analyse the short run underpricing, 6 months and 12 months time intervals have been taken.

The initial return on IPOs has been computed as the difference between the closing price on the first day of trading and the offer price, divided by the offer price.

$$R\_Ret = (P1-P0)/P0 \times 100 ....(1)$$

Where, R_Ret = Subscriber's initial return

P1 = Closing price on the first day of trading

P0 = Offer Price

$$MR\_Ret = (M1-M0)/M0 \times 100 ....(2)$$

Where, MR-Ret = Market initial return

M1 = Closing value of Market Index on the first trading day

M0 = Closing value of Market Index on the Offer Closing date

Interpretation

From the table-1, we can interpret that:

i) 10 IPOs out of 27 IPOs could generate good return. Other 17 IPOs could not reap good return.

ii) 5 IPOs out of 27 IPOs could generate profit consistently whereas other IPOs could not perform good in short run.

iii) 4 IPOs out of 27 IPOs could generate profit consistently where as other IPOs could not reap good return in long run.

Interpretation

From the table-2, we can interpret that:

i) on the listing day of IPOs (Different Dates of Listing) market could not perform well but in some dates market perform well.

ii) on the listing day of IPOs market could not perform well but after the short period of time market perform well.

iii) on the listing day of IPOs market could not perform well but after the long period of time market perform well.

Interpretation

Form the table-3, we can interpret that:

i) most of the IPOs are giving comparatively good returns then nifty on listing day. But 17 out of 27 IPOs has generated negative return on the listing day. So we can conclude that for the year 2011 investment in IPOs was not the better option than Sensex on listing day.

ii) IPOs performance in comparison to market was not good. After six months secondary market i.e. nifty is performing better than Share price of IPOs. But 5 IPOs out of 27 IPOs could generate good return in comparison to investment in secondary market.

iii) We can conclude that in long run Share price of IPOs performance were not good as compare to the secondary market. In 2011 return from market is better than Share price of IPOs. But 4 IPOs out of 27 IPOs were generate good return consistently.

Interpretation

From the table-4, we can interpret that:

i) on the listing day IPOs could not reap good returns. But some IPOs generate profit on the listing.

ii) on the listing day of IPOs could not reap good return but in the short run some IPOs generates good return. So it is a negative for

the company & the investor. Also company takes a risk for IPOs. And less profit potential of IPOs after short period of time for investor.

iii) only 1 IPO out of 8 IPOs can generate profit consistently. Other IPOs could not reap good returns in some stages of performance.

Interpretation

From the table-5, we can interpret that:

i) on the listing day of IPOs (Different Dates of Listing) market could not perform good. So we can say that there is negative impact of market on the IPOs.

ii) on the listing day of IPOs market could not perform well but after the short period of time market perform well.

iii) on the listing day of IPOs market could not perform well but after the long period of time market perform well.

Interpretation

Form the table-6, we can interpret that:

i) most of the IPOs are giving comparatively good returns then nifty on listing day. Only 1 IPO i.e. VKS Projects limited has generated negative return on the listing day. So we can conclude that for year 2012 invest in IPOs was better option than Sensex on listing day.

ii) IPOs performance in comparison to market was not good. After six months secondary market i.e. nifty is performing better than Share price of IPOs.

iii) We can conclude that in long run Share price of IPOs performs as per the performance of the market. In 2012 return from market is better than Share price of IPOs.

Interpretation

From the table-7, we can interpret that:

i) on the listing day IPOs could reap good return except one IPO.

ii) after short period of time i.e. 6 months later share price of IPOs were consistently grow except 1 IPO.

Interpretation

From the table-8, we can interpret that:

i) on the listing day of IPOs market could not perform well.

ii) From the graph we can interpret that after short period of time market could perform well except one date.

Interpretation

Form the table-9, we can interpret that:

i) most of the IPOs are giving comparatively good returns then nifty on listing day. But 1 out of 3 IPOs has generated negative return on the listing day. So we can conclude that for the year 2013 investment in IPOs was better option than Sensex on listing day.

ii) IPOs performance in comparison to market was good. After six months the Share price of IPOs generate good return in comparison to secondary market. But 1 IPOs i.e. V-Mart Retail Limited could not reap good return.

CONCLUSION

From the foregoing analysis, it can be concluded that underpricing is present in NSE. It can also be concluded that underpricing is more severe in the short run periods, i.e. from the listing day to six months after listing. However, the long run IPOs tends to move to their intrinsic value or true value wiping out much of the underpricing. The difference between the extents of underpricing in the two intervals is very much.

- This study shows that investment in IPOs generally negative benefit to Indian investor in long term IPOs.

- The short-term performance of these companies shows that investment in Indian IPOs provides positive abnormal return by the end of the first trading day. And the higher chance to earn profit in short-term IPOs for Indian invertors

- Performance of IPO for the year 2012 indicates that it has yielded good returns to investors. This does not mean all IPO's are good.

- This study shows that 21 IPOs out of 59 IPOs in 2011, 2012, 2013 were withdrawn before listed on Nifty.

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Table 1: Data of Initial Return 2011

S. No	Name of the issue	Sector	R_RET	R_RET (After 6 Months)	R_RET (After 1Years)
1	INDO THAI SECURITIES LIMITED	Finance-General	-68.72	-85.88	-85.07
2	FLEXITUFF INTERNATIONAL LIMITED	Special Economic Zone (SEZs)	6.81	90	32.77
3	ONELIFE CAPITAL ADVISORS Ltd	Finance-Investment	32.68	154	589.14
4	TAKSHEEL SOLUTIONS LIMITED	Software	-61.23	-91.3	-92.67
5	M AND B SWITCHGEARS LIMITED / UJAAS ENERGY LIMITED	Transmission/ Equipment	-82.88	-96.69	-90.70
6	TD POWER SYSTEMS LIMITED	Industrial	7.52	-4.45	6.45
7	SRS Limited	Finance	-42.67	-47.84	-31.38
8	BROOKS LABORATORIES LIMITED	Indsutry	-38.5	-83.65	-81.7
9	TREE HOUSE EDUCATION & ACCESSORIES LIMITED	Education	-12.89	54.67	73.59
10	L&T FINANCE HOLDINGS LIMITED	Finance	-3.75	-6.25	-18.56
11	INVENTURE GROWTH AND SECURITIES LTD	Finance	-55.82	-48.88	-87.01
12	BHARATIYA GLOBAL INFOMEDIA Ltd	Industry	-63.54	-89.82	-92.56
13	RUSHIL DECOR LIMITED	Decoration	65.97	123.68	173.19
14	TIMBOR HOME LIMITED	Housing	45.32	-61.19	-58.89
15	AANJANEYA LIFECARE LIMITED	Pharmaceutical	32.95	97.41	123.12
16	SANGHVI FORGING AND ENGINEERING LTD	Technology	31.76	-67.29	-17.47
17	VASWANI INDUSTRIES LIMITED	Industry	-63.67	-83.06	-91.63
18	SERVALAKSHMI PAPER LIMITED	Industry	-34.31	-83.79	-82.76
19	INNOVENTIVE INDUSTRIES Ltd	Industry	-19.66	-28.68	-0.98
20	PARAMOUNT PRINTPACKAGING Ltd	Service	-22.71	-76.71	-84.29
21	MUTHOOT FINANCE LIMITED	Finance	0.51	-4.46	-31.2
22	SHILPI CABLE TECHNOLOGIES Ltd	Power	-30.36	-78.70	-83.62
23	PTC INDIA FINANCIAL SERVICE ltd	Finance	-11.07	-45.36	-43.39
24	LOVABLE LINGERIE LIMITED	Manufacturing	21.73	121.20	74.54
25	ACROPETAL TECHNOLOGIES Ltd	Technology	9.39	-84.39	-84.78
26	SUDAR GARMENTS LIMITED	Apperals	46.88	-4.87	-14.22
27	OMKAR SPECIALITY CHEMICALS Ltd	Manufacturing	-52.60	-32.35	-38.42

Table 2: Data of Market Return 2011

S. No	Name of the issue	Sector	MR_RET	MR_RET (After 6 Months)	MR_RET (After 1Years)
1	INDO THAI SECURITIES LIMITED	Finance-General	10.67	10.27	19.92
2	FLEXITUFF INTERNATIONAL LIMITED	Special Economic Zone (SEZs) 8.16	12.23	19.64	
3	ONELIFE CAPITAL ADVISORS Ltd	Finance-Investment	7.25	10.85	18.61
4	TAKSHEEL SOLUTIONS LIMITED	Software	7.69	11.74	19.11
5	M AND B SWITCHGEARS LIMITED/ UJAAS ENERGY LIMITED	Transmission/ Equipment	7.17	11.36	19.64
6	TD POWER SYSTEMS LIMITED	Industrial	8.54	9.96	12.52
7	SRS Limited	Finance	7.09	12.01	17.48
8	BROOKS LABORATORIES LIMITED	Indsutry	1.48	6.80	5.69
9	TREE HOUSE EDUCATION & ACCESSORIES LIMITED	Education	-6.41	7.02	6.18
10	L&T FINANCE HOLDINGS LIMITED	Finance	-7.46	-1.83	-2.95
11	INVENTURE GROWTH AND SECURITIES LTD	Finance	-5.36	-5.47	-7.42
12	BHARATIYA GLOBAL INFOMEDIA Ltd	Industry	-2.00	-7.06	-8.93
13	RUSHIL DECOR LIMITED	Decoration	7.69	-10.64	-0.06
14	TIMBOR HOME LIMITED	Housing	-4.90	-14.71	-7.28
15	AANJANEYA LIFECARE LIMITED	Pharmaceutical	-0.18	-14.15	-10.31
16	SANGHVI FORGING AND ENGINEERING LTD	Technology	-2.96	-15.22	-12.89
17	VASWANI INDUSTRIES LIMITED	Industry	-8.39	-6.16	2.27
18	SERVALAKSHMI PAPER LIMITED	Industry	-4.58	-10.10	-14.27
19	INNOVENTIVE INDUSTRIES Ltd	Industry	-3.56	-10.10	-14.27
20	PARAMOUNT PRINTPACKAGING Ltd	Service	-5.51	-11.12	-15.32
21	MUTHOOT FINANCE LIMITED	Finance	-5.66	-10.20	-13.56
22	SHILPI CABLE TECHNOLOGIES Ltd	Power	3.32	-13.55	-5.86
23	PTC INDIA FINANCIAL SERVICE ltd	Finance	7.70	-8.01	0.41
24	LOVABLE LINGERIE LIMITED	Manufacturing	1.41	-10.61	-3.07
25	ACROPETAL TECHNOLOGIES Ltd	Technology	4.40	-3.86	1.35
26	SUDAR GARMENTS LIMITED	Apperals	3.47	-3.86	1.35
27	OMKAR SPECIALITY CHEMICALS Ltd	Manufacturing	-6.75	-7.91	-3.97

Table 3: Data of MAER 2011

S. No	Name of the issue	Sector	MAER	MAER	MAER
1	INDO THAI SECURITIES LIMITED	Finance-General	-79.39	-96.15	-104.99
2	FLEXITUFF INTERNATIONAL LIMITED	Special Economic Zone (SEZs)	-1.36	77.77	13.14
3	ONELIFE CAPITAL ADVISORS Ltd	Finance-Investment	25.43	143.15	570.53
4	TAKSHEEL SOLUTIONS LIMITED	Software	-68.92	-103.04	-111.78
5	M AND B SWITCHGEARS LIMITED / UJAAS ENERGY LIMITED	Transmission/Equipment	-90.05	-108.05	-110.33
6	TD POWER SYSTEMS LIMITED	Industrial	-1.02	-14.41	-6.07
7	SRS Limited	Finance	-49.76	-59.85	-48.86
8	BROOKS LABORATORIES LIMITED	Indsutry	-39.98	-90.45	-87.39
9	TREE HOUSE EDUCATION & ACCESSORIES LIMITED	Education	-6.48	47.64	67.41
10	L&T FINANCE HOLDINGS LIMITED	Finance	3.71	-4.42	-15.61
11	INVENTURE GROWTH AND SECURITIES LTD	Finance	-50.46	-43.41	-79.58
12	BHARATIYA GLOBAL INFOMEDIA Ltd	Industry	-61.54	-82.76	-83.63
13	RUSHIL DECOR LIMITED	Decoration	58.29	134.32	173.25
14	TIMBOR HOME LIMITED	Housing	50.22	-46.48	-51.60
15	AANJANEYA LIFECARE LIMITED	Pharmaceutical	33.13	111.56	133.43
16	SANGHVI FORGING AND ENGINEERING LTD	Technology	34.73	-52.08	-4.58
17	VASWANI INDUSTRIES LIMITED	Industry	-55.28	-76.91	-93.90
18	SERVALAKSHMI PAPER LIMITED	Industry	-29.73	-73.69	-68.49
19	INNOVENTIVE INDUSTRIES Ltd	Industry	-16.10	-18.58	13.29
20	PARAMOUNT PRINTPACKAGING Ltd	Service	-17.21	-65.59	-68.97
21	MUTHOOT FINANCE LIMITED	Finance	6.18	5.75	-17.64
22	SHILPI CABLE TECHNOLOGIES Ltd	Power	-33.68	-65.14	-77.76
23	PTC INDIA FINANCIAL SERVICE ltd	Finance	-18.77	-37.35	-43.80
24	LOVABLE LINGERIE LIMITED	Manufacturing	20.32	131.80	77.61
25	ACROPETAL TECHNOLOGIES Ltd	Technology	4.99	-80.53	-86.12
26	SUDAR GARMENTS LIMITED	Apperals	43.41	-1.01	-15.57
27	OMKAR SPECIALITY CHEMICALS Ltd	Manufacturing	-45.85	-24.44	-34.44

Table 4: Data of Initial Return 2012

S. No	Name of the issue	Sector	R_RET	R_RET (After 6 Months)	R_RET (After 1Years)
1	Bharti Infratel Limited	Telecom	-12.89	-30.5	-23.34
2	PC Jeweller Limited	Industry	10.52	-31.11	-34.63
3	Credit Analysis and Research Limited	Finance	23.01	-19.65	-2.09
4	VKS Projects Limited	Construction	-97.15	-88.16	-89.91
5	Tribhovandas Bhimji Zaveri Limited	Industry	-7.5	-8.83	88.21
6	MT EDUCARE LIMITED	Software	12.94	33.56	6.37
7	NATIONAL BUILDINGS CONSTRUCTION CORPORATION LIMITED	Housing	-8.54	31.75	22.64
8	MULTI COMMODITY EXCHANGE OF INDIA LIMITED	Stock Market	25.65	14.58	-6.42

Table 5: Data of Market Return 2012

S. No	Name of the issue	Sector	MR_RET	MR_RET (After 6 Months)	MR_RET (After 1Years)
1	Bharti Infratel Limited	Telecom	0.49	-0.64	7.38
2	PC Jeweller Limited	Industry	-0.30	-3.49	7.23
3	Credit Analysis and Research Limited	Finance	0.12	-5.26	6.44
4	VKS Projects Limited	Construction	-1.63	14.37	13.87
5	Tribhovandas Bhimji Zaveri Limited	Industry	-4.13	9.58	16.60
6	MT EDUCARE LIMITED	Software	1.89	9.60	6.75
7	NATIONAL BUILDINGS CONSTRUCTION CORPORATION LIMITED	Housing	0.64	8.26	5.44
8	Multi Commodity Exchange of India Limited	Stock Market	-1.764	-1.61	9.51

Table 6: Data of MAER 2012

Sl No	Name of the issue	Sector	Market Adjusted Excess Return	Market Adjusted Excess Return (After 6 months)	Market Adjusted Excess Return (After 12 months)
1	Bharti Infratel Limited	Telecom	-13.38	-29.86	-30.73
2	PC Jeweller Limited	Industry	10.82	-27.62	-41.86
3	Credit Analysis and Research Limited	Finance	22.89	-14.40	-8.54
4	VKS Projects Limited	Construction	-95.52	-102.53	-103.78
5	Tribhovandas Bhimji Zaveri Limited	Industry	-3.37	-18.42	71.61
6	MT EDUCARE LIMITED	Software	11.05	23.96	-0.38
7	NATIONAL BUILDINGS CONSTRUCTION CORPORATION LIMITED	Housing	-9.18	23.49	17.20
8	Multi Commodity Exchange of India Limited	Stock Market	27.41	16.19	-15.93

Table 7: Data of Initial Return 2013

S. No	Name of the issue	Sector	R_RET	R_RET (After 6 Months)	R_RET (After 1Years)
1	Power Grid Corporation Of India Limited	Power	10.28	45.78	10.00
2	Just Dial Limited	Service	15.54	127.48	151.40
3	V-Mart Retail Limited	Retail	-3.19	-19.24	31.05

Table 8: Data of Market Return 2013

S. No	Name of the issue	Sector	MR_RET	MR_RET (After 6 Months)	MR_RET (After 1Years)
1	Power Grid Corporation Of India Limited	Power	-1.49	20.46	
2	Just Dial Limited	Service	-2.80	2.41	22.64
3	V-Mart Retail Limited	Retail	-0.23	-9.32	2.26

Table 9: Data of MAER (Market Adjusted Excess Return) 2013

SI No	Name of the issue	Sector	Market Adjusted Excess Return	Market Adjusted Excess Return (After 6 months)	Market Adjusted Excess Return (After 12 months)
1	Power Grid Corporation Of India Limited	Power	11.77	25.32	
2	Just Dial Limited	Service	18.34	125.08	128.76
3	V-Mart Retail Limited	Retail	-2.96	-9.91	28.79

Women Empowerment through MGNREGA –
A Study of Himachal Pradesh

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ABSTRACT

Mahatma Gandhi National Rural Employment Guarantee Act is an Indian labour law and social security measure that aims to guarantee the 'right to work' and ensure livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. MGNREGA has been very instrumental in ensuring people's right to food through employment and has also led to the empowerment of rural people. MGNREGA is also notable for being extremely gender sensitive as many of its provisions are highly compatible with the needs of the women workers. Through the present study, an attempt has been made to find the empowerment effect that women's participation in MGNREGA has on them. The study has been conducted on 300 women workers from the districts of Kinnaur, Mandi and Kullu of Himachal Pradesh, who were employed in the various projects of MGNREGA. The results of the study reveal that despite certain constraints, women employed in MGNREGA have become empowered by gaining more financial independence. The study makes it clear that participation in MGNREGA has helped women to take decisions, meet their personal needs effectively on their own as well as participate in the decision making mechanisms of the scheme such as Gram Sabhas.

Key Words: *MGNREGA, Women, Participation, Empowerment, Rural, Employment.*

INTRODUCTION

The National Rural Employment Guarantee Act 2005, renamed as Mahatma Gandhi National Rural Employment Guarantee (MGNREGA) Act in 2009, is an Indian labour law and social security measure that aims to guarantee the 'right to work' and ensure livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work (Ministry of Rural Development, 2005). The Act has been launched to ensure that a more inclusive and sustainable growth reaches rural India. MGNREGA has been very instrumental in ensuring people's right to food through employment and has also led to the empowerment of rural people by helping them to play an active role in the implementation of the employment guarantee schemes with their participation in *Gram Sabhas* (participatory & representative micro level administrative unit in three tier Panchayat System), social audits, participatory planning and other such means (RoyChowdhury, J, 2010).

The MGNREGA Act was initially notified in 200 rural districts in its first phase of implementation with effect from 2nd February 2006. It was further extended to an additional 130 rural districts in 2007-2008. The remaining districts were notified under MGNREGA with effect from 1st April 2008. Since 2008, MGNREGA has covered the entire country with the exception of districts that have a hundred per cent urban population.

Under the Act of MGNREGA, the state has the obligation to provide unskilled, manual work within 15 days to a person making an application, within a radius of 5 km from the applicant's residence. If the state fails to do so, the state government has to provide an unemployment allowance. Under the provisions of the act, workers are entitled to a statutory minimum wage for their labour which is to be paid within seven days after the work is done. MGNREGA Act does not discriminate between genders and hence men and women are paid equal wages (Ministry of Rural Development, Government of India, 2006-2007).

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MGNREGA IN HIMACHAL PRADESH

The first phase of MGNREGA in Himachal Pradesh was introduced in the district of Chamba and Sirmaur on 2nd February, 2006. In its second phase, the Act was implemented in districts Kangra and Mandi with effect from 1st April, 2007. In the third phase all the remaining districts were covered under the scheme from 1st April, 2008. In the FY 2012-2013, the Act provided employment to 4,09,999 households in the State (Economic Survey of Himachal Pradesh, 2013-2014). As per the official website of MGNREGA, Himachal Pradesh, the total employment provided to households, for FY 2013-14, has been 4.91848 Lakhs. Employment provided to SC and ST has been 28.57% and 6.82% respectively. Employment provided to women has been 60.64% and employment provided to Others has been 64.61%. Total work taken up under the Act has been 92973, out of which 31651 works have been completed and 61322 works are in progress (Ministry of Rural Development, Government of India, 2014). According to the National Level Monitoring (NLM), Phase-I Report of Himachal Pradesh, 2012, there has been an improved level of awareness about MGNREGA in almost all the villages of Himachal Pradesh and most of the entitled people have job cards which are also provided to them on time. The report has also found that provision of minimum wages has been followed in most of the villages visited, but as per the report 25% of the villages had workers who were paid below the minimum wage. The report found that social audits were regularly done in all the villages visited by them during that phase. (National Level Monitoring, Phase-I, 2012).

WOMEN PARTICIPATION IN MGNREGA

Women constitute of 48.5% of the general population in India. India is known for a very skewed gender distribution as for every 1000 males there are 940 females as per the Census of India, 2011. India has ranked 101st among 136 countries on a Global Gender Gap Index compiled by Geneva-based World Economic Forum (WEF) in its Global Gender Gap Report 2013. According to the report, India's rank for women's health and survival is as low as 135th which is the second lowest rank. India's ranking for economic participation in the report is also very low at 124th and for women's educational attainment, the rank is once again low at 120th. India's overall rank in the report is also lowest among all the BRIC nations. (The Global Gender Gap Report, 2013.).

Empowerment of women in India is dependent on several factors such as the social class they belong to, their caste and creed, educational qualification, their geographical location, i.e., whether they are from urban or rural part of the country and their age. The structure of Indian society is largely patriarchal in nature where women are most often deprived of many rights and as a result face a lot of discrimination. Studies have shown that women in India have restrictions in their mobility, are often discouraged to gain education, have limited access to health facilities, have lower decision-making power and experience higher rates of violence (Upadhay, Reecha, 2010). Women in the rural areas have a much lower level of empowerment than women in the urban areas. This picture is indeed a matter of great concern as a greater part of India is rural despite of the high rates of urbanization and expansion of cities.

In such a scenario, the Act of MGNREGA has proved to be a boon for rural women as it has many provisions which are favourable for women, especially the ones who are more underprivileged. The Act has helped women to gain financial emancipation and thus empower themselves. According to the Act, one-third of total workers have to be women. The Act has no discrimination of wages according to gender, hence men and women are paid equal wages. There are provisions for crèches for children of women workers in the Act. Although provisions like work within a radius of five kilometres from the house, absence of supervisor and contractor, and flexi-bility in terms of choosing period and months of employment have not been made keeping the concerns of women workers in mind, but nevertheless, these provisions have been very conducive for rural women (Pankaj, A & Tankha, R, 2010). The guidelines of MGNREGA recommend that while allocating work, preference should be given to women over men on worksites closest to their dwelling. (MGNREGA Operational Guidelines 2013, page 22).

REVIEW OF LITERATURE

Pankaj, A and Tankha, R (2010) found in their study that rural women have been empowered as

a consequence of MGNREGA. Their study concluded that women have benefitted from the scheme by attaining economic independence which has helped them to contribute significantly to their household earnings. Their study also indicated that there had been an increased presence of women in the Gram Sabha who are interacting with the Government officials and PRI representatives. Women workers were also having access to banks and post offices. In a study conducted by Kar (2013), it was found that MGNREGA has empowered women workers by giving them a scope of independent earning and has helped women become capable of taking intra-household decisions. A study conducted by Dasgupta, S and Sudarshan, M. R (2011), revealed a rise in the participation of women in MNGREA. The study also noted that women workers were increasingly seeking work in MGNREGA since their wages were much lower than men's in the private sector, but there was no such discrimination in this government administered programme. The study thus concluded that this could be a critical factor in reducing gender disparities in the labour market. Kalitha, T (2010) mentioned in her article that women prefer to work in MGNREGA for various reasons some of which are the easy availability of MGNREGA work in local areas closer to their residence, there is also less chance of exploitation of workers, the regularity and predictability of working hours and the social acceptability and dignity of work. A study conducted by National Federation of Indian Women, (2008) on socio-economic empowerment of women under MGNREGA in the districts of Madhya Pradesh, Orissa, Tamil Nadu and Chhattisgarh has found that participation of women in MGNREGA enhanced their identity and empowered them immensely because of the economic opportunity that MGNREGA provided. In a study conducted by Dheerja et al. (2013), it was found that there was considerable impact of women empowerment programmes on quality of participation of women in MGNREGA. The study found the women officials to be playing a constructive role in facilitating the participation of women in MGNREGA and it also revealed that the gender sensitivity of the delivery system had large influence on quality of participation of women in the Act. An article by Mahapatra, R (2010) mentioned that the unique gender sensitive features of MGNREGA made it very attractive to

women workers since a large number of women have always sought and found employment in the Act. A study conducted by Sudarshan, M. Ratna (2010) concluded that rural women's participation in MGNREGA improved their household income and savings as well as led to the creation of useful assets. Hirway, I and Batabyal, S (2011) found in their study that MGNREGA triggered processes which enhanced women's empowerment as it provided employment opportunities to women and helped them to earn their livelihoods as well as encouraged them to participate in village level institutions such as Gram Sabhas, Vigilance Committees and Social Audits. The study further revealed that by assessing these opportunities, women tended to influence intra-household relationships in their favour and also tended to acquire improved bargaining within and outside the home. A study conducted by Ramesh and Kumar (2009) found that MGNREGA had a substantial influence in the lives of rural women as it empowered them economically and made them self-dependent as well as increased their self-esteem. Khera and Nayak (2009) conducted a study where it was found that MGNREGA generated significant benefits to its women workers because of its various gender sensitive provisions. The study revealed that MGNREGA ensured a secured work environment to women and helped them meet their personal as well as household requirements effectively. Panda et.al (2009) conducted a study in Sikkim and Meghalaya where it was found that participation in MGNREGA greatly empowered the rural tribal women as well as enhanced their level of self-confidence by ensuring some degree of financial independence.

Nevertheless, the hurdles women have to face as per the scheme because of the provisions of the Act are the working hours, the nature of work which is heavy and manual and the various social stigma and taboo associated with women going out for livelihood for the family, which is usually considered to be a man's job (Narayanan, S and Das, U, 2014). In a study conducted by Hazarika, (2009) it was found that in projects such as rural connectivity and renovation of local water bodies that involved earth work requiring application of physical force, male workers were preferred to female workers. A study conducted by Narayan, Sudha (2008) found that although MGNREGA had a positive impact in raising the level of income of

women workers majority of who said that MGNREGA contributed substantially to their family income, yet they were discouraged to freely participate in it because of the lack of child care facilities. The study revealed that many women were compelled to leave their young children at the care of neighbours and relatives because there was no facility of chrece and also because nobody was there to look after the children at the site when they were working. The study further found that many women workers were refused employment if they accompanied their children at the site. A study conducted by **Panda and Umdor (2011)** on the impact of MGNREGA in Assam found that only 42% of women workers felt that MGNREGA had helped in uplifting women. The study found no change in the status of women workers working there in MGNREGA.

From the thorough literature review, it thus becomes clear that women employed in MGNREGA have benefitted by attaining considerable economic freedom which has helped them to take more intra-household decisions than before. Studies have shown that MGNREGA provided women workers with equal wages and various gender sensitive provisions as well as a safe work environment, because of which there has been a rise in the participation of women in the Act. But there are also certain restrictions that women face while working in MGNREGA, such as managing both work and home, taboo associated with women going out for work and the type of work delegated to women workers in MGNREGA, which is heavy and manual in nature. Studies also reveal that because of lack of availability of child care facilities such as provision of chreches, women with very young children have been discouraged to participate in MGNREGA.

NEED FOR STUDY

The state of Himachal Pradesh has a total population of 6,856,509 out of which 3,473,892 are males and 3,382,617 are females as per the provisional results of the Census of India 2011. According to the Census 2011, Sex Ratio in Himachal Pradesh is 972 for each 1000 male. As per the official website of MGNREGA, out of 23,69,357 workers employed in MGNREGA, the total number of women employed in FY 2014-2015 is 11,33,316. Thus, 47.83% of total workers employed in MGNREGA in Himachal Pradesh are

women. Since a substantial number of women have been employed in MGNREGA in the state of Himachal Pradesh, the present study has been conducted to analyse the extent to which women have been empowered through the Act in this state. Although the rural areas of Himachal Pradesh have benefitted tremendously through the Act of MGNREGA, yet there are very few studies that have been conducted to explore the empowerment of women through their participation in the Act. Since the Act is seen as one that helps in bringing more inclusiveness and sustainability, it is very important to assess its influence in uplifting the most backward and deprived communities. Women have always been seen as the 'weaker sex' by society and are often subjected to discrimination, violence and neglect. Therefore, in order for any community to develop itself holistically, it is very important that the women of the community are also equally empowered as the men. Since MGNREGA has many provisions that are gender sensitive, it would be interesting to observe how the women of Himachal Pradesh have benefitted from the scheme.

OBJECTIVES OF THE STUDY

- To assess the empowerment effect of women's participation in MGNREGA in Himachal Pradesh.

- To assess the benefits and provisions made by the Act to women workers.

- To find if there were any constraints that prevented women from participating in the Act.

- To find the level of participation of women in the participatory decision making machineries of the Act, such as the Gram Sabha.

METHODOLOGY

Himachal Pradesh has an area that spans 55,673 sq. km and is bordered by Jammu and Kashmir on the north, Punjab on the west and south-west, Haryana and Uttarakhand on the south-east and by the Tibet Autonomous Region on the east. The state has twelve districts viz., Shimla, Kullu, Kinnaur, Mandi, Kangra, Chamba, Bilaspur, Lahaul and Spiti, Hamirpur, Una, Sirmaur and Solan (Himachal Pradesh: A Profile, Chapter-1, 2008-2009). Out of these twelve districts of Himachal Pradesh, the districts of Kinnaur, Mandi and Kullu were chosen for the present study on

the basis of random sampling. According to the official website of MGNREGA, Himachal Pradesh, women workers registered in MGNREGA in the districts of Kinnaur, Mandi and Kullu are 52.41%, 53.57% and 48.33% respectively. A sample size of 300 women workers were taken from these districts for the study, out of which 116 women workers were from Kinnaur, 100 women workers were from Mandi and 84 women workers were from Kullu. Method of convenience and judgement sampling was used to select the sample of women workers from the worksites. Both primary as well as secondary data have been used in the study. The secondary data was collected with the help of research journals, government reports, newspapers and official Government websites of the Act. The primary data was collected with the help of a well-designed questionnaire which was administered to the respondents. The information thus collected was analysed with the help of statistical tools like percentages.

DEMOGRAPHIC PROFILE OF RESPONDENTS:

Table 1 shows the demographic profile of the respondents. According to the data gathered from the study most of the women workers, i.e., 25.86%, working in MGNREGA from the district Kinnaur belonged to the age group of 18 to 27 years. This was closely followed by the age group of 38 to 47 years, as 24.14% of women workers from the district Kinnaur belonged to this age group. In the district Mandi however, the majority of the women workers, i.e., 41.00% of them, belonged to the age group of 28 to 37 years. The district Kullu too had majority of women workers, i.e., 25.00% of them, belonging to the age group of 28 to 37 years closely followed by 23.81% of women workers belonging to the age group of 38 to 47 years.

Majority of the women workers, i.e., 24.14% and 40.48%, from the districts Kinnaur and Mandi, had education only till the primary level. However, majority of women workers constituting of 46% from the district Mandi were not literate at all.

The study shows that 79.31%, 88.00% and 89.28% of women workers from the districts of Kinnaur, Mandi and Kullu respectively, were married. 3.57%, 2.00% and 12.93% of women workers from the districts of Kinnaur, Mandi and Kullu respectively, were unmarried. 7.76%,

10.00% and 7.14% of women workers from the districts of Kinnaur, Mandi and Kullu respectively, were widowed. None of the women workers surveyed were separated or divorced. Therefore, most of the women workers from all the districts were married women.

Majority of the women workers constituting of 37.07%, 39.00% and 32.14% from Kinnaur, Mandi and Kullu respectively, had two children. 31.03%, 32.00% and 26.19% from Kinnaur, Mandi and Kullu respectively, had three children. Therefore most of the women from all the three districts had 2 to 3 children.

A strikingly high percentage of women workers constituting of 53.45%, 77.00% and 75.00% from the districts Kinnaur, Mandi and Kullu respectively, had a family size of 4 to 6 members.

LEVEL OF INCOME OF MGNREGA WOMEN WORKERS

Table 2 is the reflection of the level of income of the respondents. The study shows that 71.55% and 57.00%, i.e., the majority of women workers from the districts Kinnaur and Mandi earned a total amount of Rs. 15,001 to Rs. 20,000 individually from MGNREGA. However, most of the women constituting of 44.05%, from Kullu earned a total amount of Rs. 10,001 to Rs. 15,000 individually from MGNREGA. In many cases, other family members of the women workers too were engaged in MGNREGA. 73.27%, 63.00% and 55.95% constituting of the majority of women workers from Kinnaur, Mandi and Kullu respectively had a total household income of Rs. 10,001 to Rs. 20,000 from MGNREGA. Majority of the women workers constituting of 40.52%, 46.00% and 46.43% from Kinnaur, Mandi and Kullu respectively had a total annual household income of Rs.10,001 to Rs.50,000.

FAMILY'S MAIN SOURCE OF INCOME

The main source of income, as seen from table 3, was from odd jobs for the districts of Kinnaur and Mandi as 48.27% and 53.00% of the respondents of the two districts respectively had their family's main source of income from odd jobs. But in district Kullu, majority of the respondents comprising of 44.05% have said their family's main source of income to be coming from agriculture. 16.38%,

13.00% and 5.95% of the respondents from the districts Kinnaur, Mandi and Kullu respectively, have said MGNREGA to be their main source of income. Therefore, we see that MGNREGA was not the main source of income for most women workers in all the three districts.

BENEFITS & PROVISIONS FOR WOMEN WORKERS

All the women workers surveyed across all the three districts, i.e. Kinnaur, Mandi and Kullu, have pointed out that they did not have any difficulty in getting themselves enrolled in MGNREGA. There were no wage differentials on the basis of gender hence both male and female workers received the same wages as per the guidelines of MGNREGA. Collection of wages was also done easily as the wages were directly transferred to the bank accounts of women workers. Therefore this required all the workers to maintain their own bank accounts. This provision has greatly empowered most of the women workers financially, who earlier did not have any access to banking. Since all the women workers have their own bank accounts now, most of them collected their wages from the bank on their own. But there were instances where husband and wife shared the same job card. In such a case the collection of wage was done mutually.

PROVISION FOR CHILD CARE

The data from Table 4 shows that very few women workers had infants. In Kullu, as less as 5.95% of women workers had infants. In Mandi only 6.00% of women workers had infants. In Kinnaur only 8.62% of women workers had infants. The reason for this is that there was almost no provision to look after children at the worksite. None of the worksites in all the districts surveyed had any facility for Creche. Therefore, women with very young children felt discouraged to participate in MGNREGA. But there were also cases where extreme poverty drove mothers with infants or very young children to bring their children at worksites. In such situations, older women workers have been said to take care of the children. This seems to be a great barrier to women having infants, who want to participate in the Act. Nevertheless, it must be mentioned here, that women workers with infants have never been refused employment opportunity in MGNREGA by the Panchayats and

Ward members.

Another shortcoming in the implementation of the Act is that none of the surveyed sites in any of the districts had rooms for changing clothes, toilets or even provisions for drinking water. First Aid facility was available in most of the work sites. Nevertheless, a particular village of Mandi Sadar did not receive First Aid provisions since two years now. All the workers from all the three districts had their worksite located within a distance of 5 Kms from their residence. All the workers interviewed travelled to their worksite on foot.

It is clear from Table 6 that a strikingly high percentage of women workers were well aware of the Grievance Redressal Mechanism in MGNREGA. As high as 97.41% of women workers from Kinnaur, 95.00% of women workers from Mandi and 91.67% of women workers from Kullu were aware of the provision of Grievance Redressal Mechanism of MGNREGA. Yet, surprisingly none of the workers surveyed from any of the districts have ever made use of this mechanism. The workers interviewed have all borne a strikingly similar resemblance in their response when asked why they never made any use of the mechanism. They have all maintained that the work environment they shared was very healthy and fruitful. The ward members were very helpful and have always tried to resolve their problems in a very sincere and steadfast manner. Hence, they have never borne any work related grievance to the extent of using the mechanism. Yet, barring from a very small portion of the workers, the majority seemed to be aware of the provisions of the Grievance Redressal Mechanism.

Constraints of Women Workers:

The study also explored the difficulty and constraints women workers faced while working in MGNREGA. The information regarding this has been presented in Table 7.

There was a mixed response with regards to the difficulty level of the type of work allotted in MGNREGA. Although greater percentage of women from all the districts felt that the work of MGNREGA was not difficult, yet a large percentage of women workers did feel that the types of work allotted in MGNREGA were very difficult, especially for women workers. Most of the respondents said that the type of work they did, like building roads, was often very difficult,

especially because of the hilly terrain. They said that they had to carry stones and heavy objects and work for hours in such an atmosphere. Hence there were times when they felt very uncomfortable and also felt that their body's biological system had been severely affected the nature of the work. Many reported to have been sick for months. But since MGNREGA was a very important source of income for their family, they could not quit from the scheme of MGNREGA so early. Most respondents suggested that since majority of them were women employed there, it would even be better if they were given less physically strenuous work. Yet few respondents reported the work to be not very difficult since they have been trained from childhood to work very hard. They said that they have fixed their own houses, looked after their own lands and have always done very heavy chores all their lives. Such respondents also felt that by engaging themselves in the projects of MGNREGA, they were utilising their time productively. Many women workers earlier worked as manual labourers and were engaged in several odd jobs. For them the type of work allotted by MGNREGA was relatively less difficult. According to them the wage earned by MGNREGA was comparatively higher, assured and regular. As per the survey, majority of the women workers from all the three districts, i.e., 60.34%, 68.00% and 64.28% of women workers, from the districts of Kinnaur, Mandi and Kullu respectively, found it difficult to manage the unpaid household work and the paid MGNREGA work. Many of the respondents felt managing work and household chores to be a challenge. Yet they were compelled to manage both work and home effectively because of the necessity of the income they earned from MGNREGA. Respondents with very young children found it extremely difficult to balance work and home. Such views have been shared by most of the respondents all across the three districts. Nevertheless, as we see in Table 7, 39.65%, 32.00% and 35.71% of women workers from the districts of Kinnaur, Mandi and Kullu respectively, managed MGNREGA work and household chores with ease. There were respondents who said that they received help in their family to manage the household especially when they were out for work. Few respondents said that their mother-in-laws took care of all their household chores. Few of them lived in a joint family and had other members to take care of their children when they were not around. Some of respondents with older children said that it was not difficult to manage work and home since they followed an extremely rigid and well planned schedule. Despite responses like these, the study does suggest that managing work and home was a difficult task for most women workers of MGNREGA from the three districts.

Empowerment Effects of MGNREGA on Women Workers

The study shows that women workers have been empowered to a great extent from their participation in MGNREGA. Table 8 shows the empowerment effects of MGNREGA on the respondents.

A. Access to Bank Pre and Post MGNREGA

The survey further revealed that most of the women workers had their very own individual bank accounts only after their enrolment in MGNREGA. As per the data gathered from the survey, only 14.65% of women workers from the district Kinnaur had individual bank accounts before getting enrolled in MGNREGA. 17.00% of women workers from the district Mandi had individual bank accounts before getting enrolled in MGNREGA, and as less as 11.90% of women workers from the district Kullu had individual bank accounts before getting enrolled in MGNREGA. The rest of the women workers from all the three districts had individual bank accounts only after getting enrolled in MGNREGA. This has been a major cause of empowerment for the women workers. Many of such respondents have said that now they could even think of saving some money since the money was kept in the bank. Many of them felt that their personal savings were greater now since they had full control over their wages. Some of them said that their husbands felt more relieved since they knew that their wives always had emergency money saved securely in their bank accounts. There were also respondents who said that earlier they thought banking to be a man's job. Now, after getting themselves enrolled in MGNREGA, they collected their own wages from the bank and even saved money in their personal bank accounts as well as contributed wisely in their family expenditures.

B. Women workers' own income to meet personal needs Pre and Post MGNREGA

The study has found that MGNREGA has indeed helped women workers all across the three districts to meet their own personal needs after they started working in MGNREGA. 87.93%, 78.00% and 85.71% of the women workers from Kinnaur, Mandi and Kullu have said that their personal needs were better met after joining MGNREGA. There were several personal needs that women workers had, such as gifting relatives, buying toys for children, buying bangles, clothes and other such items for oneself as well as decorating the house. Small needs such as these were often overlooked before because of lesser means. Some of the respondents said that earlier they had to give explanations to their husbands before purchasing anything that caught their fancy and were often ridiculed for asking money for things that were of no importance to the household. But now they could fulfil their small desires such as gifting their close ones, buying clothes for their husbands and toys for their children, or even purchasing bangles, earrings and bindis for themselves. They said that they always saved some money for these extra little things.

C. Participation in Expenditure Decisions of Income earned from MGNREGA

It is clear from Table – 8 that majority of the women workers employed in MGNREGA made expenditure decisions of their income earned from MGNREGA solely by themselves. In Kinnaur, as high as 76.72% of women workers made expenditure related decisions of the money they earned from MGNREGA solely on their own. In Mandi and Kullu 55.00% and 53.57% of women workers respectively, decided where to spend the money they earned from MGNREGA solely on their own. As many as 33.33% of women workers from Kullu have said that the expenditure of their income earned from MGNREGA was always mutual. Usually they discussed with their husbands about the expenditure of their income but their own opinion was also as important. Nevertheless, although majority of women workers of Mandi have said that they solely decided the expenditure of their income from MGNREGA on their own, yet a strikingly large percentage of women workers, i.e., 38.00% of them, had absolutely no participation in the decision making process of the expenditure of their income earned

from MGNREGA. Despite this, the overall empowerment effect of MGNREGA on these women workers of all the three districts cannot be ignored, as majority of them now have been empowered enough to take their very own expenditure decisions of the money they have earned from MGNREGA.

D. Intra-Household decision to participate in MGNREGA

The study shows that the decision to participate in MGNREGA by majority of the women workers from all the districts have been taken solely by themselves. 61.21%, 52.00% and 46.43% of women workers from Kinnaur, Mandi and Kullu respectively, have said that the decision to participate in MGNREGA was taken by themselves. Yet, a sufficiently large percentage, i.e., 34.48%, 31.00% and 32.14% of women workers from Kinnaur, Mandi and Kullu respectively, have said that it was the head of the household, usually their husbands, who encouraged them to participate in MGNREGA. A small percentage, i.e., 4.31%, 17.00% and 21.43% of women workers from the districts Kinnaur, Mandi and Kullu respectively, have said that they were asked by others, who were usually their friends, ward members or Panchayats, to participate in MGNREGA. It must be added here that sufficient information as well as encouragement have been given by the Panchayats regarding MGNREGA which empowered most of the women workers to decide participating in it.

E. Participation of Women Workers in Gram Sabha

The study reveals that the attendance of MGNREGA women workers in Gram Sabha was strikingly high in all the districts. 95.69%, 91.00% and 94.05% of MGNREGA women workers from the districts Kinnaur, Mandi and Kullu respectively, have said that they regularly attended Gram Sabhas and also understood the importance of doing so. A sufficiently large percentage of women workers from Kinnaur and Kullu constituting of 62.93% and 71.43% respectively, spoke in the Gram Sabha. A moderate percentage, i.e., 35.00% of women workers from Mandi spoke in the Gram Sabha. 33.62%, 31.00% and 53.57% of women workers from Kinnaur, Mandi and Kullu respectively interacted with officials and decision

making authorities of the Panchayats and MGNREGA. This clearly shows that women workers actively participate in the decision making machineries of the Act and hence are more informative and empowered.

CONCLUSION & IMPLICATION

It is evident from the study that women belonging to the Kinnaur, Mandi and Kullu districts of Himachal Pradesh have benefitted to a great extent from the scheme of MGNREGA. Women workers have now become more empowered as a result of the financial emancipation they have experienced after joining MGNREGA. Provisions such as collection of wages from respective bank accounts of beneficiaries have greatly benefitted women because they can now have better control over their income. The study also shows that more number of women beneficiaries now partake in the family's decision making process related to expenditures and spending. They are more capable to meet their personal expenditures than before. The decision to participate in MGNREGA was mostly the women workers' in all the three districts. Majority of the women workers all across the three districts had active participation in the decision making mechanism of MGNREGA which is evident from their level of participation and interaction in the Gram Sabhas. Hence they were well aware of the mechanisms of the scheme. Almost all the women respondents have said that they were fully aware of the grievance redressal mechanism although none of them have ever used it because the workers, most of whom were women, were highly satisfied with their job environment. Close proximity of worksite from residences and absence of third parties such as contractors have benefitted the workers, especially women, immensely.

Since MGNREGA has such an impact on the lives of its women beneficiaries, it is, thus, playing a very important role in reducing gender discrimination by providing equal opportunity for work and wages to women workers. It is therefore suggested that MGNREGA should provide work facilities that are also compatible with the requirements of women workers. The work allotted especially to women workers should not be hazardous for their physical and mental health. As the work of MGNREGA is an important source of livelihood of the rural people, and also because of its immense contribution in uplifting the status of women, the scheme needs to be extended to more number of days. There have been complaints from the respondents that there were times when they did not receive their wages on time. When there was no work, none of the beneficiaries in search of work got employment allowance in any of the districts under study. Therefore, such delays in payment should be avoided and payment of employment allowances should be made promptly. Respondents with very young children did not feel motivated to participate in MGNREGA because there was no facility for Chreche. Although older women have been said to take care of children brought to work by their mothers, yet there has always been some amount of concern when young children were left in the open. The study revealed that none of the sites surveyed had any provision for drinking water, room for changing clothes or toilet facilities. As women contribute to a sufficiently large population of the total workers employed in MGNREGA, such facilities should be mandatory in all the worksites. Proper functioning of the scheme is extremely essential for bringing about development in the rural areas. Since the most deprived gender is also benefitting to a great extent from this scheme, proper implementation of MGNREGA is extremely important for bringing about more inclusiveness in the rural and backward areas of our country.

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Table 1 : Demographic Profile of the three Districts in Percentage

(n = 300)

Variable	Category	Kinnaur	Mandi	Kullu	Total
Age	18 – 27	30 (25.86%)	5.00 (5.00%)	16 (19.05%)	51 (17.00%)
	28 – 37	26 (22.41%)	41.00 (41.00%)	21 (25.00%)	88 (29.33%)
	38 – 47	28 (24.14%)	19.00 (19.00%)	20 (23.81%)	67 (22.33%)
	48 – 57	11 (9.48%)	18.00 (18.00%)	15 (17.86%)	44 (14.67%)
	58 – 67	19 (16.38%)	14.00 (14.00%)	10 (11.90%)	43 (14.33%)
	67 & Above	2 (1.72%)	3.00 (3.00%)	2 (2.38%)	7 (2.33%)
Qualification	Not Literate	34 (29.31%)	46 (46.00%)	32 (38.09%)	112 (37.33%)
	Primary	28 (24.14%)	31 (31.00%)	34 (40.48%)	93 (31.00%)
	Below Secondary	26 (22.41%)	10 (10.00%)	8 (9.52%)	44 (14.67%)
	Secondary	23 (19.83%)	7 (7.00%)	6 (7.14%)	36 (12.00%)
	Higher Secondary	4 (3.45%)	4 (4.00%)	3 (3.57%)	11 (3.67%)
	Graduate	1 (0.86%)	2 (2.00%)	1 (1.19%)	4 (1.33%)
Marital Status	Married	92 (79.31%)	88 (88.00%)	75 (89.28%)	255 (85.00%)
	Unmarried	15 (12.93%)	2 (2.00%)	3 (3.57%)	20 (6.67%)
	Widow	9 (7.76%)	10 (10.00%)	6 (7.14%)	25 (8.33%)
Children	0	11 (9.48%)	3 (3.00%)	5 (5.95%)	19 (6.33%)
	1	8 (6.90%)	7 (7.00%)	13 (15.48%)	28 (9.33%)
	2	43 (37.07%)	39 (39.00%)	27 (32.14%)	109 (36.33%)
	3	36 (31.03%)	32 (32.00%)	22 (26.19%)	90 (30.00%)
	4	12 (10.34%)	8 (8.00%)	6 (7.14%)	26 (8.67%)
	5	6 (5.17%)	11 (11.00%)	11 (13.09%)	28 (9.33%)
Family Size	1-3	17 (14.65%)	12 (12.00%)	8 (9.52%)	37 (12.33%)
	4-6	62 (53.45%)	77 (77.00%)	63 (75.00%)	202 (67.33%)
	7-9	29 (25.00%)	4 (4.00%)	9 (10.71%)	42 (14.00%)
	'10 & Above	8 (6.90%)	7 (7.00%)	4 (4.76%)	19 (6.33%)

Table 2: Level of Income of MGNREGA Women Workers

n = 300

Variable	Income	Kinnaur	Mandi	Kullu	Total
Individual Household Income from MGNREGA in Rs.	Upto 5000	2 (1.72%)	5 (5.00%)	4 (4.76%)	11 (3.67%)
	5001-10,000	23 (19.83%)	11 (11.00%)	10 (11.90%)	44 (14.67%)
	10,001-15,000	8 (6.90%)	27 (27.00%)	37 (44.05%)	72 (24.00%)
	15,001-20,000	83 (71.55%)	57 (57.00%)	33 (39.28%)	173 (57.67%)
Total Household Income from MGNREGA in Rs.	Upto 10,000	12 (10.34%)	18 (18.00%)	17 (20.24%)	47 (15.67%)
	10,001-20,000	85 (73.27%)	63 (63.00%)	47 (55.95%)	195 (65.00%)
	20,001-30,000	4 (3.45%)	7 (7.00%)	14 (16.67%)	25 (8.33%)
	30,001-40,000	15 (12.93%)	12 (12.00%)	6 (7.14%)	33 (11.00%)
Total Annual Household Income in Rs.	Upto 10,000	3 (2.59%)	2 (2.00%)	2 (2.38%)	7 (2.33%)
	10,001-50,000	47 (40.52%)	46 (46.00%)	39 (46.43%)	132 (44.00%)
	50,001-90,000	7 (6.03%)	23 (23.00%)	27 (32.14%)	57 (19.00%)
	90,001-1,30,000	28 (24.14%)	14 (14.00%)	5 (5.95%)	47 (15.67%)
	1,30,001-1,70,000	16 (13.79%)	5 (5.00%)	7 (8.33%)	28 (9.33%)
	1,70,001-2,10,000	5 (4.31%)	7 (7.00%)	3 (3.57%)	15 (5.00%)
	2,10,001 & Above	10 (8.62%)	3 (3.00%)	1 (1.19%)	14 (4.67%)

Table 3 : Family's Main Source of Income

n = 300

Family's Main Source of Income	Kinnaur	Mandi	Kullu	Total
Agriculture	10 (8.62%)	5 (5.00%)	37 (44.05%)	52 (17.33%)
MGNREGA	19 (16.38%)	13 (13.00%)	5 (5.95%)	37 (12.33%)
Govt. & Private Services	25 (21.55%)	26 (26.00%)	7 (8.33%)	58 (19.33%)
Business	6 (5.17%)	3 (3.00%)	10 (11.90%)	19 (6.33%)
Odd Jobs	56 (48.27%)	53 (53.00%)	25 (29.76%)	134 (44.67%)

Table 4: Women Having Infants:

Kinnaur	10 (8.62%)
Mandi	6 (6.00%)
Kullu	5 (5.95%)

Table 5: Provisions for Women Workers

n = 300

Provisions	Kinnaur	Mandi	Kullu
Room for Changing Clothes	None	None	None
Toilet	None	None	None
Provision for Drinking Water	None	None	None
Creche Facility	None	None	None
First Aid	Yes	Yes	Yes
Worksite within 5 Kms	Yes	Yes	Yes

Table 6: Awareness and Use of Grievance Redressal Mechanism

Districts	Awareness of Grievance Redressal Mechanism	Use of Grievance Redressal Mechanism
Kinnaur	113 (97.41%)	0 (0.00%)
Mandi	95 (95.00%)	0 (0.00%)
Kullu	77 (91.67%)	0 (0.00%)

Table 7 : Difficulty of Work and Work-Life Balance

n =300

Particulars	Response	Kinnaur	Mandi	Kullu	Total
Work of MGNREGA is difficult for					
Women Workers	Yes	54 (46.55%)	39 (39.00%)	31 (36.90%)	124 (41.33%)
	No	62 (53.45%)	61 (61.00%)	53 (63.09%)	176 (58.67%)
Women Workers manage MGNREGA					
Work and Home with ease	Yes	46 (39.65%)	32 (32.00%)	30 (35.71%)	108 (36.00%)
	No	70 (60.34%)	68 (68.00%)	54 (64.28%)	192 (64.00%)

Table 8: Empowerment Effects of MGNREGA on Wome'n Workers

n = 300

Particulars	Kinnaur	Mandi	Kullu	Total
A. Access to Banks Pre & Post MGNREGA				
Pre-MGNREGA Individual Bank Account of Women Workers	17 (14.65%)	17 (17.00%)	10 (11.90%)	44 (14.67%)
Post-MGNREGA Individual Bank Account of Women Workers	99 (85.34%)	83 (83.00%)	74 (88.09%)	256 (85.33%)
B. Women Workers' own income to meet Personal Needs Pre & Post MGNREGA				
Pre-MGNREGA : Own income to meet personal needs	14 (12.07%)	22 (22.00%)	12 (14.28%)	48 (16.00%)
Post-MGNREGA : Own income to meet personal needs	102 (87.93%)	78 (78.00%)	72 (85.71%)	252 (84.00%)
C. Participation in Expenditure Decisions of Income earned from MGNREGA				
No Participation in Expenditure Decision of Income Earned from MGNREGA	9 (7.76%)	38 (38.00%)	11 (13.09%)	58 (19.33%)
Mutual Participation in Expenditure Decision of Income Earned from MGNREGA	18 (15.52%)	7 (7.00%)	28 (33.33%)	53 (17.67%)
Sole Participation in Expenditure Decision of Income Earned from MGNREGA	89 (76.72%)	55 (55.00%)	45 (53.57%)	189 (63.00%)
D. Intra-Household decision to participate in MGNREGA				
Intra-household decision to participate in MGNREGA- SELF	71 (61.21%)	52 (52.00%)	39 (46.43%)	162 (54.00%)
Intra-household decision to participate in MGNREGA – HEAD OF HOUSEHOLD	40 (34.48%)	31 (31.00%)	27 (32.14%)	98 (32.67%)
Intra-household decision to participate in MGNREGA - OTHERS	5 (4.31%)	17 (17.00%)	18 (21.43%)	40 (13.33%)
E. Participation of Women Workers in Gram Sabha				
i. Women Workers attending Gram Sabha	111 (95.69%)	91 (91.00%)	79 (94.05%)	281 (93.67%)
ii. Women Workers not attending Gram Sabha	5 (4.31%)	9 (9%)	5 (5.95%)	19 (6.33%)
i. Women Workers speaking in Gram Sabha	73 (62.93%)	35 (35.00%)	60 (71.43%)	168 (56.00%)
ii. Women Workers not speaking in Gram Sabha	43 (37.07%)	65 (65%)	24 (28.57%)	132 (44.00%)
i. Women Workers interacting with Officials	39 (33.62%)	31 (31.00%)	45 (53.57%)	115 (38.33%)
ii. Women Workers not interacting with Officials	77 (66.38%)	69 (69%)	39 (46.43%)	185 (61.67%)

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ABOUT THE EDITOR

Dr. Arvind Singh born in Ghaziabad is the Chief Editor of the journal. He is heading the MBA Institute of RKGIT, Ghaziabad as Principal. He has more than 25 years of experience of the industry & academia. He did his Ph.D from CCS University Meerut. He earns his master degree in management from IMT Ghaziabad and Master of commerce from CCS University. He is a good administrator and academician. His area of interest for teaching are Accounting and Finance & Stratergic Cost Management. Prof. Singh has many publications to this credit in the form of Books, research papers, articles etc. He has published 11 research papers in reputed journals and presented 18 papers in national & International seminars. He has supervised over 100 research project of MBA students. He has organized several seminars including inclusive Growth & innovative Practises in Management. He is associated with many professionals bodies. The Executive Member of Ghaziabad Management Association, Member of All India Management Association and member of Indian Society for Management Development and Research. He is supervising four Doctoral theses.

ABOUT THE EDITOR

Dr Vishal Srivastava is an established 'Business Research & Marketing Scholar' with 15 Years Industrial & Academic Experience in Sales, Research & Business Management fields. Since last more than 08 years associated in Management education with 'Raj Kumar Goel Institute of Technology (MBA) in teaching Business Research, Marketing Research & Marketing Management at Master's Degree level. He holds 'Doctorate' as well as 'Masters' in Management.

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He has over 7 year Corporate experience in Sales & Marketing of renowned Banking & Pharmaceutical organizations. He has effective working experience at various capacities at various location of Northern India. During Industrial experience he has achieved various awards & recognition for his performances. He has enriched experience of 'New Brand Launch' & 'Brand Development' in various organizations.