

LISTED IN CABELL'S DIRECTORY, USA
& ULRICH'S PERIODICAL, USA

ISSN 0975-4601

Global Impact & Quality Factor : 0.676



SAARANSH

RKG JOURNAL OF MANAGEMENT

Vol :13

No :1

July 2021

Contents

- OUTCOMES OF THE CHALLENGES OF MIDDLE MANAGEMENT IN THE CROSS-FIRES OF TOP AND LOWER MANAGEMENT - John NkeobunaNnahUgoani
- A STUDY OF PERFORMANCE INDICATORS OF TECHNOLOGY BUSINESS INCUBATORS (TBIS) IN INDIA - Vishal Gandhi, Dr. Asif Ali Syed, Sudhir Kumar Jain
- EMPLOYEE EMPOWERMENT IN POWER SECTOR - Ms. Bijoylaxmi Panda
- THE STUDY OF RELATIONSHIP BETWEEN NON PERFORMING ASSETS & OCCUPATION OF HOME LOAN ACCOUNT HOLDER IN MUMBAI & NAVI MUMBAI AREA - Dr.Kavita Kathare
- IMPACT OF MGNREG PROGRAMME ON TRIBAL PEOPLE IN HIMACHAL PRADESH - Dr.DeepikaGautam
- VENTURE CAPITAL FINANCING - Mr. Atul Kumar Srivastava, Dr. Manish Kumar Srivastava
- ESTABLISHING INDUSTRY-DRIVEN BUSINESS-EDUCATION THROUGH ACADEMIA-INDUSTRY INTERFACE - ThimmaiahBayavanda Chinnappa, Dr. N. Karunakaran
- EFFECT OF CRYPTOCURRENCIES ON DIGITAL MARKETING - Dr.SyedaAmtulMahaboob

An International Bi-annual Refereed Research Journal



RAJ KUMAR GOEL INSTITUTE OF TECHNOLOGY

Approved By AICTE, Ministry of HRD, New Delhi and Affiliated to :



DR. APJ ABDUL KALAM TECHNICAL UNIVERSITY, (UP) LUCKNOW

(formerly UP Technical University, Lucknow)



Founder
Late Shri Raj Kumar Goel Ji

Commandment

From The Founder

We are building our Institute as an ideal family, the RKGIT PARIWAR where members strive for the development, well being and promotion of each other.

अज्ञानेनावृतं ज्ञानं ।

श्रीमद् भगवत गीता अध्याय 5, श्लोक 15

CHIEF PATRON

Shri Dinesh Kumar Goel
Chairman, RKG Group of Institutions

PATRONS

Mr. Akshat Goel
Vice-Chairman
RKG Group of Institutions

Dr. Laxman Prasad
Advisor
RKG Group of Institutions

Dr. D.K. Chauhan
Executive Director
RKGIT, Ghaziabad

Dr. D.R. Somashekhar
Director
RKGIT, Ghaziabad

Dr. Vikesh Chaudhary
Director, Academics
RKGIT, Ghaziabad

Dr. Vibhuti
Professor & Head, MBA
Ghaziabad

Dr. Ashish Kumar Singh
Associate Professor-MBA
Ghaziabad

EDITORS

ADVISORY BOARD

Dr. José G. Vargas-Hernández,
Research Professor Department of
Administration
University administrative center of
economic sciences
University of Guadalajara.
Periférico Norte 799 Mexico

Dr. Dileep Kumar M.
Nilai Field Research Centre, MALAYSIA.

Dr Rajesh Singh
Professor –Department of Statistics
BHU, Varanasi.

Dr, Ugoani John Nkeobuna Nnah
Professor, Rhema University,
Aba Owerri Road, Abia State, Nigeria,

Prof. (Dr.) Raj Kumar
Director & Dean Institute of Management
Studies, BHU, Varanasi

Dr Anurag Singh
Asso. Professor – Institute of
Management Studies
BHU, Varanasi.

Dr. Sheerali Arya
Programme Leader - Business NZDB5 and
Faculty of Business Coordinator
Coordinator
Durham Street, Tauranga 3110, New
Zealand

Dr Bhagirath Singh
Vice Chancellor Maharaja Ganga Singh
University, Bikaner, Rajasthan

Dr. Amit Kumar Singh
Associate Professor, Department of
Commerce
Delhi School of Economics, DU

Dr Worku Mekonnen
Associate Professor
Head, School of Commerce,
Addis Ababa University, Ethiopia

Dr Shiv Tripathi
Ex-Vice Chancellor
Mahatma Gandhi University, Meghalaya

Dr Arvind Singh,
Director-Faculty of Management &
Commerce, LNCT University,
Bhopal, India

Dr Gagan Kukreja
Director (Professional Department)
Baharain Overseas Center of Institute of
Cost Accountants of India, Baharain

Dr Ravinder Kumar
Professor,
Jamia Milia Islamia University New Delhi

Dr S P Singh
Ex Head and Dean, FMS
Gurukul Kangri Vishwavidyalaya, Haridwar
, U. K. India

Dr Shyam B Katuwal
Tribhuvan University, Faculty of
Management, Biratnagar, Nepal

Dr Nageshwar Rao
Vice Chancellor, IGNOU, New Delhi

Dr. Moise, Daniel
Associate Professor, Marketing Faculty
The Bucharest Academy of Economic
Studies
Nr 8, Bozieni, 6th district, 061617,
Bucharest, Romania

Dr D P S Verma
Formerly, Professor of Commerce,
Delhi School of Economics, University of Delhi,
Delhi

Dr H K Singh
Professor of Finance,
Faculty of Commerce, BHU, Varanasi.

EDITORIAL TEAM

Mr. Harsh Mohan Sharma
Dr. Manjusha Goel
Ms. Sanjana Agarwal

Ms. Nishi Pathak
Ms. Richa Shukla

Mr. Ashish Kumar Singh
Ms. Yatika Rastogi

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.

The information, contents, opinion and data appearing in the articles and advertisement in the journal are the sole responsibility of the concerned author (s) or the advertisers. The Editor, Editorial Board and publisher disclaim responsibility and liability for any statement or opinion made by the contributors.

All disputes will be subject of the jurisdiction of Ghaziabad only.

FROM THE DESK OF THE EDITOR

The present issue carries eight articles. The first article designed to explore the challenges of Middle Management in the crossfires of Top and Lower management and the outcomes?

The Second article assesses the performance of Technological Business Incubators (TBIs) based on number of a patent granted, support services offered by TBI, services offered in TBI, selection criteria for incubating, exit criteria for the incubator, academia linkage, corporate linkage, nature of functioning as a performance indicator. In addition, partial least squares structural equation modelling (PLS-SEM) was employed to test the hypotheses.

The Third article found the concept and practice of Employee Empowerment in industry and identified the HR Policies concerning employee empowerment in the power sector.

The Fourth paper attempts to find the relationship between Non-Performing Assets (NPAs) & the occupation of the home loan account holder in Mumbai & the Navi Mumbai area.

The Fifth article analyzes the perception of workers towards MGNREGP, i.e. to what extent MGNREGP has done justice in improving the living conditions of tribal people in Himachal Pradesh & to identify the problems faced by the beneficiaries.

The Sixth article has made efforts to understand the process of venture capital financing in India & to study the process of carving out an effective business plan for startups.

The Seventh article explores how Business Schools can work closely with industry to establish industry-driven business education, studied the dimensions of Academia-Industry partnership, and identified possible areas where industry's contribution to academia would be most effective.

The Eighth article analyzes how crypto-currency will affect the payment system, which will, in turn, have a profound effect on digital marketing systems.

We hope that the current issue will assist readers in gaining a better knowledge of modern India's dynamic business environment. Moreover, I am thankful to all the authors for contributing their research work & express my heartiest gratitude for their valuable support with patronage's expectation in the future.

–Dr. Vibhuti



EXPERT’S-COMMENTS **for** **“SAARANSH” RKG Journal of Management**

Prof. Jagdish Prakash, Ex Vice Chancellor, University of Allahabad

✍ *SAARANSH is a very standard journal in the area of management which includes empirical articles by national and international authors'*

Prof. R. C. Saraswat, Vice Chancellor, Dr. Ram Manohar Lohiya Avadh University, Faizabad

✍ *'I am pretty sure that the professionals and faculty of various colleges will contribute in the forthcoming issue of the journal.'*

Prof. Vinay Kumar Pathak, Vice Chancellor, Dr APJ Abdul Kalam University, Lucknow

✍ *"The efforts of the editorial the board are appreciable keeping in view the keen interest being taken in the journal both by academicians and executives throughout the country."*

Prof. R. L. Tamboli, Professor & Head, Deptt of ABST, ML Sukhadia University, Udaipur

✍ *'The journal will be getting commanding heights in India, and thereafter abroad, positively.'*

Dr. A. K. Bajpai, Professor, Mechanical Engineering Dept, M.M.M. Engineering College, Gorakhpur

✍ *The outcome of this Journal from your Institution helps in development better academic environment in your College. The Engineering & Management community; Business and Industry and Society all are going to be benefited by your efforts.'*

Prof. Prithul Chakraborti, Head, CMS, JIS College of Engineering, Kalyan, Nadia

✍ *'I appreciate the quality of the contents of the journal.'*

Prof. V. Vijay Durga Prasad, Professor and Head, MBA, PS College of Engineering & Technology, Vijayawada

✍ *'The significant point which I liked is the feedback form about the articles published in the issue.'*

Prof. (Dr). G. K. Upadhyay, Director, Sri Sri Institute of Technology & Management, Kasganj

✍ *'It proves to be a result of great hard work & creativity'*

Dr R. K. Singh, Faculty, MONIRBA, University of Allahabad, Allahabad

✍ *'The journal is overall an excellent attempt'*

CONTENTS

- OUTCOMES OF THE CHALLENGES OF MIDDLE MANAGEMENT IN THE CROSS-FIRES OF TOP AND LOWER MANAGEMENT 1
John Nkeobuna Nnah Ugoani
- A STUDY OF PERFORMANCE INDICATORS OF TECHNOLOGY BUSINESS INCUBATORS (TBIS) IN INDIA 15
Vishal Gandhi, Dr. Asif Ali Syed, Sudhir Kumar Jain
- EMPLOYEE EMPOWERMENT IN POWER SECTOR 24
Ms. Bijoylaxmi Panda
- THE STUDY OF RELATIONSHIP BETWEEN NON PERFORMING ASSETS & OCCUPATION OF HOME LOAN ACCOUNT HOLDER IN MUMBAI & NAVI MUMBAI AREA 35
Dr. Kavita Kathare
- IMPACT OF MGNREG PROGRAMME ON TRIBAL PEOPLE IN HIMACHAL PRADESH 39
Dr. Deepika Gautam
- VENTURE CAPITAL FINANCING 45
Mr. Atul Kumar Srivastava, Dr. Manish Kumar Srivastava
- ESTABLISHING INDUSTRY-DRIVEN BUSINESS-EDUCATION THROUGH ACADEMIA-INDUSTRY INTERFACE 49
Thimmaiah Bayavanda Chinnappa, Dr. N. Karunakaran
- EFFECT OF CRYPTOCURRENCIES ON DIGITAL MARKETING 55
Dr. Syeda Amtul Mahaboob

Outcomes of the Challenges of Middle Management in the Cross-Fires of Top and Lower Management

John Nkeobuna Nnah Ugoani

ABSTRACT

Organization design recognizes managerial practice to follow a logical hierarchical order with each level supplementing and complementing each other for the effective management of the enterprise. In recent history organizational politics appears to be inflaming the challenges among the levels of management and critically placing the middle management at the cross fires of top and lower management. This remains a contentious issue that frustrates many talented middle managers and leading to career dissatisfaction and either voluntary or involuntary exit. The qualitative research design was adopted for the study and the result showed positive relationship between middle management challenges and negative outcomes. The study was not exhaustive; therefore, further study could examine ways of improving organizational design to reduce conflict among the levels of management. This study recommends that top management should be primarily concerned with supporting top organizational leadership and co-operating with middle management for improved performance.

Keywords: Top organizational leadership, Career menopause, Cross fires, Mourning organizational politics, Different little goals.

1. INTRODUCTION

Traditional hierarchical organizations recognize the nomenclatures of top management, middle management and lower management to drive their goals. Top management is often used to describe the policymakers including the chairman and the board of directors (BODs). The individuals wear the titles such as managing director, executive director non-executive director, among others. In the middle management category are those usually called general manager, deputy general manager, assistant general manager, principal manager or senior manager. The lower management categories are the majority of frontline people as managers, deputy managers, assistant managers, supervisors, and accountants, among others. The people in the last category have the responsibility of carrying out instructions or decisions reached by top management and co-ordinated by middle management. In this traditional process, the middle management receives directives from the

top management and passes them to lower management by way of implementation. This situation places the middle manager at the mercy of both top management and lower management, as he tries to please both categories in attempting to be successful. In cases where top management rolls out policies that are difficult to implement or cannot be implemented, the top management will quickly blame middle management for inefficiency, while at the same time lower management will ridicule middle management for incompetence. In order to hide its own deficiencies in terms of policy making and organizational leadership, top management can bypass middle management through lower management and both will heap all the blames of failure on middle management. Top management in a hidden agenda to undo middle management will often wave the theory of *compressive* management, or employee involvement in management decision making. When middle management is caught in the cross fires of top management and lower management,

* Professor, Department of Management Sciences, College of Management and Social Sciences, Rhema University, Aba, Nigeria. *Email: John_ugoani@rhemauniversity.edu.ng; drjohnugoani@yahoo.com



as it often does, the natural outcome becomes frustration and career dilemmas. As soon as top management starts to bypass middle management through lower management under any guise, respect for middle management wanes, indiscipline builds up, and as the middle management is suppressed, morale becomes low and performance declines. Performance will naturally decline because as middle management is bypassed it is also emasculated of responsibility, and left with nothing than playing a *roleless* role; of merely *watching* events. According to Dickson (1977) what remains for it is the management of procedure and reactions to organizational strategy which is both dispiriting and demotivating, and mourning lack of influence on decisions. Middle management is basically frustrated by the conflicting expectations of those above and those below in the organizational hierarchy to squeeze between the demands of strategies they do not influence and the ambitions of increasingly independent-minded employees below (Kanter, 1986). According to Keys and Bell (1982) middle managers are frequently caught in the cross fires between internal departments and outside customers and suppliers. The middle manager has huge problems and responsibilities to survive in a chosen career and to contribute to the success of the organization. This suggests that the middle manager requires the skills of tact, empathy, compassion, responsibility and humility. Above all, the middle manager of the 21st century and beyond requires a high dose of business or entrepreneurial skills such as negotiation skills, networking skills and leadership skills that define performance and career success, instead of being castrated and made to *bow before different little goals*.

1.1 Research Problem

The growing improvements in information and communication technology (ICT) and the reduction in the layers of management in hierarchical organizations have given rise to the frustrations and disappointments of middle

management. In many contemporary organizations, top management can now easily obtain important information from lower management without necessarily passing through middle management, as was the tradition, and this development reduces the relevance of middle management roles. To some extent, top management begins to feel that going through middle management becomes time wasting, and starts unholy romance. With lower management, and then tries to find reasons why the middle management role must become a roleless role. In some organizations today, *high wire* levels rumour, gossip and grapevine stories push up the problems among the levels of management. This often results to situations where executive directors bypass their general managers to deal with other managers in the organization, and later blackmailing such general managers as incompetent, and labeling the manager below a nonperformer. With this ploy which is usually surrounded with gossips, the manager on top makes the position of the manager in the middle *unenviable*, and he or she becomes demotivated while productivity falls. As soon as this happens, the lower manager *jubilates* in support of the manager on top, who is waiting for a way of *dealing* with the middle manager who may not then make it to the top management level. As a consequence, the manager in the middle is usually confronted with conflict of expectations with regard to the reactions from those above and those below. Obviously, the *pressure* between the demands of strategic decisions the middle manager does not and cannot influence, and the high expectations of increasingly ambitious knowledge workers below becomes a serious challenge, and ultimately placing the middle manager at the cross-fires of those above and those below. This often results to frustration and disenchantment, and the manager in the middle faces the almost herculean task of trying to move up or making the move of moving out for better career opportunities. Despite the importance of this aspect of management, there are not many

reports in Nigeria seeking to explore ways of reducing it. This report cannot fill the knowledge gap, but it succeeds if other researchers explore more in these areas.

1.2 Research Objective

This study was designed to explore the challenges of middle management in the cross fires of top and lower management and the outcomes.

1.3 Research Significance

The fast growing importance of the Internet has made it possible for top management to obtain important information from lower management without seeking the assistance of middle management. This may be justified on the basis of economic globalization and the consequences of flatter organizational hierarchy. The result of this study will help students, researchers, practitioners, and policy makers to appreciate the need for top organizational leadership style that harmonizes the smooth co-operation of the three levels of management for improved organizational profitability and sustainability.

1.4 Research Questions

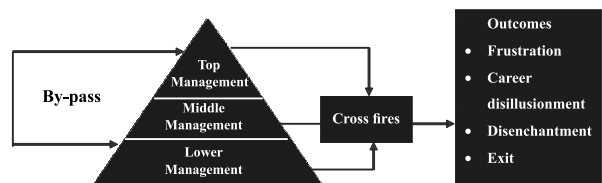
- i. Is it possible for top management to bypass middle management to get information from lower management?
- ii. Is it true that top management can frustrate middle management through *unholy* collaboration with lower management?
- iii. Can middle management do a good job if supported by top management?
- iv. Is it easy for middle management to survive in the cross-fires of top and lower management?
- v. Can an organization where middle management is frustrated boast of retaining talented middle managers?
- vi. Does lack of co-operation between top management and middle management lead to improved organizational effectiveness?

- vii. Is it true that top management often blocks middle management for selfish interests?
- viii. Is it true that the overzealous ambitions of lower management lead to conspiring with top management against middle management?
- ix. Do you agree that to bypass middle management is a good management style?
- x. Can top good organizational leadership address the problems associated with the cross-fires of top and lower management on middle management?

1.5 Conceptual Framework

A conceptual framework is the structure of the study that shows the relationship between its major variables and the problem of the study. It is often expressed in a schematic model and to explain important issues that otherwise would be buried in an excess of words. The model for this study is shown in figure 1.

Figure 1: Outcomes of Middle Management Challenges in the Cross Fires of Top and Lower Management Model.



Source: Author Designed (2021)

This conceptual model explains that top management may bypass middle management to obtain necessary information. When this happens as it often does, it brings emotional and psychological problems on middle management, leading to demotivation. When the manager in the middle is left in the *cold*, due to the *cross fires* or conspiracy between top and lower management the outcomes are usually frustration, career disillussionment, disenchantment, and in extreme cases either voluntary or involuntary exit from the organization. According to Mabey and Mayon-

White (1993) there is a growing sense of frustration and powerlessness among middle managers to break their careers. Middle managers also feel that they have to make greater efforts in their jobs but perceive the rewards to be diminishing. In many organizations they surveyed, they found that middle managers see their career progression as limited. Top management now hide under the *blanket cover* of the improvements in information and communication technology (ICT), frequent organizational restructuring and reengineering, leading to organic, flatter structures, to bypass middle management through lower management in the *guise of compressive management* and organizational efficiency. In view of this development, Goffee and Scase (1986) argue that a new form of psychological contract between middle managers and their employers is necessary to enhance commitment and emotional immersion. Also, they opine that high levels of managerial commitment will only be achieved if managers are convinced that the rewards are worth the effort. According to Dopson and Stewart (1993) research evidence suggests that the middle manager is often bypassed by top management, is a frustrated, disillusioned, caught in the middle of a hierarchy, impotent and with no real hope, of career progression. His work becomes more routine, uninteresting and unimportant. They insist that many middle managers find themselves bypassed by top management in efforts to increase employee involvement, and that they are often caught in the cross fires between internal departments and other significant stakeholders. In building and consolidating sources of power, top management makes the mistake of bypassing middle management that now feels neglected, even with knowledge and skills, because knowledge and skills with no power to apply them are of little or no value. A situation like this, particularly for knowledge-middle managers', results to burnout, helplessness, boredom, professional suicide and mid-career crisis (Pfeffer, 1993, O'Reilly, 1989,

Knies, and Leisink, 2017, Hayward, 2005, Senge, 1990, Ghoshal and Bertlett, 1993, Shaw, 1997, Geppert, 1996).

2. LITERATURE REVIEW

Early perspectives on organizational structure relating to established patterns of work roles embraces authority and responsibility relationships and the administrative mechanisms used in planning, organizing, directing, controlling and integrating work activity. It is a kind of unifying approach that attempts to bring together people and work in a harmonious manner. The concern of top organizational leadership with the responsibility of organizational design is to create and facilitate an effective structure that would guarantee the realization of the goals of the super-ordinate organization and managing its reputation (Daff and Marcic, 2010). Classical perspective of organizational theory suggests that *management* is the function of the BODs who are elected or appointed by the shareholders or owners of the organization to *manage* the organization on their behalf. The BODs in this context is principally concerned with the determination of the overall-policy of the organization. In order to distinguish it from *top management*, *middle management*, and *lower management* in the same organization, it might be described as *top organizational leadership*, as shown in figure 2. (Gilbert, and Abosch, 1996, O'Connor, 1999, Goleman, 1999, 2006).

Figure 2: Top Organizational Leadership Model



Source: Author Designed (2021)

Top organizational leadership refers to the BODs with the chairman as the leader that has ultimate responsibility for general policy formulation for the entire organization, and the control of top management. Even though there might not be a best board chairman anywhere, but the chairman of a successful organization should be an exceptional leader with great capacity for effective board and management control. This cannot be overemphasized because the chairman is the manager to whom all other top managers reports (Jones, and George, 2003, Druskat, 2003). Such control is imperative to ensure that those left to manage the day-to-day affairs of the organization do so in the interest of all stakeholders. Also, in any human organization, the challenges of conflict of interest among and between the three echelons of management often manifest. In this context therefore, top organizational leadership increasingly becomes a powerful facilitator, and not a mere *sounding board*, for ideas and a source of clarification, direction, and not necessarily a source of judgment for the smooth management of the organization (Jackson and Donovan, 1999, Carrillo, 2004, Boland, et al, 2008, Dobrjaska, et al, 2015, Eisenhardt, et al, 2016, Fjeldstad, et al, 2012). Top management takes policy directives as given by BODs for the administration of the organization. Administration in this context is the function of all below the BODs from top management, who are collectively and individually responsible for implementing the board's policy. In this hierarchical order, top management creates micro-level strategies which it believes will support the macro structural strategies of the organization and this is the angle from which the middle management starts to receive *blows*, first, from top management and second, from the lower management. According to Burton et al (2002) organizational design traditionally assumes that top organizational leadership designs structures, and thus, little is known about the role of middle managers in organizational design. According to Livijn (2019) a study of four different managerial levels about

how these managers adapted a top-down reorganization in which top management outlined a new macro design showed that top management left the overall reconfiguration to middle managers to make it fit to specific circumstances, in the parts of the organization for which they were responsible. He asserts that in this way, the middle managers were recipients of the reorganization as well as its implementation. The reconfiguration in macro-level and micro-level organizational designs by top organizational leadership and top management often becomes a game in organizational politics to put middle managers at the receiving end of the cross fires from top and bottom management. And if this is not the intention, there can be no justification for tying the role of middle managers in adapting a new macro design at a micro level (Floyd, and Lane, 2000, Floyd, and Wooldridge, 1997). Organization design, a top leadership function, involves creating appropriate structure for decision-making and achievement of objectives. However, according to Odera (2014) the traditional hierarchical nature of organizations largely contributes to the exclusion of the middle level managers in organizational decision making process, thereby increasing their anxiety and mistrust in the organization (Holden, 2004, Thomas and Dunkerley, 1999, Galbraith, 2014, Liedtka, 2014, Puranam, 2018, Burton, et al, 2017, Burton, et al, 2011, Ahearne, et al, 2014, Balogun, 2003, Bernstein, et al, 2016, Balogun, and Johnson, 2004, Jones, and Jennifer, 2006).

2.2 Middle Management & Organizational Politics

Despite the importance of middle management in the equation management, it remains a victim of organizational politics in many organizations. Middle management suffers from top management for inability to enforce decisions it did not participate in its making. The lower management also uses it to try to press for compliance with such decisions (Smith and Besharor, 2017, Huy, 2001, 2002). Top



management often starts organizational politics through new macro designs that pitches the middle management against the lower management and vice-versa (Martin and Eisenhardt, 2011, Nissen, 2014, Weick, 2004). Organizational politics stem from *political* decision making by top management to protect their own interests. Organizational politics is defined as the tactics by which powerful self-interested but independent individuals and groups seek to obtain and use power to influence the goals and objectives of the organization to further their own interests. According to Hill and Jones (1995) the major factors leading to organizational politics include: disagreement over organizational goals, disagreement over the appropriate means for achieving goals, and decision-making by *negotiation, bargaining* and *compromise*. Organizational politics as a network of *interactions*, by which power is acquired, transferred, and exercised on others, may result to both negative and positive outcomes for the individuals and the organization. According to Agulanna and Madu (2003) Organizational politics involves actions by individuals, or groups to acquire, develop, and use power and other resources, in order to obtain preferred outcomes when there is uncertainty or disagreement about choices. When organizational politics which ultimately involves actions taken by powerful individuals or groups to gain power and to secure goals and outcomes that they so personally desire, it usually marginalizes the interest of the managers in the middle and throwing them into a state of *official idleness* and the challenge of *mid-career manepause* (Scarbrough, and Burrell, 1996, Watson, 2004, Vigoda-Godot, 2007, Van de Ven, et al, 2013, Simmering, 2010).

3. RESEARCH METHODOLOGY

The qualitative technique of the survey research

design was adopted for the study. Survey research design is based on population and a representative sample of the population (Asika, 2004). According to Abebrese and Smith (2014) the strength of the qualitative technique lies in its capacity to provide insights, rich details and thick description. They emphasize that richness is provided by paying close attention to both concept, context and process (Bartlett, et al, 2001, Yin, 2014). A 5-point Likert-type instrument designed by the researcher and peer validated was used to collect data from primary sources such as personal interviews, observations and reports. Before the questionnaire was formulated a pilot study was done using a small group of persons in the banking industry who were representative of the population of interest so as to improve the final form of the questionnaire. The population composed of the people in Nigeria and the sample was selected through the judgmental method. The stratified sample size was determined by the sample ratio technique. The respondents composed of 310 employees and managers drawn from the Nigerian banking industry. The response rate to the administrated questionnaire was 100 percent. In designing a questionnaire, rating scales are often employed in attitude measurement to rank respondents responses to research questions relating to the favourableness or otherwise of the attitude of management towards managers or vice-versa. Ranking can take the values such as SA = 5, A = 4, N = 3, D = 2, and SD = 1, depending on the interest of the researcher (Osuala, 2007). Data collected were verified, complemented through each other and coded in readiness for analysis. Data were analyzed through descriptive statistical method and result presented in figures and tables. The decision mean for rejection or acceptance of responses was set at 3.00 points.

4. PRESENTATION OF RESULT

Table 1: Characteristics of Respondents (n=310)

Description	Category	Total	Percentage
i Gender	a) Female	120	38.71
	b) Male	190	61.29
ii Education	a) Certificates	50	13.13
	b) Diplomas	120	38.71
	c) Degrees	140	45.16
iii Age	a) 18 – 35 years	150	48.39
	b) 36 – 70 years	160	51.61
iv Experience	a) Below 10 years	70	22.58
	b) 11 – 20 years	109	35.16
	c) 21 – 35 years	131	42.26
v Status	a) High	85	27.42
	b) Middle	125	40.32
	c) Low	100	32.26

Source: Fieldwork (2021)

4.1 Discussion

The techniques and measures taken by managers to perform managerial functions and others related to them differ with the level of management in the organizational hierarchy and depend on the organisation's type. However, to perform effectively, traditional organizational design recognizes three levels of management comprised of the top management, middle management, and lower management. But as shown in figure 1, top management has a way of bypassing middle management through lower management, which often results in the middle management's frustration. This does not reflect the ideal situation because managers at each

Table 2: Analysis of Responses by Frequency and Mean

S/N	Restatement of Research Questions	Scores					Row scores	Sample size	Mean	Decision mean @ 3 points	Grand mean
		SA	A	N	D	SD					
		5	4	3	2	1					
i	It is possible for top management to bypass middle management to get information	150	120	2	5	33	1279	310	4.13	True	
ii	Top management can frustrate middle management through <i>unholy</i> alliance with lower management	160	130	1	15	4	1357	310	4.38	True	
iii	Middle management can do a good job if supported by top management	130	95	3	10	72	1131	310	3.65	True	
iv	It is easy for middle management to survive in the cross fires of top and lower management.	20	30	2	10	248	494	310	1.59	False	
v	Talented middle managers can stay where they are frustrated by top management	40	20	10	2	238	552	310	1.78	False	
vi	Lack of co-operation between top and middle management does not lead to organizational effectiveness	170	87	5	4	44	1265	310	4.08	True	
vii	Top management often blocks middle management for selfish interest	180	60	2	1	67	1215	310	3.92	True	
viii	Overzealous ambition of lower management can lead to conspiracy with top management	155	120	1	2	32	1294	310	4.17	True	
ix	Bypassing middle management by top management is a good management style	10	30	5	10	255	460	310	1.48	False	
x	Good top organizational leadership can address the problem of by passing middle management by top management	190	80	2	5	33	1319	310	4.25	True	



level of the organizational hierarchy have different but related responsibilities for utilizing organizational resources to increase efficiency and effectiveness. Shareholders who have invested their money in a venture want same to be managed along the lines of suitable structure and profitability. Therefore, within the context of the contingency approach to management the adoption of a particular structure will depend on the major characteristics of the organization. These may include size of the organization, external variables, as well as ICT (Donaldson, 2001). For example in Nigeria, laws of incorporation require that shareholders elect a BODs that will provide overall policies for the day-to-day running of the affairs of companies. As shown in figure 2, the BODs constitute the top organizational leadership providing overall policy direction to be adopted by top management for the efficient running of the organization. Top management on the other hand is expected to cooperate with lower management through middle management for effective administration and implementation of policy directives (Greenwood, and Miller, 2010). As in table 1, qualified respondents were selected for the study because of its importance in search of management effectiveness. As in table 2(i) the respondents at 4.13 points agreed that it is possible for top management to bypass middle management to obtain information from lower management. This process is now made increasingly possible due to advances in ICT. Also, gossip, and dangerous rumour mongering help to promote disaffection among the levels of management (Sannie, 2001). In table 2(ii) the respondents at 4.38 points support the idea that top management can frustrate middle management through *unholy* alliance with lower management. When top management removes middle management roles to the lower management the manager in the middle may become officially idle and only manages to survive (Jackson, and Donovan, 1999). The respondents at 3.65 points in table 2(iii) support the assertion that middle

management can do a good job if supported by top management. A major role of middle management is co-ordinating groups, departments, and divisions in an organization, and requires the support of top management (Balogun, 2003). However, in table 2(iv) they disagreed that it is easy for middle management to survive the cross fires of top and lower management. This is true because the middle manager is often in a dilemma in the cross fires of top and lower management (Ghoshal, et al, 1993). They also disagreed at 1.78 points in table 2(v) that middle managers can stay where they are frustrated by top management. This supports Odera (2014) that middle managers find it difficult to stay where they are excluded from decision making process and frustrated. Co-operation is central to performance, and the respondents at 4.08 points in table 2(vi) agreed that lack of it between top and middle management does not lead to organizational effectiveness. This is important because the combined abilities of all the managers lead to managerial and organizational effectiveness (Puranam, 2012). The respondents at 3.92 in table 2(vii) agreed that top management often *blocks* middle management for selfish interests. Obviously, when top management starts organizational politics by making important decisions like those for promotion through *compromise*, the intention is often to block middle management. As in table 2(viii) the respondents believe that the overzealous ambition of lower management can lead to conspiracy between it and top management against middle management. Rumour mongering between top and lower management is often designed to disparage middle management for the interest of both lower and top management. In table 2(ix) and at 4.18, points the respondents agreed that bypassing middle management by top management is not a good management style. This is correct because the principle of good management demands that managers get work done efficiently and effectively through and with people. The respondents were of the opinion as

in table 2(x), and at 4.25 points, that good top organizational leadership can address the problems associated with bypassing middle management by top management. This is crucial to reduce the frustration of the middle management and to improve overall organizational performance. Top organizational leadership can address the problems of bypassing middle management by top management because the success of an organization generally depends more on the administrative ability of its leadership than any other thing. It is emphasized that the chairman's administrative ability is the most crucial ingredient for the success of the organization than any type of technical capacity. People management is perhaps the most important part of top management function, to this extent, top organizational leadership can abandon authoritarian management approach for one based on communication, effective listening and positive reinforcement (Williams, 2007). An organization is a stable system of individuals who work together to achieve organizational goals through a hierarchy of level and division of labour. Communication level and information dissemination in organizations differ in forms and styles, and in every organization, there are formal and informal communication mechanisms which follow its communication structure and organizational hierarchy. The types of information flow from top management are called communication loads and subordinates, including middle management, are expected to accept these without questioning. This approach recognizes the communication flow from BODs through top management to the lower management. But the growing magnitude of informal communication such as rumours and grapevine makes it possible those information bypasses all official channels of authority and eventually gets to the Chief Executive Officers (CEO). *Rumour* originates from many sources and is often inaccurate. It can also be malicious because it consists of fabricated stories or lies

about some people. At a grand mean of 3.60 over the decision mean of 3.00, it was found that bypassing middle management by top management leads to the frustration of the middle management. The result of this study practically confirms what happens in contemporary organizations or institutions today where people occupying positions in the middle between the upper-upper and lower-lower levels of the hierarchy are often frustrated out of employment or service. For example, in some commercial enterprises, managing directors/chief executive officers (MDs/CEOs) like to bypass their deputies to fetch successors from the ranks of deputy general managers or assistant general managers without concrete reasons and to the disillusionment of the person next in command to him or her. In Nigeria this type of practice cuts across both private and public organizations where for example, service chiefs are frequently selected from *below* and not from those immediately next to the person leaving office. Organizations and governments usually justify such actions, but the fact remains that the person in the middle is frustrated and humiliated out of office or service. Also, during the reengineering era in the Nigerian banking system between the 1990s and 2000s, top organizational leaders, unfortunately, understood the concept of rationalization to mean a reduction in the numbers of middle management jobs. The whittling down of the middle managers and their responsibilities is reflected on the huge numbers of young bank managers who had to face mid-career challenges in very difficult times. Private commercial organizations pushing away middle managers do not keep accurate records of their actions to avoid reprisals from the governments and labour unions as they deny the society of people's services who could help create a better society at their prime. Because of the unfavourable attitude towards middle management, there may not be any comprehensive body of theoretical or empirical knowledge adequate enough on middle management's roles, functions, and



responsibilities. This cannot be overemphasized because most studies on the role of middle management are *brief stories* of complex changes affecting middle management roles and responsibilities in different situations (Torrianton, and Weightman, 1987, Nonaka, 1988, Hunt, 1986). Without harnessing the potentials of middle managers, the economy of a country may be adversely affected and this makes it mandatory for regulation to ensure that organizations do not only pursue the profit motive at the detriment of society as a whole. Training, retraining and development of middle management should be a critical component of capacity building instead of the unreasonable approach of *downsizing* middle management purely on the basis of the *profit motive*. The argument is never that the profit motive is a crime, but such must not be at the expense of the majority and generational sustainability. This is the objective of the study.

4.2 Scope for Further Study

To enhance organizational performance, further study could examine ways of improving organizational design to reduce conflict among the levels of management.

4.3 Recommendations

- i. Top management should be concerned with supporting top organizational leadership for improved performance.
- ii. The BODs are responsible for controlling top management and ensuring that there is order in the management process.
- iii. The regulatory authorities like the corporate affairs commission should look into ways of protecting all groups of managers/employees to avoid frustration by those above them.

5. CONCLUSION

Managers perform different functions at different levels of management for organizational efficiency and effectiveness. The challenges associated with bypassing middle management by top management through lower management impede

organizational performance and sustainability. This is so because many talented middle managers are forced out at mid-career levels and this also often damages the reputation of the organization and categorizes it as *bad employers*. When people are frustrated out of an organization at no just cause, they do not usually spread *goodnews* about the organization. The qualitative research design was adopted for the study, and the result showed positive relationship between top and lower management cross fires and middle management frustration.

Acknowledgement

This author likes to acknowledge Professor Marianne Livijn for her splendid exploration on *Navigating in a Hierarchy: How middle managers adapt macro design*.

Conflict of Interest

This author declares no conflict of interest in respect of the authorship and/or the publication of this paper.

Funding

There is no funding or research grant from any institution or agency regarding the authorship or publication of the paper.

Author Contribution

John Nkeobunna Nnah Ugoani, collected, analyzed and interpreted data in respect of this paper. The paper is the intellectual property of the sole author who is, therefore, solely responsible for any omissions or liabilities arising there from.

Originality

Though traditional management practice recognizes a hierarchical order, top management continues to bypass middle management in collusion with lower management for selfish interests for many years. For these years, this is one of the few new works to explore the effect of this phenomenon on middle management in Nigeria.

REFERENCES

1. Abebrese, A. and Smith, R. (2014) Developing a Phenomenological Understanding of the Influence of Cultural Survival Mechanisms as Institutional Anti-facts in Shaping Indigenous Enterprise Cultures: A Ghanaian Perspective. *Amity Business Journal* 3(1): 11-21.
2. Agulanna, E. C. and Madu, C. M. (2003) Organizational Politics – Power in Action. In: E. C. Agulanna, and C. M. Madu (eds) *Organizational Behaviour: Human Behaviour at work*. Owerri, Reliable Publishers, (pp: 120-125). ISBN: 978-36593-8-3
3. Ahearne, M. Lam, S. K. and Krans, F. (2014) Performance Impact of Middle Managers' Adaptive Strategy Implementation: The Role of Social Capital. *Strategic Management Journal*, 35(1): 68-87.
4. Asika, N. (2004) *Research Methodology: A Process Approach* Lagos. Mukugamu & Brothers Enterprises. ISBN: 978-35887-7-x
5. Balogun, J. (2003) From Blaming the Middle to Harnessing its Potential: Creating Change Intermediaries. *British Journal of Management*, 14(1): 69-83.
6. Balogun, J. and Johnson, G. (2004) Organizational Restructuring and Middle Manager Sense-making. *Academy of Management Journal*, 47(4): 523-549.
7. Bartlett, J. K. II, Kotlik, J. W. and Higgins, C. (2006) Organizational Research: Determining Appropriate Sample Size for Survey Research. *Information Technology, Learning and Performance Journal*. 19(1): 43-50.
8. Bernstein, E. Bunch, J. B. Canner, N. and Lee, M (2016) Beyond the holacracyhype: The Overwrought claims and actual promise of the next generation of self-managed teams. *Harvard Business Review*, 94(7-8): 38-49.
9. Boland, R. J. Collopy, F. Lyytinen, K. and Yoo, Y. (2008) Managing as designing: Lessons for Organization Leaders from the design practice of Frank, O. Gebry-Designing Issues, 24(1): 10-25.
10. Burton, R. M. Hakonsson, D. D. Nickerson, J. Paranam, P. Workiewicz, M. and Zanger, T. (2017) Github, Exploring the space between boss-less and hierarchical forms of organizing. *Journal of Organizational Design*, 6(1): 10.
11. Burton, R. M. Lauridsen, J. and Obel, B. (2002) Return on assets loss from situational and contingency misfits. *Management Science*, 48(11): 1461-1485
12. Burton, R. M., Obel, B. and Desanctis, G. (2011) *Organizational Design: A step-by-step approach*, 2nd edition, Cambridge University Press. Cambridge.
13. Carrillo, P. (2004) Managing Knowledge: Lessons from the oil and gas sector. *Construction Management and Economics*, 22(6): 631-42.
14. Daft, R. And Marcil, D. (2010) *Understanding Management*. 7th edition. Boulevard, Cengage Learning.
15. Dickson, J. (1977) Plight of the middle manager. *Management Today*, December, pp: 66-69
16. Dobrajaka, M. Billinger, S. and Karim, S. (2015) Delegation within Hierarchies: How information processing and knowledge characteristics influence the allocation of formal and real decision authority. *Organization Science*, 26(3): 687-704.
17. Donaldson, L. (2001) *The Contingency Theory of Organizations*. Sage Publications. Thousand Oaks.
18. Dopson, S. and Stewart, R. (1993) What is Happening to Middle Management? In: C. Mabey, and B. Mayon-White (eds) *Managing Change*, 2nd edition, UK. Paul Chapman Publishing Ltd. Pp: 35-46. ISBN: 1-85396-226-0
19. Druskat, V. U (2003) Managing from the Boundary: The Effective Leadership of Self-Managing Work Teams. *The Academy of Management Journal*, vol. 46, pp: 435-457.
20. Eisenhardt, K. M. Graebner, M. F. and Sonenshein, S. (2016) Grand Challenges and Inductive Methods: Rigor without rigor mortis. *Academy of Management Journal*, vol. 59, pp: 1113-1123.



21. Fjeldstad, O. D. Snow, C. C. Miles, R. E. and Lettl, C. (2012) The Architecture of Collaboration. *Strategic Management Journal*, vol. 33, pp: 734-750
22. Floyd, S. W. and Lane, P. J. (2000) Strategizing throughout the organization: Managing role conflict in strategic renewal. *Academy of Management Review*, 25(1): 154-177.
23. Floyd, S. W. and Wooldridge, B. (1997) Middle Management's strategic influence and organizational performance. *Journal of Management Studies*, 34(3): 465-485
24. Galbraith, J. R. (2014) *Designing Organizations: Strategy, Structure and Process at the Business unit and Enterprise Levels*. Jossey-Bass, San Francisco.
25. Geppert, M. (1996) Paths of Managerial Learning in the East German Context. *Organizational Studies*, 17(2): 249-68
26. Ghoshal, S. and Bertlett, C. A. (1993) Changing the role of top management: Beyond structure to process. *Harvard Business Review*. pp: 86-96.
27. Gilbert, D. and Abosch, K. S (1996) *Improving Organizational Effectiveness Through Broadbanding*. American Compensation Association, Scottsdale, Ariz.
28. Goffee, R. and Scase, R. (1986) Are the rewards worth the effort? Changing managerial values in the 1980s. *Personnel Review*, vol. 15, pp: 3-6.
29. Goleman, D. (1999) Emotional Intelligence. Presentation at CIPD Conference, October, London.
30. Goleman, D. (2006) *Beyond IQ, Beyond Emotional Intelligence, Social Intelligence: The Revolutionary New Science of Human Relationships*. Bantam Books New York, ISBN: 978-0-553-38449-9
31. Greenwood, R. Miller, D. (2010) Tackling design anew: Getting back to the heart of organizational theory. *Academy of Management Perspective*, 24(4): 78-88
32. Hayward, B. A. (2005) Relationship between Employee Performance, Leadership and Emotional Intelligence in a South African Parastatal Organization. Unpublished Master's Thesis. Rhodes University, South Africa.
33. Hill, C. W. L. and Jones, G. R. (1995) *Organizational Politics and Power*. In C. W. L. Hill, and G. R. Jones (eds) *Strategic Management. An Integrated Approach*. 3rd edition Boston, Houshton Mifflin Company, (pp: 410-415). ISBN: 0-395-70943-1
34. Holden, L. (2004) *Leicester Business School Journal of Managerial Psychology*, Demonthfoot University, UK.
35. Hunt, J. (1986) Alienation among managers- The new epidemic or the social scientists' invention? *Personnel Review*, vo. 15, pp: 21-25.
36. Huy, O. N. (2001) In praise of middle managers. *Harvard Business Review*. 79(8): 72-79
37. Huy, O. N. (2002) Emotional Balancing of Organizational Continuity and Radical Change: The Contribution of Middle Managers. *Administrative Science Quarterly*, 47(1): 31-69.
38. Jackson, A. C. And Donovan, F. (1999) *Managing to survive: Managerial practice for not for profit organizations*. Buckingham: Open University Press.
39. Jones, G. R. And George, J. M. (2003) Levels of Management. In G. R. Jones and J. M. George (eds) *Contemporary Management*, 3rd edition. Boston, McGraw-Hill, Irwin (pp: 12-14). ISBN: 0-07-246944-7
40. Jones, G. R. And Jennifer, M. S. (2006) *Contemporary Management*. 4th edition. New York, NY: McGraw-Hill, Irwin.
41. Kanter, R. (1986) The Reshaping of Middle Management. *Management Review*, pp: 19-20.
42. Keys, B. and Bell, R. (1982) Four faces of the fully functioning middle manager. *California Management Review*, vol. 24, pp: 59-67.
43. Kniess, E. and Leisink, P. (2014) *Leadership Behaviour in Public Organizations. A Study of Supervisory*

- Support by Police and Medical Centre Middle Management. *Review of Public Personnel Administration*, vol. 34, pp: 108 – 127
44. Liedika, J. (2014) Perspective: Linking design thinking with innovation outcomes through cognitive bias reduction. *Journal of Production and Innovation Management*, 32(6): 925 – 938.
 45. Livijn, M. (2019) Navigating in a Hierarchy: How Middle Managers Adapt Macro Design. *Journal of Organization Design*, vol. 8, Article number 7 (2019).
 46. Mabey, C. and Mayon-White, B. (1993) *Managing Change*. 2nd edition. UK, Paul Chapman Publishing Ltd. ISBN: 1-85396-226-0
 47. Martin, J. A. and Eisenhardt, K. M. (2010) Rewiring: Creating cross-business unit collaborations in multi-business Organizations. *Academy of Management Journal*, 53(2): 265-301.
 48. Nissen, M. (2014) Organization design for dynamic fit: A review and projection. *Journal of Organization Design*, 3(2): 30-42.
 49. Nonaka, I. (1988) Towards middle up/down management: Accelerating information creation. *Sloan Management Review*, vol. 29, pp: 9-18
 50. O'Connor, E. S. (1999) The Politics of Management Thought: A Case Study of Harvard Business School and the Human Relations School. *Academy of Management Review*, 24(1): 117-131
 51. Odera, J. B. (2014) Challenges Faced by Middle Level Managers in the Decision Making Process: A Case of Gas Security Services (K) Limited-Nairobi Region. *European Journal of Contemporary Economics and Management*. 1(2): 173-182.
 52. O'Reilly, C. (1989) Corporations, Culture, and Commitment: Motivation and Social Control in Organizations. *California Management Review*, vol. 31, pp: 9-25.
 53. Osuala, E. C. (2007) *Introduction To Research Methodology*. 3rd edition. Nigeria. Africana-First Publishers Limited. ISBN: 978-175-431-1
 54. Pfeffer, J. (1993) Understanding Power in Organizations. In: C. Mabey, and B. Mayon-White (eds) *Managing Change*, 2nd edition, UK. Paul Chapman Publishing Ltd (pp: 201 – 206) ISBN: 1-85396-226-0
 55. Puranam, P. (2012) The Future for the Science of Organization Design. *Journal of Organizational Design*, 1(1): 18-19.
 56. Puranam, P. (2018) *The Micro Structure of Organizations*. Oxford University Press. Oxford.
 57. Sannie, M. B. A. (2001) *Business Communication, and Use of English with Practical Persuasive Communication Skills*. 1st edition. Lagos M& B. Handbooks. ISBN: 978-028-685-3.
 58. Scarbrough, H. and Burrell, G. (1996) The axeman cometh: The changing role and knowledge of middle managers. In: S. Clegg, and G. Palmer (eds) *The Politics of Management Knowledge*. Sage, Thousand Oaks.
 59. Senge, P. (1990) *The Fifth Discipline: The Art and Practice of the Learning Organization*. Doubleday, London.
 60. Shaw, R. B. (1997) *Trust in the balance*. Jossey-Bass, San Francisco.
 61. Simmering, J. M. (2010) Management Levels: Reference for Business. *Encyclopedia of Business*, 2nd edition. Retrieved on 23/2/21 from <http://www.referenceforbusiness.com/logm/management.levels.htm>
 62. Smith, W. K. and Besharor, M. L. (2017) Bowing before dual gods: How structured flexibility sustains organizational hybridity. *Administrative Science Quarterly*, 64(1): 1-44.
 63. Thomas, R. and Dunkerley, D. (1999) Careering downwards? Middle Managers' Experiences in the Downsized Organization. *British Journal of Management*, 10(2): 157-169.
 64. Torrington, D. and Weightman, J. (1982) Middle management work. *Journal of General Management*, 7(4): 5-17.
 65. Van de Ven, A. H., Ganco, M. and Hinings, C. R. (2013) Returning to the Frontier of Contingency Theory of



- Organizational and Institutional designs. *Academy of Management Annual*, 7(1): 393-440.
66. Vigoda-Godot, F. (2007) Leadership style, organizational politics, and employee performance. An empirical examination of two competing models. *Personal Review*, 36(5): 661-683.
 67. Yin, R. K. (2014) Case Study Research. Design and Methods. 5th edition, Sage Publications, Los Angeles.
 68. Watson, T. J. (2004) In Search of Management, Routledge, London.
 69. Weick, K. E. (2004) Rethinking Organizational Design. In R. J. Boland, F. Collopy (eds) *Managing as designing*. UK. Stanford University Press (pp: 36-53).
 70. Williams, C. (2007) *Williams Management*, 4th edition, USA, Thomson South-Western.

A Study of Performance Indicators of Technology Business Incubators (TBIs) in India

Vishal Gandhi¹
Dr. Asif Ali Syed²
Sudhir Kumar Jain³

ABSTRACT

A business incubator is characterised as a point of contact between the market and the entrepreneurs' proposed business concepts. It includes provision of differential facilities like infrastructure, mentorship, capital, and expertise to effectively utilise creativity and ability. This research work assesses the performance of technological business incubators (TBIs) based on no. of a patent granted, support services offered by TBI, services offered in TBI, selection criteria for incubating, exit criteria for incubator, academia linkage, corporate linkage, nature of functioning as a performance indicator. Partial least squares structural equation modelling (PLS-SEM) was employed for testing the significance of hypotheses. Findings show that no. of a patent granted, selection criteria for incubator, corporate linkage, and nature of functioning of TBI have a significant influence on TBI success.

Keywords: Technology incubator; business incubator; patent granted, support services, services offered, selection criteria, exit criteria, academia linkage, corporate linkage, nature of functioning.

1. INTRODUCTION

The main aim of technological incubators is to foster creativity by providing social support with complementary skills and tools. "The technology incubator is an institution in which expertise is turned into new products and services (Yee, 2009)," according to Yee (2009). Such incubators can deliver good projects thanks to a mix of information sharing and incubator management. Company incubator roles have a positive and significant effect on the country's economy (Cheng and Schaeffer, 2011). However, they discovered several issues with the approved exam standard. Global business trends represent that small businesses make up almost half of a country's overall economy (both developed and developing). Throughout this environment, startups, business incubators, and technology business incubators (TBI) contribute considerably

to the country's economy, as does the knowledge and innovation-based economy. Different forms of incubators were studied (Peters et al., 2004). A company's knowledge base is a critical component of its success and ability to compete with other businesses (Gupta and Govindarajan, 2000). Among the most challenging tasks is developing projects that use incubators' products or integrating incubators into new projects. Needed Several sources to ensure the feasibility of new projects (Brush and Greene, 1996). Efficiency, project viability, and experience are all critical considerations.

Technology and creativity are essential for success (Rooney et al., 2012). The capacity of organisations to innovate is critical to their ability to improve the business economy. The absence of this means they cannot complete and limit their businesses' growth and their potential to increase

1. Research Scholar, Department of Business Administration, FMS&R, AMU, Aligarh, vishalgandhi25@gmail.com
2. Associate Professor, Department of Business Administration, FMS&R, AMU, Aligarh
3. Former Vice Chancellor, SMVD University, Katra, J&K



their income (Taylor et al., 1993). Innovation can help improve efficiency, competencies and generate revenue (Carlson and Wilmot, 2006).

Incubators have also grown in scale and variety all over the world. It has a long history of contributing to the economic promotion and career production. The need to assess the efficiency of these incubators and examine the reasons that enhance organisational performance or failure have increased proportionally over time, as has the desire to recognise the impact these incubators have had on the companies they host but to be able to reproduce them. Unfortunately, some countries' successful models, methodological, theoretical, and analytical limitations also hindered assessing incubator results (Yu & Nijkamp, 2009). Subsequently, it is exceedingly difficult to draw concrete conclusions from current incubator research.

Furthermore, it seems that the incubator's output is measured in a variety of ways. Geographical, industry and a variety of other aspects all play a role in its success. A consensus about how to measure incubator performance is still to be found, also there is a lack of a consistent description of performance indicators of TBIs. Many performance indicators are witnessed in the literature on business incubation but no. of a patent granted to incubates and nature of functioning as a performance indicator is silent in published literature.

Therefore, this research examines the performance of TBIs by considering no. of patent granted, support services offered by TBI, services provided in TBI, selection criteria for incubating, exit criteria for an incubator, academia linkage, corporate linkage, nature of functioning as a performance indicator.

Hence, the scope of this study can be defined as; examining the performance indicators and how they affect the success of TBIs, examining how TBI success affects the Social and Economic perspective to answer the persistent question.

2. STUDY BACKGROUND AND CONCEPTUAL FRAMEWORK

This study assessed the performance indicators affecting the success of TBI and influence of TBI success on the social and economic perspective.

Conceptual framework consists of performance indicators namely no. of patent granted, support services offered by TBI, services offered in TBI, selection criteria for incubate, exit criteria for incubator, academia linkage, corporate linkage, nature of functioning as a performance indicator. Figure 1 shows the research model. Performance indicators which affect TBI success in the development of research model are discussed below:

Number of patent granted to incubates: Patents assist TBIs in improving their positioning, creating an innovation environment, incubating knowledge-based startups, generating increased income, and tracking research activity. innovators Billions of dollars are raised as a result of certain systems, which benefits everybody involved. The inventor (mostly academics), the educational system, business, and the economy as a whole are the direct beneficiaries. That number of registered patents is a good measure of a country's creativity and technological ability.

Support services provide by TBIs: TBI's support services are designed to help local companies gain access to information and expertise that they'll never be able to obtain on their own. The number of firms that graduate from such an incubator is positively influenced by the support service (Shrader and Siegel 2007). Access to financial services is amongst the most important considerations for most startups' survival and it is considered to include some of the incubator effectiveness factors (Gozali et al. 2015).

Services offered in TBIs: Mentors or mentors are older men and women with unique backgrounds and valuable educational skills that really can impact others early through their careers and find a better role than peers or counsellors

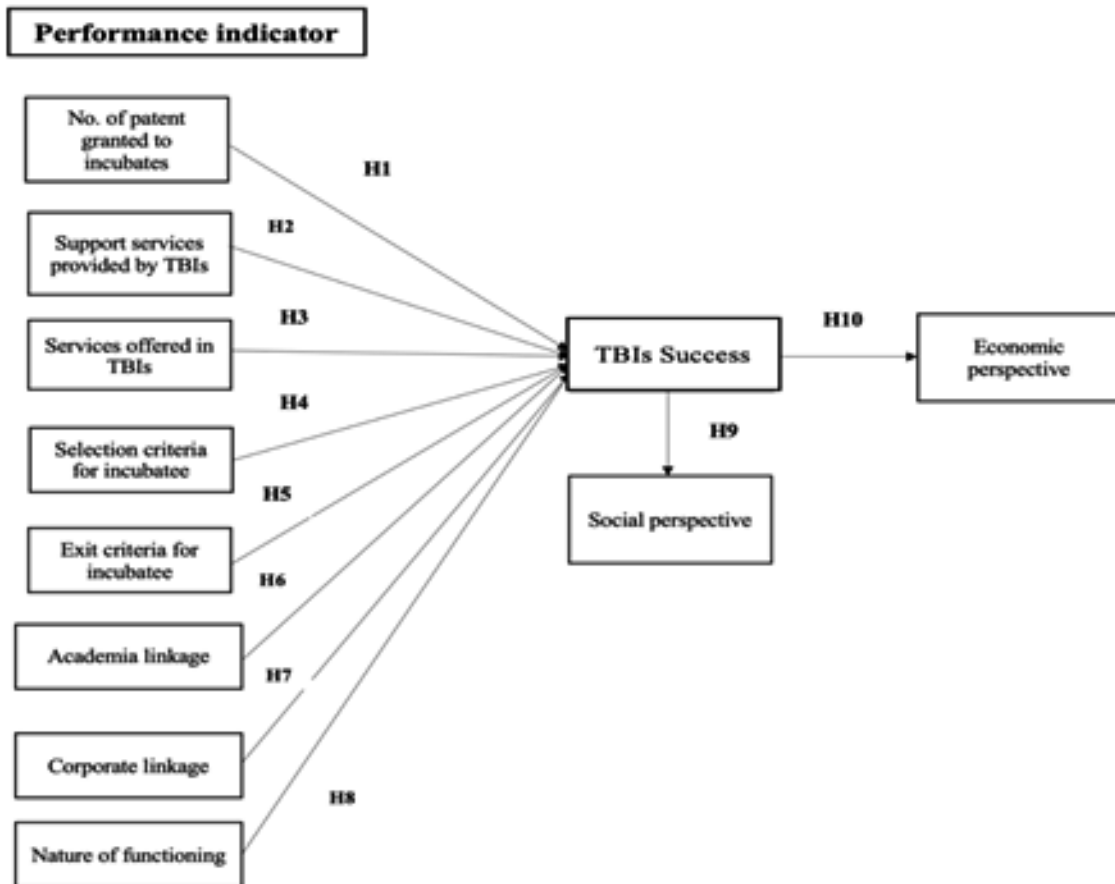


Figure 1: Proposed Research Model

(Lichtenstein 1992).

Selection criteria for incubatee: Even a company incubator chooses the firms it wants to incubate is amongst the most crucial mechanisms also for incubator’s performance. These may differ depending upon this incubator’s purpose and goals. The proposed market incubator model (Campbell, et al. 1985) indicated that one of the four fields whereby incubators / incubators generate value seems to be the collection and regulated application of business resources.

Exit Criteria: The better the technological infrastructure, more the likely an incubator climate would promote the formation of technology-based businesses, their early growth, an potential to innovate, including their readiness to graduate.

The basic supporting factors what ultimately assess their performance, longevity, and growth after graduation through incubators, as well as the mechanisms of survival or departure from businesses after graduation through incubators. The main objective of TBIs is to assist and support future entrepreneurs (Mas-Verdú et al., 2015). According to recent studies, incubated businesses may not get profit substantially from existing incubator relationships, and may be susceptible to failure after graduation (Lasrado and colleagues, 2016).

Nature of functioning: Accelerator and incubator programs often operate in cohorts, typically offering one or two per year, and span anywhere from a few weeks to a few months. Some



expenses, like travel, may be covered by the incubator. When considering accelerator and incubator programs, it's a good idea for entrepreneurs to look at past program participants and look for companies at the same stage as their business.

Corporate linkage: Corporate linkage is regarded as the most important tool for business incubators in identifying opportunities and improving entrepreneur efficacy, particularly in the face of limited resources. Company incubators and their customers benefit from social media because it shortens the path and saves time in making decisions and expediting operations. (Fernandez-Perez et al., 2013).

Academia linkage: A university-based incubator (UBI) TBIs come in a variety of forms. In either regard, various typologies have also been given. Public incubators, proprietary incubators, but university incubators are the three types of incubators. That current study reflects on Barbero et al. (2012). A UBI is characterised as university-based institutions providing tangible and intangible resources to young business startups, per the them.

3. METHODOLOGY

The survey tool was used to gather data for this study. Based on the observation of a subset of the population, the survey instrument offers an overview of numerical or quantitative patterns in the population's views and attitudes. Babbie (2013) states that "*surveys are particularly useful for describing the characteristics of a large population because they make large samples feasible*". The closed question technique used in the survey queries. A minimal number of participants provides accurate responses in this technique. Rather than answering questions or sharing their views, participants were asked to pick or rate answers. Some methods are used to achieve a high survey response rate. To begin, the survey project determined that the overall time needed to complete the survey was 14 minutes.

Second, follow the protocols recommended by Sekaran (2003), such as keeping the survey as brief as possible, explaining the research objectives and the relevance of the survey to the report, and including this detail mostly on the cover page.

As a result, this research utilised the data collected through the survey conducted. The survey was designed from the ground up in order to provide findings that met the study's goals. Participants was asked to complete a questionnaire based on Likert scale.

The selection of TBI from the more than 300 incubators present in India was done by selecting TBIs with more than 7 years of experience. It included TBIs incorporated before 2008 and facts were collected from them using surveys and questionnaires. Final sample size for analysing the data was reduced to 57.

4. MEASUREMENT MODEL ANALYSIS

According to Chin (1998), the reliability level above 0.7 ensures that the scale is reliable which is the case for all constructs in this study (Please see table 1). In this study, reliability was assessed using two ways: Cronbach alpha and Composite or construct reliability. It was found that all the dimensions depicted the Cronbach's alpha value greater than 0.6, thereby confirming that survey instrument is reliable. Apart from Cronbach Alpha, composite reliability (CR) was also measured in this study. After establishing that the scale is unidimensional an assessment of the statistical reliability is imperative before performing any further validation analysis (Anderson and Gerbing, 1991). In this study, C.R. for all the variables considered in the research model was found to be greater than 0.70 as illustrated in table 1. Thus, the research instrument developed for studying the performance indicators for TBI success was reliable. In this study, inter-item correlation values higher than 0.30 was found except for few inter-item correlation values, which

Table 1: Validity and Reliability of Construct

	CR	AL	CL	EP	EC	NOF	SC	SO	SP	SS	TBIs	NPG
AL	0.717	1										
CL	0.732	-0.093	1									
EP	0.764	0.145*	-0.166	1								
EC	0.753	0.148	-0.031	0.086	1							
NOF	0.719	0.1	0.335***	0.085	0.013	1						
SC	0.786	0.12	-0.135	0.122*	0.788	-0.228	1					
SO	0.727	0.361	0.093	0.013	0.221	0.045	0.133	1				
SP	0.714	0.005	0.02	0.433	-0.066	0.069	-0.034	-0.014	1			
SS	0.787	0.103	0.242***	0.407***	-0.102	-0.02	0.249***	0.579***	0.038	1		
TBIs	0.743	-0.054	0.369***	0.226***	0.276***	0.392***	0.395***	0.238***	0.234**	0.19	1	
NPG	0.776	0.099	0.387***	0.291***	-0.091	-0.016	0.352***	0.624***	0.356***	0.229***	0.204***	1

Notes: Significance of Correlations: † p < 0.100; * p < 0.050, ** p < 0.010, *** p < 0.001 The numeric values in bold letters indicate the square root of AVE values and imply discriminant validity CR value ≥ 0.7 indicates adequate convergence or internal consistency and strong construct reliability (Hair et al., 2006)

are satisfactory. Item-total correlation values of the indicators in each construct were above 0.3, as shown in table 1. The findings in table 1 depict that the square roots of AVEs were higher than the correlations between constructs/variables. These results confirmed discriminant validity possessed by scale. In the present study, the retained 39 items of the questionnaire were proved as a reliable and valid research instrument.

5. STRUCTURAL MODEL TESTING

Structural Equation Modelling (SEM) is a powerful technique to test and evaluate casual relationships between variables (measured variables and latent constructs) (Hair, 2006). After assessing the reliability and validity of the variables PLS-SEM has been employed for testing the hypothesis. In the present study the proposed research model consists of eleven constructs viz. eight exogenous latent constructs (number of patents granted (NOPG), Support services provided by TBIs (SS), Services offered in TBIs (SO), Selection criteria for incubate (SC), Exit criteria for incubate (EC), Academia linkage (AL), Corporate linkage (CL), nature of functioning (NOF)) and three endogenous latent constructs (Social perspective (SP), Economic perspective

(EP) and TBIs. For the purpose of evaluating the research model on the basis of CFA and SEM, it was decided to report the following goodness of fit indices as shown in Table 2.

Table 2: Summary of the Model Fitness

Fit index	Observed levels	Threshold Levels	Model fit
Chi-Square χ^2	981.528	Lower χ^2 relative to df 2:1	Acceptable
Normed χ^2 (χ^2/df) (CMIN)	1.467	3:1	Acceptable
Goodness of Fit Index (GFI)	0.831	≥0.80	Acceptable
Adjusted Goodness of Fit Index (AGFI)	0.827	≥0.80	Acceptable
Root Mean Square Error of Approximation (RMSEA)	0.047	<0.06	Acceptable
Standardised Root Mean Square Residual (SRMR)	0.067	<0.08	Acceptable
Comparative Fit Index (CFI)	0.901	≥0.90	Acceptable
Non-Normed Fit Index (NNFI)	0.845	≥0.80	Acceptable
Parsimony Normed Fit Index (PNFI)	0.688	No threshold levels	Acceptable
Standardised Residuals	1.153	<2.58	Acceptable
PClose	0.214	>0.05	Acceptable

Thus, the research hypotheses framed in accordance with the proposed structural model were tested. Since the model fit was acceptable in this study, parameter estimates were examined. Following hypotheses were tested in this study:

- H1: No. of patent granted has a significant influence on TBI success
- H2: Support services offered by TBI has a significant influence on TBI success
- H3: Services offered in TBI has a significant influence on TBI success
- H4: Selection criteria for incubatee has a significant influence on TBI success

- H5: Exit criteria for incubatee has a significant influence on TBI success
- H6: Academia linkage has a significant influence on TBI success
- H7: Corporate linkage has a significant influence on TBI success
- H8: Nature of functioning of TBI has a significant influence on TBI success
- H9: TBI success has a significant influence on social perspective
- H10: TBI success has a significant influence on economic perspective

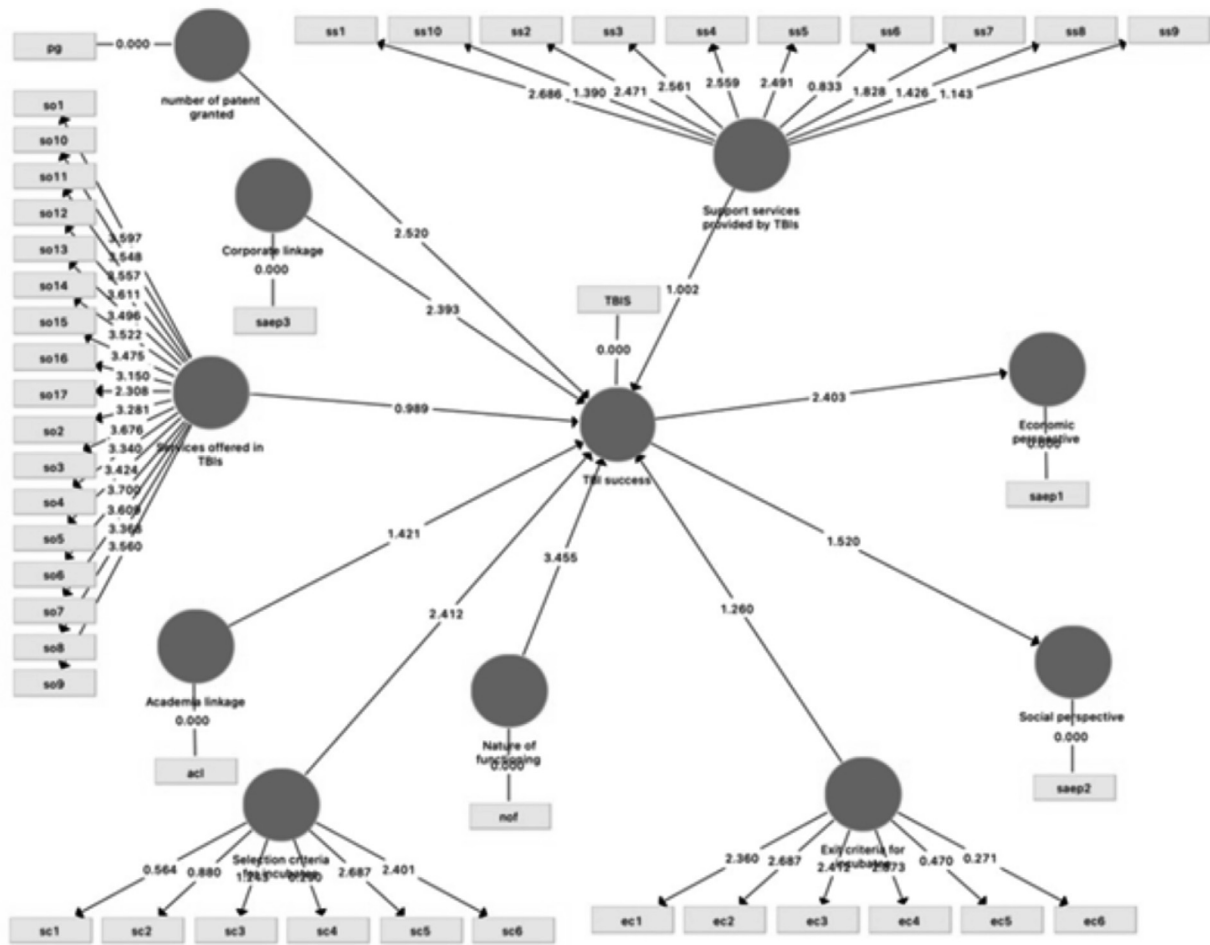


Figure 2: Standardised Path Estimates for the Model

Fig. 2 shows the standardised path estimates for the model. Based on $p < 0.01$ and $p < 0.05$, the standardised path coefficients were found to be insignificant and positive, which indicates that there existed strong evidence in rejection of the hypotheses H2, H3, H5, H6, and H10 except H1, H4, H7, H8 and H9. The significant paths included (NPG TBI success; $p=0.016$), (SC TBI success; $p=0.029$), (CL TBI success; $p=0.003$), (NOF TBI success; $p=0.001$) and (TBIs EP; $p=0.017$). Critical ratios lied in the range of 0.412 to 3.455. The prescribed limit of CR is 1.96 (Hair et al., 2006). In this study, only a few paths possessed a critical ratio value above the prescribed limit.

6. CONCLUSION

The research model proposed in this research work provides a deep understanding into the relationships between the variables. It also attempts to explain the impact of performance indicators on TBI success and impact of TBI success on social and economic perspective. As discussed earlier in this study, the proposed model was conceptualised on the basis of extant literature. All the factors possessed construct reliability and validity and thus the research instrument was considered appropriate for the study. The proposed research model possessed that the required model fit into the data and thus, the conceptual research model was considered acceptable. All the factors (performance indicators) considered in the study had standardised factor loadings, thereby establishing that the constructs are unidimensional. No. of patent granted would enhance technology incubator performance. Patents assist TBIs in improving their positioning, creating an innovation environment, incubating knowledge-based startups, generating increased income, and tracking research activity. Selection criteria for incubatee has a positive influence on TBI success. Patent grants have a huge impact on TBI success. In agreement with Khan et al. (2018), TBIs must increase their intellectual capital in order to

achieve a competitive advantage. Corporate linkage has a significant influence on TBI success. This result is aligned with Binsawad (2018) which shows that sharing knowledge and corporate linking is essential for TBI success. Nature of functioning of TBI has a significant influence on TBI success. Smilor and Gill (1987) are in keeping with the conclusion. Support services offered by TBI and services offered in TBI, has insignificant influence on TBI success. The reason is that even the major objective of TBIs should be to assist elevate technological enterprises at such an "early stage to something like a level from which they can take advantage of business opportunities and enter the market without additional support. Exit criteria for incubate has insignificant influence on TBI success. It is because they do not know whatever has occurred towards the graduating companies of TBIs from available data sources, but whether the long-term subsistence rate is different (Xiao and North, 2018). Academia linkage has insignificant influence on TBI success. This is due to fact that funds made available by the government are not adequately channeled in the way it says on the fiscal policies. TBI success has a significant influence on economic perspective. This result is in line with Ozdemir and Sehitoglu (2013) which shows that TBI success is closely related to the economic development of the country.

7. IMPLICATIONS AND RECOMMENDATIONS

The framework proposed in this study is of relevance to TBIs, because it enables them to evaluate their performance based on performance indicators. It is of major importance to understand the performance indicators in order to be a successful incubator. This study will make a sound base and support, regarding the performance indicators associated with an incubator's success. Many studies have found strong relationship between performance indicators and TBI success. The literature describes various performance



indicators that measure TBI success. As mentioned earlier, number of patents granted, selection criteria, corporate linkage, and nature of functioning were found to directly and strongly influence TBIs success. Managers, practitioners, academicians and incubator managers can utilise the information generated findings of this research in order to identify the performance indicators affecting TBI success. Government must advise colleges to establish incubators or entrepreneurship cells on their campus to promote grass roots innovators and facilitate their growth, sadly not many colleges in India can boast of one. Access to an innovation lab or entrepreneur cell is out of reach for many students for those pursuing technical and non-technical courses. They have yet to see the formation and expansion of university incubators of the same level in India, which is in desperate need of a vibrant startup environment to stimulate student entrepreneurship. Proposes that the Ministry of Education or individual university administrations construct new university-based business

incubators in order to boost entrepreneurial development.

8. FUTURE RESEARCH DIRECTIONS

Future research must try to do more than what this study was able to do. Our study was limited either by way the different TBI inputs were organised, despite the fact that it was based on even a primary source dataset including all TBIs in India. In order to deepen our knowledge of TBIs' significance in India's economic development, in-depth study on the performance of TBIs is required. Despite numerous efforts including government measures to promote company incubation, literature has documented the failure of so many business incubation centers throughout the world due to low service quality. As both a result, the numerous service criteria that incubation centers provide to respective clients or incubatee must still be assessed and measured.

REFERENCES

1. Lee, H and B Choi (2003). Knowledge management enablers, processes, and organisational performance: An integrative view and empirical examination. *Journal of Management Information Systems*, 20(1), 179–228.
2. Cheng, S and PV Schaeffer (2011). Evaluation without bias: A methodological perspective on performance measures for business incubators. *Region et Development*, 33, 211–225.
3. Udell, GG (1990). Academe and the goose that lays its golden egg. *Business Horizons*, 33(2), 29–37.
4. Smilor, RW (1987). Commercialising technology through new business incubators. *Research Management*, 30(5), 36–41.
5. Peters, L, M Rice and M Sundararajan (2004). The role of incubators in the entrepreneurial process. *The Journal of Technology Transfer*, 29(1), 83–91.
6. Gupta, AK and V Govindarajan (2000). Knowledge management's social dimension: Lessons from nucor steel. *MIT Sloan Management Review*, 42(1), 71.
7. Brush, CG and PG Greene (1996). Resources in the new venture creation process: Strategies for acquisition. *Academy of Management*, Cincinnati, OH.
8. Rooney, D, G Hearn and T Kastle (2012). Knowledge is people doing things, knowledge economies are people doing things with better outcomes for more people, In *Handbook on the Knowledge Economy*, Vol. 2 (Edward Elgar, Cheltenham and Northampton), pp. 1–14.
9. Taylor, MS, GM Grossman and E Helpman (1993). Innovation and growth in the global economy. *Economica*, 60(239), 373.

10. Carlson, CR and WW Wilmot (2006). *Innovation: The Five Disciplines for Creating What Customers Want*. Crown Business.
11. Ascigil, SF and NR Magner (2009). Business incubators: Leveraging skill utilisation through social capital. *Journal of Small Business Strategy*, 20(1), 19
12. L. Gozali, M. Masrom, and T. Y. M. Z. Haron, "Critical Success Factors of Successful E-Business Incubators Framework in Indonesian Public Universities," 2015.
13. G. A. Lichtenstein, "The significance of relationships in entrepreneurship: A case study of the ecology of enterprise in two business incubators," 1992.
14. Campbell, C., Kendrick, R., Samuelson, D., 1985. Stalking the Latent Entrepreneur. *Economic Development Review*, Volume 3(2), pp.43–48.
15. Lasrado, V., Sivo, S., Ford, C., O'Neal, T., & Garibay, I. (2016). Do graduated university incubator firms benefit from their relationship with university incubators? *The Journal of Technology Transfer*, 41(2), 205-219. <http://dx.doi.org/10.1007/s10961-015-9412-0>.
16. Mas-Verduì, F., Ribeiro-Soriano, D., & Roig-Tierno, N. (2015). Firm survival: The role of incubators and business characteristics. *Journal of Business Research*, 68(4), 793-796. <http://dx.doi.org/10.1016/j.jbusres.2014.11.030>.
17. Fernandes, C.C., Miranda Oliveira J.M, Sbragia, R., & Borini, M., (2016). Strategic assets in technology-based incubators in Brazil. *European Journal of Innovation*, 20(1), 153-170.
18. Sekaran, U. (2003) *Research Methods for Business: A Skill-Building Approach*. 4th Edition, John Wiley & Sons, New York.
19. Chin, Wynne & Marcoulides, G. (1998). *The Partial Least Squares Approach to Structural Equation Modeling. Modern Methods for Business Research*. 8.
20. Hair. Jr., J. F., Black., W. C., Babin., B. J., Anderson., R. E., & L. Tatham., R. (2006). *Multivariate Data Analysis*. New Jersey: Pearson International Edition.
21. Ozdemir, O. C., Sehitoglu, Y. (2013). Assessing the impacts of technology business incubators: a framework for technology development centers in Turkey. *Procedia-Social and Behavioral Sciences*, 75, 282-291.
22. Xiao, L., North, D. (2018). The role of Technological Business Incubators in supporting business innovation in China: a case of regional adaptability?. *Entrepreneurship & Regional Development*, 30(1-2), 29-57.
23. Smilor, R.W. (1987). Managing the Incubator System: Critical Success Factors to Accelerate New Company Development. *IEEE Transactions on Engineering Management*, Volume 3, pp. 146–155.
24. Binsawad, M., Sohaib, O., Hawryszkiewicz, I., Aleidi, A. (2018). Individual Creativity Towards Technology Business Incubator Performance.
25. Kuryan, N., Khan, M. S., & Gustafsson, V. (2018). Born globals and business incubators: a case analysis. *International Journal of Organizational Analysis*.



Employee Empowerment in Power Sector

Ms. Bijoylaxmi Panda*

ABSTRACT

In the present day of competitive world, excellence is the need of the hour, inevitably more in action, i.e., excellence in production, marketing, finance, personnel & administration. The companies that have achieved the best innovative performance are levelled as excellent companies if they managed and motivated their resources to perform the best. An organisation requires excellence in HR Practices so that the best Human resource/workforce can be created, utilised, and motivated to accomplish the basic organisational goals. Now to achieve organisational excellence various management tools and HR practices has been developed and Employee Empowerment is one of the tool in the hands of management. Modern organisations have to empower their employees for reasons of excellence and customer satisfaction. They have to put their employees on jobs that enhance their capabilities to work independently in future. The saying "Pleasure in the job puts perfection in work" well describe the word Empowerment.

Electricity is an essential energy input to sustain the economic activities of a country. Moreover, this industry is one of the largest consumers of capital in the economy. Therefore, planned development of electricity generation, transmission, and distribution at an ever-increasing scale has become an essential part of the country's five-year plans. As it plays a vital role in the Indian economy, these undertakings need to introduce the modern concepts of Human Resources Management. Although such ideas have emerged from the management practices of successful business enterprises, they provide a meaningful framework for decision-making in all sectors of the economy. The principal managerial challenge in public systems lies in achieving maximum utilisation of Human Resources and at the same time ensuring the commitment, motivation and development of Human Resources.

Key words: Employee Empowerment, Power Sector, Human Resources,

1. INTRODUCTION

The success of a business enterprise in a complex and changing environment depends mainly on the efficient management of its Human Resources. A successful Human Resource Management requires mastery over its Human Resources Practices. Excellence is challenging the status quo and effecting change by utilising learning to create innovation and improvement. Excellent organisations continuously learn, both from their own activities and performance and from that of others. They rigorously benchmark, both internally and externally. They capture and share their people's knowledge to maximise learning across and within the organisation. There is an openness to accept and use ideas from all

stakeholders. People are encouraged to look beyond today and today's capabilities. They are careful to guard their intellectual property and to exploit it for commercial gain, where appropriate. Excellence is managing the organisation through a set of interdependent and interrelated systems, processes and facts. Excellent organisations have an effective management system based upon and designed to deliver the needs and expectations of all stakeholders. The systematic implementation of the organisation's policies, strategies, objectives, and plans are enabled and assured through a clear and integrated set of processes. These processes are effectively deployed, managed and improved on a day-to-day basis.

* Research Scholar, P.G. Department of I.R. & P.M., Berhampur University, Berhampur, Dist. Ganjam, Odisha. sudha2panda@gmail.com

Electricity, now-a-days, has no additional remained a magnificence thing only to municipal elites but has become an essential part of man's living, both individual and monetary. For the effective implementation of various development programmes in agriculture, industry, science and technology, energy has been the most important factor in the form of electricity. Electrical energy keeps life's clock ticking on the earth. It is required to cook our food, to light our houses, to run tractors and pumps in the farms. Availability of electrical energy in adequate quantities is an indispensable condition for achieving sustained growth of industries. India's power sector Electricity is an essential utility in modern society, with links to everything from a human's subconscious fear of the dark to the practical need for working illumination in an industrialised world. The entire world essentially runs on electricity, in one form or another.

In today's global competitiveness, there is a great desire on the part of the employees to play an active role in organisational activities. As such, every effort should be made to accommodate employee's views.

Employee empowerment is measured as a significant subject in human resource management organisations and it is significant that each of the persons experiences about their capability. Human resources think as planned advantage of the organisation and empowerment of employees is an innovative advance to human resource development that cause enlarge efficiency get better quality, and profitability of goods and services of organisations. Contribution of power with others will contact better one's hold authority. Individuals who have an upper chance for development and mobility in their occupation are further likely to have high ambition and to be extra dedicated to the organisation. Employee empowerment creates a sense of belongingness and ownership towards the parent organisation. The employee feels more confident and tries to give their best to their employers. As a result,

service quality improves. Better service quality usually marks a senior level of buyer's fulfilment.

An empowering organisation emphasises autonomy, proper information and individual participation for organisational excellence. To achieve empowerment, the executives must ensure that employees have the right mix of information, knowledge, power and rewards to work more enthusiastically. It helps to create autonomy for employees, allows the sharing of responsibility and management at all levels, builds employee self-esteem and energises the workforce for better performance. At the individual level the personal factors which are facilitating empowerment are: challenging jobs, enthusiasm, competence, maturity, self-esteem, etc. most of these factors can be enhanced through training and development as these are playing a catalytic role in promoting employee empowerment and involvement.

When employees are empowered, their confidence degree and self-reliance will increase. This extra confidence is a good thing because it creates job satisfaction and high levels of productivity. On the other hand, in a number of cases, confidence levels can be engaged too distant and end up passage the line into superiority. Arrogant employees are difficult to deal with, don't take direction well and can become insubordinate. Functioning in this kind of work environment takes its fee on employees and they previously over become displeased with their job and efficiency levels reduced.

Capital and technology-intensive Public Organisations such as Electricity Undertakings need to introduce the modern concepts of Human Resources Management. Although such concepts have emerged from the management practices of successful business enterprises, they provide a meaningful framework for decision-making in all sectors of the economy. The principal managerial challenge in public systems lies in achieving maximum utilisation of human resources and at the same time ensuring the commitment,



motivation and development of human resources. The HRM practices of the Indian Power Sector Units has been focused on the all round development of the existing as well as potential manpower for a better performance. Through effective handling of HRM practices such as recruitment and selection, training and development, executive development programme, compensation administration, career development, employees job satisfaction and motivational programme and strategic retirement and separation policy of an organisation can mobilise and influence the vital resources and the surrounding environment towards a positive direction.

Empowering employees is the long-term process of providing the tools, training and motivate the workers to perform at the optimum level. If organisation is looking for a method to speed processes and still create quality materials and services, focus on employee empowerment. When an employee trusted, and given timely information and the authority to find solutions. The employee will be able to solve problems and provide solutions more quickly than someone without that empowerment. Empowerment offers employee with a sense of sovereignty, which will increase employee job satisfaction. It will be more comfortable at work because it develops self-confidence and a sense of worth. A happy worker gives the most excellent customer service and leaves a good company with whomever it addresses.

A flourishing empowerment endeavour, as a significant organisational, confront, proves to be triumphant in employee opinion of self-efficacy and removing surroundings that grounds restlessness and powerlessness. It also achieves job mastery by providing for role clarification, job enrichment and proper training. Empowerment also provides development support to its employees throughout occupation, preparation, rewards and benefit, and by employing counselling, inspiration, and appraisals

techniques, it uses shared strengthening and influence in the organisation. When empowerment approaches are adopted, employees gradually start to feel valued, competent and the jobs they are doing have so great meaning and impact. When legally empowered, they would always be in a mood to think they have so vast opportunities to pertain their skills. In return, they are expected to change their behaviours towards using their talents in the workplace better than before, and such employee-driven changes are expected to contribute to the organisation's effectiveness and efficiency.

1.1 Statement of the Problem

Globalisation has opened up various opportunities and challenges for public Utilities to compete internationally. Besides technological advancement, a developed, competent and empowered workforce will give Public Utilities an edge over its competitors. Studies on empowerment have shown that it is positively associated with organisational commitment. A fully empowered and engaged workforce is said to be reliable and committed workforce (P. Srividya, 2019).

Koon (2017) found that job security, training and development, supervisor support, and overall perceptions of HRM practices have a positive and significant effect on service-oriented OCB with the exception for pay practice. On the other hand, it needs to understand the existence of Employee Empowerment - a management tool in Public Sector Utilities. According to a study by Shoaib Raza, Muhammad Rafique, Asim Muqaddas and Zahra, Khushtaba (2016), employee empowerment has an insignificantly relationship with employee motivation.

Studies on Employee empowerment in Public Utility, however, is still lacking. As a result, this study puts forward a model to link between the HR Practices and employee empowerment. This thesis studied the influence of eleven factors on Employee Empowerment.

1.2 Relevance of the study

This study will be a significant endeavour in human resource management in general and employee empowerment in particular. The survival of a company does not depend on profitability alone; managers in practice have to learn the hard way that an unequal focus on the organisation's financial health too results in several irreparable adverse consequences. Therefore, the main challenge before a manager is two dimensional, such as empowering people and aligning their individual goals with the organisation's objectives.

Therefore, this research will be very much relevant in the context of contemporary business and industry and will be beneficial to HR professionals and executives. It will also give out as a potential reference for researchers on planned human resources and guide the companies to reach organisational efficiency.

1.3 Power Sector at a glance

The Ministry of Power mainly governs the power sector in India. There are three major pillars of power sector these are Generation, Transmission, and Distribution. As far as generation is concerned, it is mainly divided into three sectors: Central Sector, State Sector, and Private Sector. **Central Sector or Public Sector Undertakings (PSUs)**, constitute **29.78% (62826.63MW)** of total installed capacity i.e, **210951.72 MW (as on 31/12/2012) in India**. Major PSUs involved in electricity generation include *NHPC Ltd.*, *NTPC Ltd.*, and *Nuclear Power Corporation of India (NPCIL)*.

Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. Electrification is increasing with the support of the government schemes like DDUGJY (Deendayal Upadhyaya Gram JyotiYojana) and IPDS (Integrated Power Development Scheme). The government has also delicensed the electrical machinery industry and allowed 100 per cent foreign direct investment (FDI) in the sector

The State Electricity Boards (SEBs) have played a significant role in the past generation and supply of power. However, the present financial health of the SEBs is not sound to say the least. This is mainly due to uneconomic tariffs for agriculture, high T & D losses which often disguise large-scale theft and low billing and collection efficiency. The financial non-viability of the SEB is at the root of the organisation's inefficient running, which is in turn because of unrealistically low tariffs. The financial crunch faced by the power industry, compounded by inefficiency and corruption, contributes significantly to the crisis of the electricity distribution sector in India today.

1.4 Problems of Power Sector in India

The most critical problems being faced in the power sector is the irrational and unremunerated tariff structure. Although the tariff is fixed and realised by SEBs, the State Governments have constantly interfered in tariff setting without subsidising SEBs for the losses arising out of State Governments desire to provide power at concessional rates to certain sectors, especially agriculture. Power supply to agriculture and domestic consumers is heavily subsidised. SEBs recover only a part of this subsidy through cross subsidisation of tariff from commercial and industrial consumers. The SEBs, in the process, has been incurring heavy losses. If the SEBs were to continue to operate on the same lines, their internal resources generation will be negative during the next ten years, being the order of Rs. (-) 97,000 crores. This raises serious doubts about the ability of the States to contribute their share to capacity addition during the 9th plan and thereafter. The highlights the important of initiating power sector reforms at the earliest and the need for tariff rationalisation.

1.5 Power Sector in Odisha

The electricity industry is one of the largest consumers of capital in the economy. Therefore, electricity is an essential energy input to sustain the economic activities of a country. Therefore,

planned development of electricity generation, transmission, and distribution at an ever increasing scale has become an essential part of the country's five-year plans.

The task of restructuring of the power sector was entrusted to the **State Electricity Boards**. In pursuance of the provisions of the electricity (supply) act 1948, the state governments in India constituted the State Electricity Boards (SEBs) in their respective states. The states are charged with the duties of promoting the co-ordinated development of the generation, supply and distribution of electricity within their respective jurisdiction most efficiently and economically.

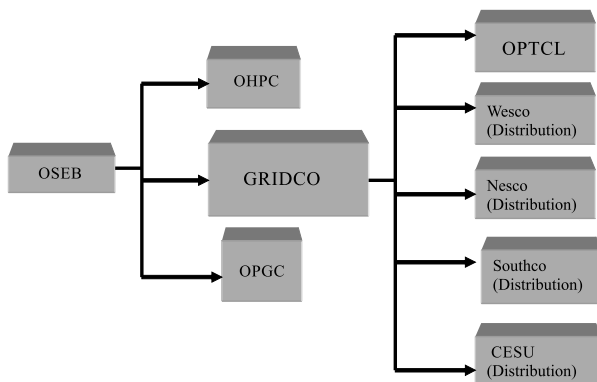


Fig.1 : Restructuring of Odisha Power Sectors

1.6 Objectives of the Study

The investigator has outlined the following as objectives of the present research:

1. To outline the concept and practice of Employee Empowerment in industry.
2. To identify the HR Policies concerning employee empowerment in the power sector.

1.7 Need of the study

Power is a critical infrastructure for economic development and important in quality of life. It is a primary input to improve the country's standard of living and agricultural and industrial development. Nowadays, electricity has no more remained a luxury item only to urban elites but

has become an integral part of man's life, both personal and economic. For effective implementation of various development programmes in agriculture, industry, science and technology, energy has been the most important factor in electricity. Electrical energy keep life's clock ticking on the earth. It is required to cook our food, light our houses, and run tractors and pumps in the farms. Availability of electrical energy in adequate quantities is an indispensable condition for achieving sustained growth of industries. India's power sector electricity is an essential utility in modern society, with links to everything from a human subconscious fear of the dark to the practical need for working illumination in an industrialised world. The entire world essentially runs on electricity, in one form or another.

Empowerment requires an increase in 'agency' (discretionary power exercised by subordinates) within an organisation as employees are required to become increasingly self-regulating and to accept delegated responsibilities. Rather than making questions of managerial control less salient than before, empowerment makes them more so because freedom of discretion requires discipline to be reliable, be it surveillance, reporting systems, or self-regulation.

As the human capital takes centre stage in today's economy, the HR function is becoming a strategic powerhouse in organisations. Recent times certainly have proven this maxim to be true. Companies have been forced to continuously adjust their corporate strategies to keep up with the relentless pace of change in the economic environment, starting with the Internet boom through the recent economic downturn and on today's anticipation of recovery.

The Human Resources function has been at the centre of this period of upheaval. During the economic good times, companies looked to HR to attract, retain and motivate the critical-skill workers necessary for rapid business growth. Then, as the economy cooled, organisations

depended on HR to reduce costs while getting the most from existing, limited, resources. As the focus shifts to recovery, HR executives must ensure their workforces have the skills required to restore organisational competitiveness and contribute to long-term business objectives.

The idea of empowerment is defined through its various aspects in researches. According to Vogt and Murrell (1990), empowerment is the period of improving the decision making ability of the employees through cooperation, sharing, training, education and team work. Klagge identifies empowerment as the movement of suitable accountability to employees and creation them increase abilities (Klagge, 1998). It is unstated from the definitions that not only the cognitive feature of empowerment that consists the development of the ability of the employee within the organisation, but also behavioral aspects in which employee's happiness from their job and place of work environment is vital. The behavioural aspect of empowerment can be defined as the period of cheering and automising employees to improve their decision-making skills, move the instruction power, and benefit from their capability and experiences (Cacioppe, 1998). The behavioral aspect of empowerment means the distribution of power from high levels to low levels. The cognitive aspect of empowerment can be defined as improving employees' opportunity to access organisational sources and information. Another aspect of empowerment is the psychological aspect. Through this aspect, the managers realise that the authority and the power are transferred, and makes sure empowerment applications are perceived. However, Conger and Kanungo (1988) accept empowerment as a motivational concept and define empowerment as the improvement of employees' self-competence (by Sasaka, Oct, 2016)

1.8 Hypothesis modeling

(H₀): Flexible HR policies have significantly failed to empower the employees

(H₁): Flexible HR policies have significantly succeeded in empowering the employees.

1.9 Research Methodology

Considering the nature of the data ANOVA and Chi-Square are suitably used along with descriptive statistics. This research has been carried out to assess the employees' perception of Human Resource Management practices to develop the greater communication linkage between the NESCO and its employees. For the successful conduction of this research, help of the people employed in selected NESCO locations were availed. For the successful commencement of the research various information were gathered from the respondents to access how far the human resource management practices are helpful to enhance the employees' perception towards advanced HR practices and it is helpful in enhancing the capabilities in their employees that will bring greater employee satisfaction and bring employee empowerment.

By using the above structured questionnaire information were gathered from the employees of NESCO Utility. As a whole, 387 questionnaires were distributed amongst the different age group of people starting from 25 years to above 55 years. Out of 387 distributed questionnaires, total 333 were collected and rest total 54 was not considered to incorporate those responses in the analysis. Out of the total 54 rejected responses, 21 were never returned The rest of the 33 responses received were found to be incomplete and thus were not considered for the study. Hence, a total of 333 responses were taken for analysis. Thus, 93.02 % of respondents were responded to the questions asked to them with 100% accuracy without any mistake.



Analysis and Interpretation of data

Table-1: Rate of Responses of Respondents

Sample Data	Responses Received	Percentage of Responses Received
Actual distributed	387	100%
Never Returned	21	5.43%
Returned	366	94.57%
Incomplete	33	9.02%
Response Received	333	86.05%
Total Non-Response	54	13.95%
Response %	86.05%	

The above table-1 followed by reveals that total 387 numbers of questionnaires were actually distributed among the various age group of both male and female respondents. The highlights out of total distributed 387 questionnaires only 21 questionnaires were not returned which accounts 5.43%. While rest 366 questionnaires came up with the mix of correct and incorrect information in which 33 were incomplete responses, which count merely 9.02%. This reflected another side of the response sheet i.e. 333 respondents come up with their responses without any error.

Table-2: Level of Seniority in NESCO

Level of Seniority	Number	Percentage
Authorised Officer	1	0.30
Chief Operating Officer	1	0.30
Sr. General Manager	3	0.90
General Manager	6	1.80
Dy. General Manager	8	2.40
Asst. General Manager	8	2.40
Manager	10	3.00
Dy. Manager	14	4.20
Asst. Manager	22	6.61
Jr. Manager	42	12.61
Non Executives	218	65.47
Total	333	100.00

From the above table 2.2 it is observed that out of 333 respondents highest 218 respondents were Non-executives who constituted the highest percentage with 65.47 responses accounting to

more than 50%. While lowest percentage of respondents includes Authorised Officer, Chief Operating Officer, Sr. General Manager and they in combine constitute below 2%, counts to 5 in total. Out of total responses received, the Jr. Managers stood second with 12.61%, which counts to 42 in numbers.

Table-3: Gender of the Employees

Gender	Number	Percentage
Male	236	70.87
Female	97	29.13
Total	333	100

From the above table it is felt that the gender of the employees working in different business units and shops. It is observed that out of 333 respondents 236 are the males and rest 97 belong to women category.

Table-4: Age of the Employees

Age	Number	Percentage
Under 35	82	24.62
36-40	70	21.02
41-45	67	20.12
46-50	48	14.41
51-55	40	12.01
Above 55	26	7.81
Total	333	100

From the table 4, it is learnt that the respondents from different age group from under the 35 years to above 55 years were collected. Out of 333 total final respondents, 48 were from 46-50 age groups, 82 were from under 35 years age group, but 70 were from 36-40 years age group. The table-4 also provides the information that 14.41% of respondents were from the age group of 46-50 years while 24.62% were from under age group of 35 years. At the same time, 21.02% of respondents were from the age group of 36-40 years of age while 7.81% were from above 55 years of age.

1.10 Testing of Hypothesis

VARIABLES	ABBREVIATIONS
Delegation of Authority	DELAUTH
Communication	COMM
Trust	TRUST
Supervisory attitude and practices	SUPATT
Training and Development	TRADEV
Employee Satisfaction	EMPSAT

Table-5: Correlation Between age and Variables

Variables	Age	Dealuth	Comm	Trust	Supatt	Tradev	Empsat
AGE	1.000						
DELAUTH	-0.024	1.000					
COMM	-0.017	0.509	1.000				
TRUST	0.067	0.454	0.849	1.000			
SUPATT	0.113	0.376	0.719	0.739	1.000		
TRADEV	-0.022	0.052	0.015	0.048	0.045	1.000	
EMPSAT	-0.026	0.499	0.961	0.816	0.682	-0.007	1.000

From the above table it is observed that age is negatively correlated with Delegation of Authority, Communication, Training and Development,

Employee Satisfaction Correlation between Gender and Variables. But when the correlation exists it is significantly correlated but the association is too small to rely on i.e. Trust, Supervisory attitude and practices where the values are 0.067 and 0.1113.

Table-6: Correlation Between Gender and Variables

	Gen	Dealuth	Comm	Trust	Supatt	Tradev	Empsat
GEN.	1						
DELAUTH	-0.020	1.000					
COMM	-0.023	0.509	1.000				
TRUST	-0.001	0.454	0.849	1.000			
SUPATT	-0.034	0.376	0.719	0.739	1.000		
TRADEV	-0.074	0.052	0.015	0.048	0.045	1.000	
EMPSAT	-0.045	0.499	0.961	0.816	0.682	-0.007	1.000

From the above table it is observed that gender is negatively correlated with all variables i.e. Delegation of Authority, Communication, Trust, Supervisory attitude and practices, Training and Development and Employee Satisfaction.

Table-7: Expected Frequency of HR policies and empowerment

Opinion about the Flexibility of HR policies	HR Policies									
	ECLE	WGST	TEMP	MPL	PSHW	PHW	RCEC	GPF	IMD	Total
Highly Successful in empowerment	8.07	7.59	10.91	9.02	6.17	7.35	12.34	8.54	9.02	79.00
Moderately Successful in empowerment	8.88	8.36	12.02	9.93	6.79	8.10	13.59	9.41	9.93	87.00
Highly unsuccessful in empowerment	7.66	7.21	10.36	8.56	5.86	6.98	11.71	8.11	8.56	75.00
Moderately unsuccessful in empowerment	9.39	8.84	12.71	10.50	7.18	8.56	14.37	9.95	10.50	92.00
TOTAL	34	32	46	38	26	31	52	36	38	333



Table-8: Chi Square Calculation Table (HR Policy)

O	E	O-E	Square of O-E	Square of O-E/E
9	8.07	0.93	0.86	0.11
8	8.88	-0.88	0.77	0.09
8	7.66	0.34	0.12	0.02
9	9.39	-0.39	0.15	0.02
6	7.59	-1.59	2.53	0.33
8	8.36	-0.36	0.13	0.02
10	7.21	2.79	7.78	1.08
8	8.84	-0.84	0.71	0.08
16	10.91	5.09	25.91	2.37
7	12.02	-5.02	25.20	2.10
12	10.36	1.64	2.69	0.26
11	12.71	-1.71	2.92	0.23
8	9.02	-1.02	1.04	0.12
14	9.93	4.07	16.56	1.67
5	8.56	-3.56	12.67	1.48
11	10.5	0.50	0.25	0.02
6	6.17	-0.17	0.03	0.00
5	6.79	-1.79	3.20	0.47
7	5.86	1.14	1.30	0.22
8	7.18	0.82	0.67	0.09
6	7.35	-1.35	1.82	0.25
9	8.1	0.90	0.81	0.10
7	6.98	0.02	0.00	0.00
9	8.56	0.44	0.19	0.02
12	12.34	-0.34	0.12	0.01
14	13.59	0.41	0.17	0.01
9	11.71	-2.71	7.34	0.63
17	14.37	2.63	6.92	0.48
9	8.54	0.46	0.21	0.02
8	9.41	-1.41	1.99	0.21
9	8.11	0.89	0.79	0.10
10	9.95	0.05	0.00	0.00
7	9.02	-2.02	4.08	0.45
14	9.93	4.07	16.56	1.67
8	8.56	-0.56	0.31	0.04
9	10.5	-1.50	2.25	0.21
Total				14.98

Chi Square Value (χ^2) = 14.98

Degree of Freedom = (r-1) (c-1) = (4-1)*(9-1) =27

Here, the tabulated value is 40.1, and the calculated value is 14.98. It is observed that the calculated value is lower than the tabulated value

i.e. (14.98<40.1). Thus it is to conclude that the calculated chi square (χ^2) value is smaller than the tabulated value. Therefore, the Null Hypothesis is accepted, rejecting the alternate hypothesis.

1.11 Limitations of the study

The organisation taken into account for the present study is NESCO Utility, which belongs to Electricity Sector in Odisha State. The electricity sector of Odisha is categorised into three parts i.e **Generation, Transmission and Distribution** of Electricity. Organisations like NTPC, OHPC , OPGC etc are the major generating companies of electricity. OPTCL undertake the business of transmission and wheeling of electricity in the State. GRIDCO is carrying the business of bulk purchase from various generators and supply the same to four DISCOM Utilities in the state namely, NESCO, WESCO, SOUTHCO & CESU presently named TPCODL(Tata Power Central Odisha Distribution limited)after taken by Tata power. To regulate all this sectors OERC has formed.

Now NESCO is one of the electric supply companies covered under the DISCOM portal which operates in 5 districts of Odisha with coverage of near about 28 square km of geographical area, serving 16 Lacs consumers. Research area for the present study encompasses HR Practices & employee empowerment in NESCO Utility.

Lack of standardised reporting practices and uneven quality of data collection and also busy schedule of corporate employees, their work pressure and multiple organisational demands, one-to-one collection of survey response could not be organised with cent percent respondents Time was a constraint in collecting data from a bigger group of respondents, The small sample size of 387 respondents may limit the findings of the research .This study relied on the respondents' subjective response about the questionnaire.

The results of this research will be helpful for HRM

professionals of power industry to increase the performance of employees by implementing the HRM practices. This study will be helpful in optimising the abilities of the employees and assigning the tasks accordingly. By implementing the HRM practices, organisations will be able to achieve its goals by making an effective and efficient workforce.

1.12 Conclusions

The following are the findings of the analysis of the descriptive and inferential statistics.

1. The flexibility of HR policies of the organisation that out of 333 respondents 79 nos. of respondent feel that highly significantly successful, 87 nos., of respondents opined that it is significantly successful where as 75 of respondents viewed that it has been highly unsuccessful and 92 of persons are moderately unsuccessful about this issue (Table-7). From statistical analysis it was found that the calculated chi square ($\div 2$) value is smaller than the tabulated value. Hence, the Null Hypothesis

i.e HR policies do not favor empowerment of employees is accepted (Table-8).

1.13 Suggestions

NESCO UTILITY is best among the Discoms of Odisha. Since its inception, it has been attracted the best of talents and brains like other large and successful organisations of India. Needless to say, NESCO UTILITY's top management personnel with years of public sector experience behind them would have left no stone unturned not to repeat the mistakes which they would have experienced in their earlier organisations. This could have been one of the major reasons for NESCO UTILITY implementing, by design or default, many of the dimensions of empowerment. Though the findings of this research reveal that the general perception about empowerment policies and practices at NESCO UTILITY by employees is positive there still remains miles to be covered before empowerment becomes a way of life at NESCO UTILITY.

REFERENCES

- Amir Ali Khushk (2019). Impact of HR Policies and Practices on Employee Job Satisfaction: Evidence from Pakistan Telecommunication Ltd (PTCL) Hyderabad, Pakistan. *SEISENSE Journal of Management*, 2(2), 47-56. doi: <https://doi.org/10.33215/sjom.v2i2.117>
- Cattaneo, Lauren Bennett and Chapman, Aliya R. (2010), The Process of Empowerment, *A Model for Use in Research and Practice*, October. *American Psychologist*, 0003-066X/10/\$12.00, Vol. 65, No. 7, pp. 646–659, DOI: 10.1037/a0018854.
- Denise Cox and Fernanesdes, Myra (2005), The role of HR in increasing Empowerment and Employee involvement with knowledge workers : the case of Soft-Tech, Research project submitted to Simon Fraser University, August.
- Joyjit Sanyal, and Sikidar, Dr. Sujit. (2018). An appraisal of employees welfare and social security measures in central public sector enterprises. *International Journal of Research - Granthaalayah*, 6(7), 234-247.
- Mishra, Ramesh Datt (2019). Employee empowerment and organisational effectiveness in the organisations, *International Journal of Scientific Research in Management and Business Administration*, Vol. 1, Issue 1, June, 2019.
- Nayak, Siba Prasad (2013). Power Scenario in Odisha, *Odisha Review*.
- Nima Kanani and Bijan Shafiei (2016). Employees Empowerment in Organization, *Kuwait Chapter of Arabian Journal of Business and Management Review*, April, Vol. 5, No.8.
- Pati, Prasanna Kumar (2002). Personnel management policies and practices in the Electricity Supply Industry of Orissa, unpublished Ph.D., thesis in Commerce, Utkal University.



- Prathiba, Srividya (2019). A study on impact of employee empowerment and employee engagement on organisational commitment, Vol. 12
- Ramana, B., Mishra, Banikanta, and Nayak, K. (2002) - Power sector reform in Orissa: a case study of restructuring, *Orissa Development Report*.
- Ramesh, R., Kumar, Shyam, K. (2014). Role of Employee Empowerment in Organizational Development, *International Journal of Scientific Research and Management (IJSRM)* , Vol.- 2 , Issue 8, pp. 1241-1245.
- Rao, Umamaheswara; Subrahmanyam, DAR (2017). A study on quality of work life of employees of power sector with special reference to working conditions, *International Journal of Multidisciplinary Research and Development*, Vol. 4; Issue 7; 2017; pp.. 311-316.
- Shoaib Raza, Muhammad Rafique, Asim Muqaddas and Zahra, Khushtaba(2016), The Relationship Between HR Practices, Empowerment, Support and Employee Motivation Among Bank Employees in Vehari, Pakistan, *International Journal of Innovation and Research in Educational Sciences*, Vol. 3, Issue 6, ISSN (Online): 2349–5219.
- Thanigaivel R Krishnan, Su Ann Liew & Vui-Yee Koon (2017). The Effect of Human Resource Management (HRM) Practices in Service-Oriented Organizational Citizenship Behaviour (OCB): Case of Telecommunications and Internet Service Providers in Malaysia, *Asian Social Science*; Vol. 13, No. 1; ISSN 1911-2017 E-ISSN 1911-2025.
- Demirkýran, Mustafa and Ta^okaya, Serap (2016). Relationship between Employee Empowerment and Organizational Stress: A Research on Hospital Employees, *International Journal of Scientific Study*, March, Vol. 3, Issue 12.
- Denise Cox and Fernanesdes, Myra (2005), The role of HR in increasing Empowerment and Employee involvement with knowledge workers : the case of Soft-Tech, Research project submitted to Simon Fraser University, August.
- Dillon, Stuart, Buchanan, John Corner, Jim (2010). Comparing Public and Private Sector Decision Making: Problem Structuring and Information Quality Issues, 45th Annual Conference of the *ORSNZ*, November.
- Dizgah, Morad Rezaei., Mehrdad Goudarzv and Chegini, Farahbod, Farzin. and Kordabadi., Sajjad Salehi (2011). Employee Empowerment and Organizational Effectiveness in the Executive Organisations, *Journal of Basic and Applied Scientific Research*, 1(9) 973-980, ISSN 2090-424X.
- Doughty, Howard A. (2014). Employee Empowerment: Democracy or Delusion, *The Innovation Journals the Public Sector Innovation Journals*, Vol. 9(2), 4
- Edralin, Divina M. (2004). Training: A strategic HRM function, Published by the De La Salle University - College of Business and Economics (**CHED Center of Development for Business and Management Education**) *Center for Business and Economics Research and Development (CBERD)*, Vol. 7, No. 4, July-August.
- Eric Ng Chee Hong, Hao, Lam Zheng, Kumar, Ramesh; Ramendran, Charles and Kadiresan, Vimala (2012). An Effectiveness of Human Resource Management Practices on Employee Retention in Institute of Higher learning: - A Regression Analysis, *International Journal of Business Research and Management (IJBRM)*, Vol. 3, Issue 2.

The Study of Relationship between Non Performing Assets & Occupation of Home Loan Account Holder in Mumbai & Navi Mumbai Area

Dr. Kavita Kathare*

ABSTRACT

Banking sector successfully operates on the cycle of cash inflow and cash outflow. Any disturbance in this cycle may affect working of this sector. The major role of bank is to extend credit. Simultaneously it also has to successfully recover back the credit which is extended. In some cases the lender may have some doubts of recovery or there might be default on the part of the borrower regarding payment of instalments continuously for a period of ninety days. Such doubtful of recovery or actual default is called as NPA. NPAs have direct impact on profitability and credibility of banks. NPAs are one of the unavoidable problems of any bank. Non-performing assets (NPAs) are those assets which do not earn interest income along with default in repayment of loan to bank as per the repayment schedule affecting income of the bank with the subsequent impact on the profitability. The term Non-Performing Assets was featured in the Indian banking sector after introduction of financial sector reforms in 1992 along with implementation of prudential norms on income recognition, assets classification and provisioning as per the recommendation of the committee on the Narsimha Committee. The present study attempts to find whether there is any relationship between Non-Performing Assets (NPAs) & occupation of home loan account holder in Mumbai & Navi Mumbai area. Chi square test was used to analyse the data. The result of the study shows that there is a significant relationship between occupation of the home loan account holder & defaulting.

Key words: Non-Performing Assets, defaulting & home loan account holder

INTRODUCTION

Banks are the ones which keep the wheels of economy and industry moving. Banks are the pillars of any economy. There has been a drastic and revolutionary change in the banking industry since globalization and liberalization. NPAs are one of the important parameters in understanding the financial health of the Bank.

The present study is undertaken under the title "The study of relationship between Non Performing Assets & occupation of home loan account holder in Mumbai & Navi Mumbai area". The dimension and character of this study is largely influenced by study of socio-economic profiles of both defaulters and non-defaulters of the bank. The present study helps in

understanding whether occupation of loan account holder contributes to default. This will help banks in making their loan sanctioning process more rigorous for those occupations where there is more chance of default.

CONCEPTUAL FRAMEWORK

1. Nonperforming Assets

- An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank.
- Banks usually categorize loans as non performing after 90 days of non-payment of interest or principal

* Assistant Professor, Pillai College of Arts, Commerce & Science (Autonomous), New Panvel, kavitaathare@mes.ac.in Contact no-809711999

2. 'Out of Order' status

An account should be treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power.

3. 'Overdue'

Any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank.

4. TYPES OF NPAs

1 Gross NPA: Gross NPAs are the nothing but total of all loan assets that are classified as NPAs in accordance with the RBI guidelines as on Balance Sheet date.

Gross NPAs Ratio = $\frac{\text{Gross NPAs}}{\text{Gross Advances}}$

2 Net NPA: Net NPAs are nothing but NPAs after deducting provisions

It can be calculated by following:

Net NPAs = Gross NPAs – Provisions on Gross Advances

5. Asset classification and provisioning norms

I. Asset Classification

Assets are classified by banks as per RBI guidelines-

1. Substandard Assets
2. Doubtful Assets
3. Loss Assets

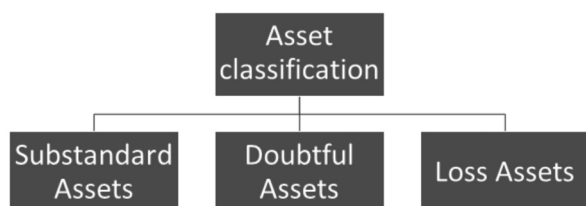


Figure 1.1

The above assets are explained in detail as follows:

1. Substandard Assets: Substandard Asset is the one which remains in NPA category for less than 12 months.

2. Doubtful Assets: Substandard Asset is the one which remains in NPA category for more than 12 months

3. Loss Assets: Loss assets is considered as irrecoverable.

Review of Literature

1.ChandanChatterjee; Jeet Mukherjee; Dr. Ratan Das (2012) in his study attempts to focus mainly on the causes and consequences of NPAs, policy directives of RBI, initiatives of Indian Government, scenario of NPAs sector wise and bank group wise and finally the curative measures for NPAs in India. the author concluded that considerable efforts are required at RBI, Ministry of Finance and all the banks level to control the menace of NPAs.

2.Jyoti Gupta & Suman Jain (2012) The study is based on some successful co-op banks in Delhi (India). The study of the bank's performance along with the lending practices provided to the customers is herewith undertaken and the author further suggested to adopt the modern methods of banking, expansion, better customer service & attracting new customers.

3.Joshi (2012). The present study helps in understanding the critical problem of NPA in banking sector.

4. Dr. Dhiraj Jain& Ms. Nasreen Sheikh (2012) The paper studies the relationship between the banking industry and selected private banks in addition to this it also studies the performance of loans, net profit and NPA. In this paper the author made an attempt to focus on the effect of the loans and advances on the Indian Economy. In this paper the author has focused on the movement of NPA, Loans, and Net Profit of the private banking industry by analysing the data from the year 2007 to 2011. The author concluded and suggested that it was observed that the

lending policies of the various Banks were not proper due to improper financing. Banks should adopt transparency about their lending policy. It was suggested to develop rural connect

5.Ahmad Zahoor and Jegadeeshwaran DM. (2013) -Research was conducted to study the non-performing assets of nationalised banks. The data was collected for a period of five years and was analysed using mean, CAGR, ANOVA and ranking banks. Banks were ranked on the basis of their performance in management of banks. It was also found that there is significant difference in the level of NPA s of nationalised banks reflecting their uniqueness in the management of nonperforming assets

SCOPE OF STUDY

1. Conceptual scope-This study is limited to home loan defaulters
2. Geographical scope-This study is limited to Mumbai & Navi Mumbai area

RESEARCH METHODOLOGY

1. Classes of respondents contacted: The information is collected for research from defaulters & non-defaulters (home loan) on random basis
2. Sampling Method: Primary data is collected by using non probability convenience sampling method.
3. Method of data collection: The present study has been conducted with primary as well as secondary data. The primary data was collected on the basis of questionnaire, interviews, discussions and observations of stratified random sample survey of defaulters & non defaulters .Primary data was collected from 214 respondents selected on random basis.
- 4 Statistical technique of analysis of data-Chi square test is used for analysis of data.

OBJECTIVES OF STUDY

To study the socioeconomic profiles of respondents & evaluate whether there is a relationship between occupation of the respondents & defaulting.

LIMITATIONS OF STUDY

1. The study is restricted to Mumbai & Navi Mumbai area
2. The study is restricted to 214 respondents from whom data is collected.
3. The study is limited to home loan.

Hypothesis of study

H₀ There is no association between occupation & loan default.

H₁ There is association between occupation & loan default..

Testing of Hypothesis

Hypothesis was proved by using chi square test

Group Statistics

Occupation		Group		Total
		Defaulter	Non-Defaulter	
Service	Count	16	91	107
	% within Group	14.2	90.1	50.0
Business	Count	55	5	60
	% within Group	48.7	5.0	28.0
Professional	Count	42	5	47
	% within Group	37.2	5.0	22.0
Total	Count	113	101	214
	% within Group	100.0	100.0	100.0

Source: Compiled from Primary data

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	123.079 ^a	2	.000
Likelihood Ratio	139.432	2	.000
Linear-by-Linear Association	76.083	1	.000
N of Valid Cases	214		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 22.18.



It is observed from above table that Chi-square=123.079 with $P=0.000$ i.e. < 0.001 which is < 0.05 . Hence we reject the null hypothesis & accept the alternate hypothesis that there is a significant association between occupation and default.

CONCLUSION

There is a significant association between default & Occupation of loan account holder. Compared to Servicemen, defaulters are more in Businessmen and Professionals. This is due uncertain and not so stable income in business and profession.

REFERENCES

1. Vijay Raghavan (2009), Introduction to Banking, Excel Books India.
2. Gordan & Natrajan (2006), Banking theory law and practice, Himalaya publishing house, New Delhi
3. Padhye (2002), Banking Future: The coming shape of money and finance, Dominant Publishers.
4. P. K. Srivastava (2013), Banking theory and Practice, Himalaya publishing house, New Delhi
5. Murthy (2013), Non Performing Assets, The Indian Banker, Vol VIII No. 3, March 2013, pp 53-57.
6. Chandan chatterjee; Jeet Mukherjee; Dr.Ratan Das(2012), Management of Non Performing Assets - A current scenario, International Journal of Social Science & Interdisciplinary Research, Vol.1 Issue 11, November 2012, pg no. 204-214
7. Jyoti Gupta*, SumanJain (2012) A study on Cooperative Banks in India with special reference to Lending Practices, International Journal of Scientific and Research Publications, Volume 2, Issue 10, October 2012,pg 1-6
8. Joshi (2012), Research on NPA Management, LAP Lambert Academic Publishing
9. Dr. Dhiraj Jain*; Ms. Nasreen Sheikh*(2012), a comparative study of loan performance, npa and net profit in selected indian private banks, international journal of marketing, financial services & management research vol.1 issue 9, September 2012, pp 43-58

Impact of MGNREG Programme on Tribal People in Himachal Pradesh

Dr. Deepika Gautam*

ABSTRACT

Our country is facing so many socioeconomic problems and Poverty is one of them. Poverty and unemployment are the two paradigms of the economic growth of a country, which are complex and multi-dimensional in nature. Realizing this issue, government has taken various initiatives for the improvement of the trodden down classes were focusing on providing with employment through legislation such as MGNREGP has been an emphasis. The MGNREGS is a major new invention having the potential to transform rural socioeconomic relations at micro and macro levels. It is a means through which the government aims to achieve a social and economic integration throughout the country where the excluded, backward classes such as those living in far-flung areas stand at an equal forefront as the rest of the nation. Delving upon the outreach and impact of MGNREGP, the present study aims to identify the underlying factors that positively impact the development of tribal folks in the study area.

Keywords: Government, MGNREGP, Tribal People, 100 Working Days and Development

BACKGROUND OF THE STUDY

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) (initially named as National Rural Employment Guarantee Act or NREGA) is an Indian law 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. The Programme enacted by Government of India, is the largest employment programme ever started in a country with the main objective of not only to provide hundred day's employment to the rural people but also to provide livelihood security and durable and sustainable assets to the villages by creating sustainable rural livelihood through regeneration of the natural resource and supporting the creation of durable assets and strengthening rural governance. The NREGA is entirely different in concept from the earlier government employment schemes since it treats

employment as a right, and the Programme is initiated to be demand-driven and the right-based framework of the Programme makes the government legally bound to extend employment to those who demand it. It is also increasingly recognized that the NREGA has the potential to transform rural economy and social relations at many levels. The present study examines the Impact of the MGNREG programme on the Lives of Tribal People and their problems.

REVIEW OF LITERATURE

Since MGNREGA was passed, there has been a voluminous literature on its features, design and impact on several outcomes of economic importance. **Murthy Srikantha (2015)** reported that the performance in terms of employment provided under MGNREGA was higher in the economically backward region as compared to other regions. The study pointed out that more efforts are needed to educate the intended beneficiaries of MGNREGA on the importance of their participation in gram Sabha meetings. The

* Assistant Professor, Faculty of Management, Himachal Pradesh National Law University, Shimla Email: deepikagautam@hpnlu.ac.in



study concluded that MGNREGA provided the scope to extend financial inclusion. **Helaney (2014)** has also analyzed that awareness about the Programme, its relevant provisions, and the creation and development of the rural assets has been made possible through the MGNREGA. **Anuradha Palla (2012)** concluded that the income of the rural households, particularly women's income, has increased substantially after participating in MGNREGA which is the real indicator of economic development. **Vinod (2012)** assessed the socioeconomic characteristics of MGNREGA beneficiaries and the livelihood enhancement of backward communities of Wayanad districts through the MGNREGA programmes. The study disclosed the positive impact on physical capital, economic capital, human capital and social capital. The study concluded that in Kerala, MGNREGA implementation had achieved a very good status as compared to the other states of the country. However, a study conducted by **Bonner, Daum et al., (2012)** on the performance of MGNREGA in Tamil Nadu with regard to the influence of socioeconomic status, political power and organizational efficiency of state governments. They found that the impact on the state level politics on the implementation of the scheme was lacking as the Programme's strength depends upon the strength of the district. The study revealed the problems faced by the government while implementing the scheme. **Krishnamurthy, (2006)** reported that there was too much involvement of affluent local people and political leaders in the implementation of the scheme and selection of worksites. Their influence was evident in matters such as the number of job cards to be issued, job card allocation, number of workers allowed from households and work job allotment. Further **Bebarta (2013)**, conducted a study on assessment of the Impact of MGNREGA in the lives of Tribal People of Rayagada block in Gajapati, found that the tribal households in the study area have been benefitted from MGNREGP in many ways in their social and economic life.

However, there is a still a long way to fulfil the purpose and objectives of MGNREGP.

OBJECTIVE OF THE STUDY

The present study attempts to analyze the perception of workers towards MGNREGP i.e. to what extent MGNREGP has done justice in improving the living conditions of tribal people in Himachal Pradesh. The main objectives of the study area are;

- i. To study the impact of MGNREGP on beneficiaries.
- ii. To identify the problems faced by the beneficiaries.

Hypothesis Development for the Study

1. H_{01} : There is no significant change in the lives of tribal people through MGNREGP.
2. H_{02} : There is no significant association on development factors before and after joining MGNREGP.

Research Methodology

The study is both descriptive and explanatory in nature and is mainly based on primary data. Selection of the beneficiaries has been made from the government's official record for the last three years and has completed at least 100 working days in a financial year. The reference period during which the survey was conducted is 2020. Multi-Stage Sampling has been used to obtain information from the beneficiaries of the Kinnaur district of Himachal Pradesh. At the first stage, two administrative blocks have been selected. In the second stage, from each administrative block, three Panchayats has been selected. Thus, the sample has been drawn from 12 Panchayats (3x4). At the third stage, two villages having the highest beneficiaries are selected. From the selected villages, ten beneficiaries have been selected who have completed 100 days of work in a financial year. Thus the total sample has been constituted 240 beneficiaries.

TOOLS OF ANALYSES

To determine the impact of MGNREGP in the study area, qualitative and quantitative variables are selected, and the changes in these indicators over the years have been examined through t-Test. Apart from descriptive statistics (mean and standard deviation), correlation and regression analyses have been employed for analyzing and interpreting the data. Moreover, cross-sectional and exploratory factor analysis has also been conducted to assess the impact of MGNREGP on the lives of tribal people in Himachal Pradesh.

DISCUSSION & RESULTS

Table 1 reports the loading of 26 statements on four factors, i.e. area development, social development, economic development and personal development, showing 76.29 percent variance. First factor i.e. area development which includes the construction of playgrounds, community centre, aangan wadi centre, path and water harvesting tanks, alone explains 24.69 percent variance and which is closely followed by second factor i.e. social development factors which explain 24.31 percent of variance and include social recognition, participation in social gathering, interaction with Government officials, status of family and access to technology. Third factor, i.e. economic development, which provides knowledge about various Government schemes, transformation in lifestyle, reduction in Poverty, increases in savings, increase in purchasing power and employment to other family members, explains 18.20 percent of the variance. In contrast, the fourth factor, i.e. personal development, which includes an increase in confidence level, improvement in skill, mingling with others, leadership quality and balancing the life, explains 9.07 percent of the variance. Hence, it can be summed up that MGNREGP has helped in the upliftment of the tribal people to a greater extent.

Table 1: Factor Analysis: Total Variance

Statements	Factor Loadings	Factor Order	Labelling of the Factor	Total Variance Explained (%)
Construction of Community Hall	.751	Factor 1	Area Development	24.69
Construction of Play Grounds	.683			
Water Harvesting tanks	.759			
Metaling of paths	.745			
Angan Wadi Kendras	.642			
Maintenance of village paths	.832			
Access to Technology	.860			
Infant Mortality Rate	.619			
Street Lights	.080			
Interaction with Government Officials	.062			
Social Recognition	.796			
Discussion on Gender Related Issue	.805			
Participation in Social Organisations	.848			
Socioeconomic status of the family	.770			
Contributor in Nation Building	.813			
Knowledge about various Govt. Schemes	.640			
Reduction in Poverty	.934			
Transformation in Life Style	.918			
Increase in Savings	.946	Factor 3	Economic Development	18.20
Healthy and Nutritious Diet	.917			
Increase in Purchasing Power	.935			
Employment to other Family Members	.534			
Confidence Level	.840			
Improvement in skill development	.722			
Mingling with others	.682			
Leadership quality	.588			
Work Life Balance	.568			
Knowledge about Financial Services	.547			

Source: Calculation through SPSS



Table 2: Perception on Developmental Indicators after Joining MGNREGP

Indicators	Weighted Mean	Weighted S.D
Area Development	25.08	7.60
Social Development	18.02	5.94
Economic Development	16.00	5.24
Personal Development	13.47	4.90

Source: Primary Probe

Perception of MGNREGP on developmental indicators as shown in Table 2 indicated highest mean score for area development (25.08) followed by social development (18.02), economic development (16) and personal development factors (13.47).

Table 3: Descriptive Statistics on Development Factors

Development Factors	MGNREGP				t-Value	P-Value
	Before Joining Mean	SD	After Joining Mean	SD		
Area Development	16.17	2.47	25.08	7.60	83.30	<0.001**
Social Development	15.71	8.29	18.02	5.94	69.72	<0.001**
Economic Development	11.62	5.01	16.00	5.24	72.14	<0.001**
Personal Development	11.43	2.48	13.47	4.90	87.61	<0.001**

Source: Primary Probe

** Significant at 1% level

It is inferred from Table 3 that the mean score of respondents' responses on all the indicators of development has shown a substantial increase after joining the MGNREGA. Further, to test the significant difference between the mean score of development factors before and after joining MGNREGA, paired sample t-test has been applied, which shows that there is a significant difference in all the mean scores of respondents' responses on development indicators after they join the MGNREGA programme.

Table 4: Correlation Coefficient between Development Indicators

Development Factors	Area Development	Social Development	Economic Development	Personal Development
Area Development	1	0.775**	0.475**	0.375**
Social Development		1	0.349**	0.537**
Economic Development			1	0.314**
Personal Development				1

Source: Primary Probe

Note: ** Denotes significant at 1% level

Pearson's Correlation has been used in order to test the association between the variables, as shown in Table 4. A positive correlation coefficient between Area development and Social development (.775), at one percent level of significance, has been observed. The correlation coefficient between Area development and Economic development indicates a 47.5 percent positive relationship between the two factors. The correlation coefficient between personal development and Area development indicates 37.5 percent positive relationship between personal and area development. Further, the analyses show that one percent increases in Area development may lead to an increase in social, economic, personal and economic development. Among the significant variables, political development has a greater influence on the determination of development.

Table 5: Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Standard Error of B	Beta	t-Value	Sig.
Constant	42.194	5.123	-	8.568	0.001**
Monetary Benefits	1.331	1.210	0.436	6.145	0.070
Basic Amenities	0.620	0.176	0.211	4.013	0.021*
Grievance Redressal Cell	0.579	0.167	0.149	2.262	0.001**
Peer Group Relations	0.438	0.142	0.079	1.353	0.080
Awareness	0.331	0.111	0.140	3.187	0.033*

Note: ** Denotes significant at 1% level

* Denotes significance at 5% level

In the present study, the dependent variable is a development, and independent variables are; monetary benefits, basic amenities, grievance redressal cell, peer group relations and awareness. The multiple regression equation is

$$Y = 42.194 + 1.331X_1 + 0.620X_2 + 0.579X_3 + 0.438X_4 + 0.331X_5$$

Here, the X1 and X4 are 1.331 and 0.438, representing the partial effect of monetary benefits and peer group relations on development, holding the other variables as constant. The estimated positive sign implies that development would increase by 1.331 and 0.438 for every unit increase in monetary benefits and peer group relations, but this coefficient value is not significant at five percent level. The coefficient of X₂ and X₅ is 0.620 and 0.331, represents the partial effect of basic amenities and awareness on development, holding the other variables as constant. The estimated positive sign implies that development would increase for every unit increase in basic amenities and awareness and this coefficient is significant at a five percent level. Further, the coefficient of X₃, which represents the partial effect of grievances redressal cell on development, holding the other variables as constant, implies that such effect is positive that development would increase by 0.579 for every unit increase and also this coefficient value is significant at one percent level.

Further, based on the standardized coefficient, monetary benefits (0.436) is the most important factors to extract development, followed by basic amenities (0.211), grievance redressal cell (0.149), awareness(0.140) and peer group relations (0.079) which implies that because of the monetary benefits workers are joining the MGNREGA scheme.

Table 6: Problems Faced by Beneficiaries

Problems	Mean	S.D
Work Place Politics	21.49	5.78
Operational	20.60	5.89
Work Site	15.77	3.84
Personal & Family Problems	19.52	4.34

Source: Primary Probe

Table 6 indicates that the mean score of the workplace politics (21.49) is the highest as compared to the mean score of operational (20.60), worksite (15.77) and personal problems (19.52), which indicates that the central issue of most of the workers are workplace politics and least one is personal& family problems (19.52).

Table 7: Correlation between Development Indicators and Problems of Beneficiaries

Development Indicators	Problem Faced				
	Work Place Politics	Operational	Work Site	Personal and Family Problems	Overall Problems
Area					
Development	-0.145 ^{**}	-0.241 [*]	-0.211 [*]	-0.176 [*]	-0.238 ^{**}
Social					
Development	-0.019 [*]	-0.528 ^{**}	-0.228 ^{**}	-0.341 [*]	-0.249 [*]
Economic					
Development	-0.698 [*]	-0.361 ^{**}	-0.122 [*]	-0.322 [*]	-0.260 [*]
Personal					
Development	-0.535 [*]	-0.569 ^{**}	-0.168 [*]	-0.251 ^{**}	-0.331 [*]

Note: ^{**} Denotes significant at 1% level

^{*} Denotes significance at 5% level

Table 7 shows that there is a negative correlation between area development and workplace politics. The correlation coefficient between social development and worksite problems also indicates a negative relationship and is significant at a one percent significance level. The correlation coefficient between economic development and operational problems (-0.361) indicates the negative relationship between political development and operational problems and is significant at a one percent significance level. Further, the correlation coefficient between personal growth and personal& family issues also shows a negative correlation.

CONCLUSION

The MGNREGP has made a considerable impact on the livelihood of the tribal people. Further, MGNREGP has immensely contributed as far as its role in the social, economic and personal development of the tribal folks is concerned. A



high correlation between area development and other social, economic, and personal development indicators has been observed. Four factors i.e. area development (24.69%), social development (24.31%), economic development (18.26%) and personal development (9.07%) shows 76.29 percent variance. However people feel that they are facing problems at work place, operational problems due to politics and still 100 days of work is not provided to the workers for a year is the evil side of the scheme. Another issue

is the provision of work that MGNREGP has to fulfil the gap by providing extra employment days during the leap season.

ACKNOWLEDGEMENT

This study has been supported by the Indian Council of Social Science Research, New Delhi, for the Major Research Project entitled, "Impact of MGNREGA on Socioeconomic Status of Tribal People in Himachal Pradesh".

REFERENCES

1. Anuradha Palla (2012), "Impact of MGNREGA on Empowerment of Women wage Seekers in Andhra Pradesh: A case study of Vizianagaram district"- A Ph.D Thesis submitted to Andhra University, Visakapatnam, 2012.
2. Bonner, Daum et al., (2012), "Implementation efficiency of MGNREGA: A Study of Indian states using data envelopment analysis" Indian Journal of Economics and Development.
3. Helaney, M.Y (2014), "Rural Employment scheme and rural development- a study with special reference to Mahatma Gandhi National Rural Employment Guarantee Scheme in Kerela"- A Ph.D Thesis submitted to the Mahatma Gandhi University, Kottayam, 2014.
4. Krishnamurthy J (2006), "Employment Guarantee and Crisis Response", *Economic and Political Weekly*, Vol.41, No. 9, March 04-10.
5. Murthy Srikantha P.S, (2015), "Mahatma Gandhi National Rural Employment Guarantee Scheme and its impact on the rural economy in Karnataka"- A Ph.D Thesis submitted to the University of Mysore, 2015.
6. Tabachnick, B. G., & Fidell, L. S. (2007). *Using Multivariate Statistics*, 5th Edn. New York: Allyn and Bacon. In: Hooper D, Coughlan J, Mullen M R (2008), "Structural Equation Modeling: Guidelines for Determining Model Fit." *The Electronic J. Bus. Res. Methods* 6(1): 53-60.
7. Vinod S (2012), "Livelihood Enhancement of Rural Households through MGNREGA in Kerela"- A Ph.D Thesis submitted to University of Kerela Thiruvanthapuram, 2012.

Venture Capital Financing

Mr. Atul Kumar Srivastava¹
Dr. Manish Kumar Srivastava²

ABSTRACT

A Financial Institution, while granting credit looks into 3Cs of borrowers: Character, Capacity and Collateral. The second criteria i.e. Capacity, measures the ability of borrowers to repay the loan. While borrowing, the new business ideas might find this step quite difficult as they don't have ready market for their products because everything is in conception stage. In this process, comparatively risky business ideas are not financed by Traditional Financial Institutions. The business entity that comes into the picture in this process, which becomes ready to finance comparatively risky business ideas, is called Venture Capital Financiers. There are 188 venture capital financiers registered with SEBI as on date. The types of services provided by VCFs are (a) Early stage financing, (b) Expansion financing, (c) Buyout financing. Early stage financing includes: (i) Seed financing (ii) Start up financing (iii) First stage financing. This means that VCFs always stand ready to finance new business ideas at every step. This paper is an attempt to look into the various aspects of VCFs regarding their formation and operation. This paper also addresses the major issues encountered by startups while approaching a venture capital fund.

Key words: Venture capital financing, Risky businesses, Startups.

INTRODUCTION

A nascent private company which is neither ready nor willing to tap the public financial markets may seek venture capital. Such capital is provided by Venture Capital funds, prepared to finance risky projects that appear to have lucrative prospects. VC funds invest in any venture as it is a relatively highly risky project, and better returns are very high. The underlying assumption in the above concept is that the entrepreneur and venture capitalist act together as partners.

Venture Capital is a significant financial innovation of the twentieth century. It is a synonym of risky capital. It is termed as 'early-stage financing of new and young enterprises desirous of growing rapidly. In fact, this option has emerged as a new option of getting finance if the project chosen is comparatively risky.

Features of Venture Capital

The main characteristics of venture capital can be enumerated as under:

1. Equity participation:

It is actual or potential equity participation through direct purchase of shares, options or convertible securities.

2. Long term Investment:

Venture capital financing is a long-term investment wherein VC firms have to wait for a long period, say 5-10 years, to make large profits.

3. Participation in Management

VC firms want to ensure that their invested money is being put to profitable use or not. For this purpose, they ask for participation in Management.

-
1. Research Scholar, Department of Business Administration, D.D.U. Gorakhpur University, E mail: write2atulsrivastava@gmail.com Contact: 8057454152
 2. Associate Professor, Department of Commerce, D.D.U. Gorakhpur University, E mail: srivastavamanishkumar11@gmail.com Contact: 09997070061



Qualities of a venture capitalist:

- a. Banker
- b. Stock market investor
- c. Entrepreneur

OBJECTIVES OF THE STUDY

1. To observe the process of venture capital financing in India.
2. To study the process of carving out an effective business plan.

RESEARCH METHODOLOGY

The research methodology used in this paper is descriptive as it tries to describe the process and the performance of the operation of VC firms in India. Data collection has been done from the published sources.

FINDINGS:

Stages in venture capital financing:

A.V. Bruno and T.T. Tyebjee have identified six stages of venture capital financing.

- a. **Seed money stage:** A small sum of money is required to prove a concept or develop a product.
- b. **Start up:** Financing of firms that are less than one year old. The funds are meant primarily for marketing and product development.
- c. **First-Round Financing:** Additional money needed to begin sales and manufacturing after the start-up funds are exhausted.
- d. **Second-Round financing:** Funds required for working capital for a firm that is selling its product but still losing money.
- e. **Third-Round Financing:** Financing for a company that has broken even and is planning an expansion. This is also called mezzanine financing.
- f. **Fourth-Round Financing:** Financing of a firm that is expected to go public within six months.

This is also called bridge financing.

Source: A.V. Bruno and T.T. Tyebjee, "The Entrepreneur's Search for Capital," *Journal of Business Venturing* (Winter 1985)

Business plan

1. The first step for a company (or an entrepreneur) proposing a new venture in obtaining venture capital is to prepare a business plan to consider a venture capitalist.
2. The business plan should explain the nature of the proposed venture's business, what it wants to achieve and how it is going to do it.
3. The length of the business plan depends on the particular circumstances.
4. It should use simple language, and all technical details should be explained without jargons.

Essential elements of a business plan:

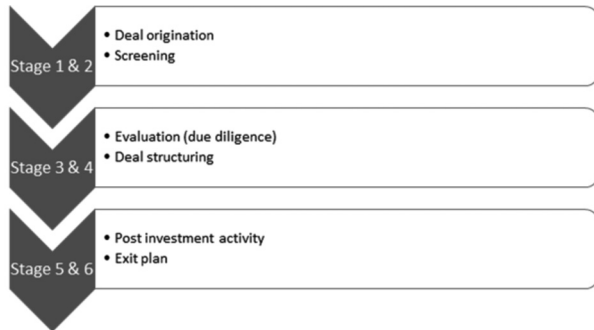
1. Executive summary
2. Background on the venture
3. The product or service
4. Market analysis
5. Marketing
6. Business operations
7. The management team
8. Financial projections
9. The amount and use of finance required and exit opportunities

What does a Venture Capitalist Look for in a venture?

1. Superior businesses
2. Quality and depth of Management
3. Corporate governance and structure
4. Appropriate investment structure
5. Exit plan

Source: Financial Management, 11th edition, Pandey I.M. (2015): pp 534-542

THE PROCESS OF VENTURE CAPITAL FINANCING



Source: Financial Management, 11th edition, Pandey I.M. (2015): pp 545-548

DATA ANALYSIS

Status of VC industry in India

The Indian VC industry passed through three distinct phases over the past decade:

1. Between 2011 and 2015, the industry experienced rapid activity growth to support an evolving start-up environment. During this phase, multiple VCs entered and became active participants in India's economy for the first time.
2. This initial, almost euphoric, phase was then followed by moderation between 2015 and 2017. The lack of clarity regarding exits made investors more cautious, shifting the focus to fewer and higher-quality investments.
3. Over the past two years, however, the VC industry in India has been in a renewed growth phase, buoyed by marquee exits for investors, such as Flipkart, MakeMyTrip and Oyo; strong start-up activity in new sectors, such as fintech and software as a service (SaaS); and market depth in e-commerce.

(Source: <https://www.bain.com/insights/india-venture-capital-report-2020>)

About 80% of VC investments in 2019 were concentrated in four sectors

1. Consumer tech

2. Software
3. Fintech
4. Business-to-business commerce and tech.

Consumer tech continues to be the largest sector, accounting for approximately 35% of total investments, with several scale deals exceeding \$150 million. Within consumer tech, verticalized e-commerce companies continued to be the largest sub-segment, but in addition, there were increased investments in healthcare tech, food tech and education tech. Both SaaS and fintech attracted significant investor interest and activity throughout 2019, with several early-stage and increasingly late-stage deals.

Analysis of startups in India

The start-up ecosystem in India remains robust and is rapidly growing. Between 2012 and 2019, the number of start-ups in India increased by 17% each year, while funded start-ups' compound annual growth rate increased faster at 19% during the same period. Currently, of almost 80,000 start-ups in India, only about 8% are funded, indicating room for investments. India's unicorn tribe also continues to grow, with several firms in e-commerce, SaaS and fintech leading the way.

While India-focused VC funds raised approximately \$2.1 billion in 2019, which was slightly lower than 2018, the fund-raising outlook for 2020 is largely positive among both limited partners and general partners. The dip from 2018 to 2019 was the result of marquee funds that had already raised large sums and hence did not go to the market in 2019. Several new funds also invested in India during 2019. Among them are Tanglin, founded by former Tiger Global executives; A91 Partners, founded by former Sequoia partners; Arali Ventures, an early-stage-focused fund; Samsung Ventures, launched by Samsung Corporate Venture Capital; and ITI, an early-stage VC fund by Investment Trust of India.

Meanwhile, the Indian government introduced several regulatory programs to boost the Indian



start-up ecosystem. Flagship programs such as Startup India, Digital India and the Alternative Investment Policy Advisory Committee continue to improve the economic landscape for start-ups and investors. India's ranking on the World Bank's "ease of doing business" index also increased significantly from 130 in 2016 to 63 in 2019, improving investor confidence in the regulatory ecosystem.

India's start-up and VC ecosystems continue to thrive as investors take a long-term view based on the country's growth potential. They see the current slowdown as more cyclical than structural. We go into 2020 with record-high levels of dry powder, counterbalanced with caution and an underlying optimism in the long-term potential for the ecosystem.

Source: <https://www.bain.com/insights/india-venture-capital-report-2020>

WHERE ARE VC'S INVESTING IN INDIA?

- IT and IT-enabled services
- Software Products (Mainly Enterprise-focused)
- Wireless/Telecom/Semiconductor
- Banking
- PSU Disinvestments

REFERENCES

1. Financial Management, 11th edition (2015), Vikas publications: **Pandey** I.M.: pp 534-542
2. <https://www.bain.com/insights/india-venture-capital-report-2020>
3. A.V. Bruno and T.T. Tyebjee, "The Entrepreneur's Search for Capital," *Journal of Business Venturing* (Winter 1985)
4. Projects management, 8th edition (2016), Mc Graw Hill education: Chandra Prasanna: pp 20.1-20.9
5. http://www.indvc.com/india_VC.htm

- Media/Entertainment
- Bio Technology/Bio Informatics
- Pharmaceuticals
- Electronic Manufacturing
- Retail

Source: http://www.indvc.com/india_VC.htm

CONCLUSION

1. The VC industry in India is doing great.
2. It is working as a supplement in the efforts of entrepreneurs in the economy.
3. India's ranking on the World Bank's "ease of doing business" index also increased significantly from 130 in 2016 to 63 in 2019, improving investor confidence in the regulatory ecosystem.
4. India's start-up and VC ecosystems continue to thrive as investors take a long-term view based on the country's growth potential.
5. The Indian government introduced several regulatory programs to boost the Indian start-up ecosystem. Flagship programs such as Startup India, Digital India and the Alternative Investment Policy Advisory Committee continue to improve the economic landscape for start-ups and investors.

Establishing Industry-driven Business-Education Through Academia-Industry Interface

Thimmaiah Bayavanda Chinnappa¹

Dr. N. Karunakaran²

ABSTRACT

Universities/B-Schools and Industry, which for long have been operating in separate domains, are rapidly inching closer to each other to create synergies. In response to the growing complexity of the business environment today, the constantly changing management paradigms have necessitated the establishment of Industry orientation in business education. Educational institutions contribute skilled not only human resources to business but also in various intangible ways. The intersecting needs and mutually interdependent relationship requires identifying means of further strengthening academia-industry partnerships. For that, Industry, rather than just being the customers of business school output today, have become stakeholders and partners in progress. Industry, on the other hand has also discovered the advantages of collaborative learning opportunities. Corporations seek to play an increasingly important role in the activities of academic institutions to incubate the talent they need.

Key words: Industry driven; business education; academia-industry interface

1. INTRODUCTION

Business school faculty is slowly integrating the Industry's views into their curriculum. Significant revisions in curriculum and contents are undertaken in business schools, with an objective of including industry recommendations. Many Business schools in India have been inviting executives from Industry to be the Academic advisors and requesting the practitioners to contribute their suggestions in framing the syllabus/updating curriculum in order to include the topics of present day relevance in Business education. This is done with a view of imparting the knowledge and skills set, needed by graduating students in constantly changing global business environment.

Corporations are placing growing emphasis on finding the "right person". This has forced the business schools to think more carefully on whom

they hire, and therefore the role of Industry in the entire business school model and industry orientation to Business education has become necessary [1].

The extremely dynamic business world and the rapidly developing knowledge based service economy have increased demand for professionals to manage the business effectively. And this is precisely the reason why amongst various other fields of knowledge, the desire for acquiring Business management qualifications is growing, both amongst the fresh graduates and working executives.

India has also not remained untouched by Business management degree bug and business education in India has been on a rapid rise in the last one decade. In India, before the 60's, business education was not offered as a separate area of specialization. Employees in the businesses were mostly graduates or

1. Assistant Professor, Department of Management, People Institute of Management Studies (PIMS), Munnad-Post, Chengala (Via), Kasaragod, 671541, Kerala, India
2. Principal and Research Guide in Economics, People Institute of Management Studies (PIMS), Munnad-Post, Chengala (Via), Kasaragod, 671541, Kerala, India, E mail: narankarun@gmail.com



postgraduates in 'Economics' or 'Commerce' stream. In the 1960's, Business education formally started gaining importance in India by establishing two Indian institutes of Management; IIM Calcutta in association with Sloan School of Management and IIM Ahmadabad with Harvard Business School. After that there has been a relatively slow but steady growth in number of schools and popularity of Business education in India. A massive upsurge in the number of business schools was observed post 1991 when India was liberalized and opened to the global world. Many Multi-nationals entered India bringing with them increased demand for professionals [2]. Business education now moved beyond the domains of government control with establishment of many private institutions/B-Schools.

Indian economy was being integrated into the world economy. As any other ambitious society, India also started placing great importance on commercial activities as a catalyst to socio-economic development. Resurgent India sees wealth creation as a great equalizer amongst all sections of the society [3]. In such a scenario, a *knowledge worker* who can work at the cutting edge of technology, add value to the bottom-line, and provide competitive advantage to Industry has become a hot commodity to acquire. In tandem with such rapidly escalating demand for business education, in 2005, the number of business schools in India grew to 1350 from just 130 in 1991, offering more than 75000 seats. More than 80 percent increase in a number of business schools is coupled with an increase in number of students competing for admission to the above. Each year more than 1.5 Lakh students in India compete for admission to prestigious business schools.

Though the very advent of business schools in India was to cater to the demands of the Industry, the two entities have traditionally been operating in separate domains and as more or less isolated islands. Their partnership is only episodic and accidental and without any strategic intent.

However, the evolution trends of business management education indicate that knowledge creation is becoming more student-based. This will usher in various changes, including paradoxically a trend towards close interaction among students, Industry, and the faculty.

1.1. Objective

This paper attempts to explore how Business schools can work closely with Industry to establish Industry driven Business education, study the dimensions of Academia-industry partnership, and identify possible areas where Industry's contribution to academia would be most effective.

2. MATERIALS AND METHODS

Establishing industry-driven business education through academia-industry interface is analyzed with various reports and articles as reference.

3. RESULTS, ANALYSIS AND DISCUSSION

3.1. Importance of establishing Industry driven Business education:

After Globalisation it is not only Educational Institutions coming forward to establish contact with Industry but it is Industrialist who has realized the major role they have to play in Educational system. It is reflected through the keen interest shown by the Confederation of Indian Industries (CII) in conducting a Quality awareness programme to academic community all over the country [4]. Many such programmes have been conducted all over the country (*including Bangalore*) wherein they visualized without improving the Quality of Education; Industry cannot survive in the Global competition.

Today, the business schools have realized the importance of '*Industry-driven Business-education*' for the following reasons:

- Increasing complexity in academic and business world and constantly changing needs of the Industry;

- Increasing criticality of human competence in creating and sustaining competitiveness of the organizations;
- Shift in management paradigm of business schools from earlier academic models to revenue based models;
- Growing competition for student placements and industry mind-share, with rapid increase in the number of business schools and hence the management graduates;
- The Industry is growing pressure to make their fresh inductees productive from day one to reduce the subsequent training costs. Organizations today are looking for trained professionals and students capable of taking decisions. Some of the training in formative years comes out from business corporations, via collaborative internships with corporations to enhance learning opportunities to students;
- Increasing interdependence between academia and Industry to satisfy need for sustenance and innovation in their respective areas.

3.2. Need for Academia-Industry Interface in Establishing Industry driven Business Education:

Academia-industry interface could be defined as “interactive and collaborative arrangement between academic institutions and business corporations to achieve certain mutually inclusive goals and objectives”. Traditionally, business schools were looking for placements and internships for their students and the Industry for fresh recruits who are well trained and equipped with the right KSA (Knowledge, Skills and Attitude) to contribute to the organization’s growth. However, corporations are placing growing emphasis on finding the “right person”. It forces the business schools to think more carefully on whom they hire. Therefore, the role of Industry in the entire business school model and industry orientation to Business education becomes important [5].

Rather than just being the customers of business school output today, industry has become stakeholders and partners in progress. Industry on the other hand has also discovered the advantages of collaborative learning opportunities. Corporations seek to play increasingly important role in activities of academic institutions to incubate the talent they need.

3.3. Aspects of Academia-industry Interface include:

- Greater degree of industry-school collaboration to integrate employer’s needs into the programmes on offer;
- Real involvement with Industry to allow students to gain valuable practical experience and also to facilitate development of business;
- Improve the programmes by encouraging the participation of a number of guest speakers who can offer their own practical experiences;
- Academic staff should be encouraged to keep their skills updated by undertaking practical consultancy on regular basis.

3.4. Modes of Establishing Industry driven Business education:

There are a number of avenues, through which Industry can orient business education (figure 1). Some of the commonly used avenues are:

1. Guest Lectures by industry representatives.
2. Suggestions in curriculum and content designing.
3. Executive Education and Management Development Programmes.
4. Joint seminars by academia and Industry both for executives and students.
5. Consulting on management and related issues by academia.
6. Academia generating ideas and acting as incubators to new business.
7. Inclusion of industry experts in governing councils and other board of studies.

8. Industry providing financial and infrastructure support to business schools for their development.
9. Funding academic and applied research.

Figure 1: Modes of Establishing Industry-driven Business-education



3.4.1. Guest lecturers: Guest lectures are the most popular mode of Industry driven business education. Guest lectures are sessions taken up by top executives from industries in addition to classes taken up by professional teachers. The objective of this is to give students an overview of industry practices and help them relate the theory to real life applications.

3.4.2. Training and internships of students: This method is a self-feeding method. Industry gets a firsthand feel of students in a business school, thus increasing their placement opportunities and strengthening long term relationship between the two entities. Involving Industry in student training and internships has become mandatory in business curriculum in Indian business schools. All students have to spend two months with corporate working on a specific project to gain hands on experience.

3.4.3. Joint seminars: Joint Seminars are considered to be an effective mode of not only cross branding but also strengthening the academic relationship between business school and the Industry. They are an opportunity for students to gain an understanding of the latest industry trends and Industry a chance to gauge the institute and its students for prospective placements.

3.4.4. Executive education: Executive Education (*long-term management training programmes for working executives*) transpires preferred mode of Industry business education. There is a fundamental shift in business school offerings traditional MBA programmes to more part-time and executive education programmes. Indian Institute of Management (IIMs) has been extending their domains to executive education on modular classes to facilitate executives' involvement and strike relationship with organizations. Management Development Institute MDI, one of the top business schools in India was established with the prime objective of imparting management education to executives and government officials. These initiatives besides increasing the industry mind-share also fetch revenue to business schools.

3.4.5. Management development programmes (MDPs): Management Development Programmes (MDP) is perceived to be one of the most effective modes. MDP, though quite similar to Executive education programmes are short-duration capsule courses, which focus on a particular area or topic. Very few institutions in India are taking the necessary steps to develop the MDP network, benefiting both academia and the Industry thereby resulting in Industry driven business education [6]. Business schools must therefore provide MDPs for executives either as open programs and customized company programs thereby orienting faculties to provide best in class education to their students. It should establish formal contracts with industries, which invest in their human capital through continuous or formal training.

3.4.6. Inclusion of executives in board of studies/academic and governing council: The inclusion of executives in the Academic Councils/ Governing Councils and Board of Studies in business schools is yet another preferred mode of establishing industry orientation to Business education. The objective of having industry representation is to include the latter's view in

governance and other activities of business schools [7]. Adorning these councils with the known names in Industry is perceived to enhance the image and recall value of the institution, which not only attracts prospective students, donors and other stakeholders but also work in favour of business schools during ratings and rankings in imparting business education.

3.4.7. Case writing: Case writing, which is one of the most important aspect of Industry oriented Business education, not only adds to current knowledge pool but also enhances the learning experience of students. It serves as a benchmark study for business corporations who are either in same stage of business cycle of similar business. Innovations in management teaching can only be brought about by in-depth understanding of business processes by academicians and thought leaders [8]. Industry, therefore has taken up an initiative of generating knowledge by funding business and academic research. CII has collaborated with many business schools to support both academic and applied research initiatives. Though this has been perceived as one of the best ways of collaboration, considerable steps have not taken up by business schools in this direction.

3.4.8. Industry involvement in faculty and student selection: Industry involvement in faculty and student selection is also considered to be the preferred modes (but least preferred) of establishing Industry driven business education. Business schools have their own policy and rules on recruitment and selection of students and faculty members. Outsourcing the entire course has been perceived quite low on its effectiveness. Academicians feel that this particular mode is not able to impart the conceptual underpinnings of the issue, as practitioners tend to deal with the issue at only the practical level from their own perspectives, thus reducing the possibility of its general application across situation. [9] Thus practitioners though bring a different perspective to the class yet do not emphasize upon

understanding of basic concepts and underlying theories.

The business school faculty is slowly integrating the Industry's views into their curriculum. Significant revisions in curriculum and contents have undertaken in business schools, with an objective of including industry recommendations. Many business schools in India have been inviting suggestions from Industry to update their curriculum and include the topics of present day relevance. This is done with a view of imparting the knowledge and skills set, needed by graduating students in constantly changing global business environment.

Indian Business Schools have been traditionally using guest lecture as the most preferred medium of Industry orientation to business education. They are not only considered as a medium to establish industry networks, by giving latter an experience of institute and the students and increasing placement opportunities but also add to the learning value for students. Two-month internships are integral part of business curricula in India with certain credit assigned [10]. This is seen as one of the best methods of giving students both the theoretical concepts and their applications and enhancing their ability to relate the two for decision-making purpose

4. CONCLUSION

To make Industry driven business education possible Academia and Industry need to build organic relationships, with long-term strategic intent contributing to growth and development of both the entities. Business schools have to move beyond the phenomenon of '*working with employers*' towards the concept of '*working with partners*'. The collaboration between the two is dynamic and complex. A synergistic relationship has to be carved between the business schools and the Industry so that both can benefit and also contribute to enhancing the entire teaching-learning process. However Business schools do not wish to be associated with Industry on their



internal issues except for imparting industry orientation to business education. Faculty and staff selection, training and development are viewed as in-house activities, where Industry's participation is not invited. Academics have been including the industry inputs into their curriculum and course designing without assessing the effectiveness of such corporate representatives to these committees. Today it is just a matter of

pride for these schools to adorn their councils with big names from Industry, with an objective to score high on "*Industry Interface*" parameter in the ratings and rankings being done by every other business magazine in India. Executives from corporate are invited to take up an entire course or few lectures with prime objective of getting them on campus for placements, but the learning, students accrue from these lectures is not evaluated.

REFERENCE

1. Abhijit Bora, Higher Education: A Few Stray Thoughts, University News, Weekly Journal Higher Association of Indian Education Universities, Vol. 49, Nov 14-20, 2011
2. Ajith Kumar K R, Karunakaran N and Thimmaiah Bayavanda Chinnappa (2021), "Repositioning Business Education for Employment and Self Employment through Content Pedagogy and Constructive Alignment of learning outcomes", Journal of Management Research and Analysis, 8 (1): 28-31.
3. Bhattacharya P, "Technology Transfer from a Technical University: A Case Study of IIT Delhi", Journal of Intellectual Property Rights, Vol.10, pp 413-416, 2005. [http://nopr.niscair.res.in/bitstream/123456789/3681/1/JIPR%2010\(5\)%20413-416.pdf](http://nopr.niscair.res.in/bitstream/123456789/3681/1/JIPR%2010(5)%20413-416.pdf)
4. Bhusari R.T (2008), "Government-Industry-Academia collaboration model", JIGYASA'08, scribd,.<http://www.scribd.com/doc/11877744/Government-IndustryAcademia-Collaboration-Model>.
5. Comuel, E. (2010). Are business schools to blame for the current economic crisis In From challenge to change: Business schools in the wake of financial crisis' (A compendium of essays put together by Global Foundation for Management Education) accessed from www.gfme.org/pdf/complete_web.pdf
6. Jain S.K (2007), "Increasing industry-academia collaboration", Express Pharma, 59th Indian Pharmaceutical Congress, Dec.16th 31st, 2007. <http://www.expresspharmaonline.com/20071231/59thindianpharmaceuticalcongress04.shtml>
7. Shetty P.K, Hiremath M.B, Murugan M, and .Sreeja K.G (2010), "Research and higher education scenario in select Indian state universities: an analysis", Indian Journal of Science and Technology, 3 (3).
8. Shwetha and Manoj Kumar (2011), "Management Education in India", Issues & Challenges; Journal of Management & Public Policy 3 (1):. 5-14.
9. Souvik Sen, Sourav Ganguly and Joyjeet Sen (2018)," Bridging the Industry-Academia Gap and Knowledge Management: Need of Hour", <https://www.geologix.com/wp-content/uploads/2018/09/2009894.pdf>
10. Thimmaiah Bayavanda Chinnappa and Karunakaran N (2021), "Human Resource Competencies and Roles in India", Journal of Management Research and Analysis, 8 (2): 101-102.

Effect of Cryptocurrencies on Digital Marketing

Dr. Syeda Amtul Mahaboob*

ABSTRACT

The term 'Digital Marketing' sounds catchy and is a relatively easy approach for the advertisers or marketers to penetrate easily to the consumers. The majority of the firms that utilize digital marketing as their tactic pay the social media platforms to retrieve information about the consumer's preferences. This information is made available to the social media platforms by the consumers when they make their purchases. However, with the crypto-currencies being invented, the information about the transactions of the consumers will be no more available. The current paper analyzes how crypto-currency will affect the payment system which will, in turn, have a profound effect on digital marketing systems.

Keywords: Crypto-currency, digital marketing, social media, consumer, preferences

1. INTRODUCTION

The world is ever-evolving and so is its technology and systems. The technology which is thought to be a hot cake at some point in time, becomes outdated in the future. When a customer makes a purchase and considers payment options. They could be many ranging from cash payments, debit cards, credit cards E-wallets, bank transfers to mobile payments. However, each of them has its pros and cons. The customers' buying behaviour, choice of selection, location, and other information are stored on the system through which the payment is made. A customer unknowingly submits his/her information to the automated systems. This information is used by the third parties (banks, government organizations, and other institutions) platforms to sell it to the companies doing digital marketing by taking vast sums of money. Customer preferences are also known through their online behavior on the internet. That is why we often see advertisements matching our preferences on social media. The process is thus called 'digital marketing' where the vendors advertise their products on various internet platforms. The method of third parties being involved in the transaction is known as centralization. However, with the changing

technology, digital marketing is assumed to be disrupted in the coming future. The introduction of BlockChain technology may have disruptive effects on the digital marketing sector.

In their book "Principles of Marketing", Kotler, Armstrong, Saunders, and Wong (1999) in their book "Principles of Marketing", described online marketing as a form of direct marketing that involves not just promoting the products on the internet but also maintaining huge customer databases. A customer database may contain information related to customers' past purchases, birthdays, favourite food, hobbies, buying preferences, etc. Such databases are known as custom-built databases and they are meant to be utilized by marketing people. Service-related firms like hotels and banks are more expected to utilize these databases. But the use of such databases has increased tremendously in packaged goods also. By using these databases, these firms target the customers with the messages and advertisements making offers (Kotler, Armstrong, Saunders and Wong 1999).

Blockchain involves a peer-to-peer network that is decentralized i.e., and there is no involvement of third parties in the transaction in negation to the traditional method of payments. A block stores

* Department of Management and Commerce, Maulana Azad National Urdu University, Email: dramtulqadri@gmail.com Contact No:88859 63199



a repository of transactions which is a decentralized database secured by cryptography. The parties who have permission can only view the contents of the block. Unlike the traditional method which required verification from a third party, the blockchain supports only peer-to-peer communication. Furthermore, every transaction in the block is time-stamped, so the location and source can be easily tracked (Zselyke Kecskés 2018).

Blockchain technology has its applications in several sectors however it gained its fame from the Crypto-currency. It is a method of keeping records of transactions and provides greater security than other technologies. Blockchain has its applications in various fields like finance, healthcare, and insurance (Marketblazer.com). The crypto-currency payments are expected to be on the verge in the coming years. The prices of different Crypto-currencies like Bitcoin, Ether, and Dogecoin keep moving up and down with the investors sharing their interest in them. Recently the Crypto-currency, Bitcoin raised to as high as 39,400\$ after Amazon posted in its job portal that it is looking for candidates (product lead) who could develop their own Crypto-currency and who is well versed with the digital currency systems (Independent 2021).

The word 'Crypto-currency' is thought to have evolved from cryptography, a method of encrypting the data while sending it from one party to the other. The sender of the data sets a secret password that he/she shares with the data receiver. The people who don't have the password/key cannot access the encrypted data. While the sender shares the password with only those people, who are required to access the data. Cryptography later evolved to a process called hashing, where the data is converted into a specific code called 'hash code' and the decryption of this code could yield original data. This concept forms the foundation for developing financial systems called 'Crypto-currency' (Alexey Mikhaylov 2020).

The Crypto-currency Act was passed in the year 2019 by the US Congress which confirmed the utilization of Crypto-currencies as the digital form of payment mechanisms, thereby introducing it as a new trend in the financial systems. Furthermore, the introduction of these digital forms of payment can also reduce the risk of corruption and other evils (Alexey Mikhaylov 2020).

The present paper presents an overview of how Crypto-currencies can affect the digital marketing systems that utilize the databases from third parties.

2. RESEARCH METHODOLOGY

The present paper analyzes various business magazine websites, journals, thesis, and books related to the topic of "blockchain and digital marketing" and how Crypto-currencies could affect the world of online marketing.

3. EFFECT OF CRYPTO-CURRENCY ON DIGITAL MARKETING:

The concept of digital marketing is on its verge these days. Every commercial business these days is sure to adopt digital marketing strategies. Even non-profit organizations are opting for such a strategy for reaching out to the desired prospects. However, situations are expected to be changing with the introduction of Crypto-currencies. The following points explain the challenges for the use of Crypto-currency in digital marketing.

3.1 Challenges for Digital Marketing with the advent of Crypto-currency:

Toshi Times (2020) in their article "Impact of Crypto-currency on Digital Marketing in 2020" described the following challenges for the sector.

- (i) As Crypto-currency is peer-peer, the firms will not have any customer database providing information about their buying behavior and purchasing likes or preferences. As a result, the customer would become more potent than

the firms who want to market their products or services.

- (ii) As Crypto-currency does not contain any history of previous transactions, it would become harder for the marketing firms to target the consumers with the advertisements. Therefore the advertisements on the online platform will be less impactful than the previous credit card payments through which sales history could be easily retrieved.
- (iii) The intermediate stakeholder parties like e-bay, amazon will not have the same impact as they have now on the purchases made by the consumers because Crypto-currency is all about decentralization.
- (iv) Consumers will have more privacy about their details. People will not have any havoc on getting personal information leaked to marketing companies by using social media sites like Facebook, Amazon, etc.
- (v) Firms involved in digital marketing, purchase data from social media platforms to market their products. However, with the increased use of Crypto-currency, no trials will be left on the social media platform and these platforms are thought to lose their significance.
- (vi) The advertising companies will be required to purchase the data i.e., information about their likes and preferences directly from the consumers themselves.

3.2 Benefits of Using Crypto-currency:

Despite the above challenges, there are also great benefits to the firms marketing for their products and services on the online platforms.

Marketer's Perspective:

- (i) Digital marketers spend a massive sum of money on various social media and online platforms to collect and maintain consumer's databases showing their preferences and observing their buying behaviour. However, with Crypto-currency, they need not spend

such a significant amount on gathering information about customers. Hence firms can bring in better financial results by saving the amount being spent on online platforms.

User's Perspective:

- (ii) Display ads cause disruption, waste the data bandwidth and lower the battery. Internet users are often irritated with these advertisements. Hence with the technology of blockchain, the users can get relieved of this problem (Marketblazer.com).
- (iii) The users will not have any privacy concerns about their private data being shared with (Marketblazer.com).
- (iv) By removing the intermediate third parties, artists, musicians, photographers, and other creative content makers will get paid properly. The creative people will have a reach to their audience directly with proper compensation (Marketblazer.com).

But not collecting and maintaining a consumer's databases from an online platform is again a challenge as the firms have no other option.

3.3 Overcoming the Challenges of Crypto-currency for Digital Marketing:

The biggest challenge for Digital Marketers with the use of Crypto-currency is not able to collect the data about the consumers. However, this problem could be solved by users being paid or incentivized to view the marketers' content. A blockchain browser with a Basic Attention Token (BAT) can fix this problem. By trading on the value of online attention, blockchain can incentivize users to view content and break up the monopoly on digital ads. It works like this: marketers buy ads with BAT, which are found in private tabs or landing pages. Users who choose to view ads are compensated with BAT, so they're only seeing the ads they want to see (Marketblazer.com).

The marketing agencies will be to collect accurate information about the consumer's choices of brands. The publishers such as YouTubers will be



paid properly by the revenue sharing program, and they will be able to grab a higher percentage of profits. As the advertising agencies get sure shot data, they could target the consumers with proper advertisements and pay them. Users will also watch the content in the ads with interest and may make quicker decisions about purchases. Hence the situation can be profitable to each party involved with Block-chain technology (Marketblazer.com).

4. CONCLUSION

Even though blockchain technology is assumed

to be the technology of the forthcoming days, it is harder to predict when the Crypto-currency will get accepted everywhere. The technology is still in its beginning stages and requires maturity, for which technicians around the world are working. According to Sean Stein Smith (Forbes 2020), the shares in the Crypto-currency market are increasing day by day, and the technology behind it is making headlines, but the future is still hard to predict. In his view, the Crypto-assets should have proper accounting and reporting rules for the valuation of this currency. The assets require further maturation and are still in the stage of infancy.

REFERENCES

1. Alexey Mikhaylov (2020). "Crypto-currency Market Analysis from the Open Innovation Perspective", *Journal of Open Innovation: Technology, Market and Complexity*, 6, 197, pp 1-19.
2. Independent (2021). 'Bitcoin surges after speculation over Amazon's plan to allow users to pay in Crypto-currency'. [online]. Retrieved from <https://www.independent.co.uk/life-style/gadgets-and-tech/bitcoin-price-surge-amazon-cryptocurrency-b1890326.html>.
3. Kotler, P., Armstrong, G. Saunders, J. & Wong, V. (1999). *Principles of Marketing*. Prentice-Hall: Europe.
4. Marketblazer (2018). 'The use of blockchain in digital marketing'. [online]. Retrieved from <https://marketblazer.com/wp-content/uploads/2018/12/The-Use-of-Blockchain-In-Digital-Marketing.pdf>.
5. Sean Stein Smith (2020). 'Crypto-currency Prices make Headlines, But Crypto-Accounting is key to further Growth'. [online]. *Forbes*. Retrieved from <https://www.forbes.com/sites/seansteinsmith/2020/11/24/cryptocurrency-prices-make-headlines-but-crypto-accounting-is-key-to-further-growth/?sh=af76c18285c9>.
6. Toshi Times (2020). 'Impact of Crypto-currency on Digital Marketing in 2020'. [online]. Retrieved from <https://toshitimes.com/impact-of-cryptocurrency-on-digital-marketing-in-2020/>.
7. Zselyke Kecskés (2018). 'Disruptive Innovations in Digital Marketing-How Block Chain Could Revolutionize the Advertising Industry'. Helsinki Metropolia University of Applied Sciences. Bachelor's Thesis.

Journal Subscription Form

I wish to subscribe to the “SAARANSH-RKG JOURNAL OF MANAGEMENT” for the period of:

One Year

Two Years

Three Years

I am enclosing Demand Draft/Cheque number
dated drawn in favour of ‘Raj Kumar Goel Institute of Technology’ for
Rs. payable at Ghaziabad.

1. Name
2. Name of the Organization
3. Mailing Address
4. City State Pin Code
5. Phone Mobile
6. E-mail
7. Current Subscription No. (For renewal orders only)
8. Subscription Rate

	One Year	Two Years	Three Years
Individual	Rs. 500	Rs. 900	Rs. 1200
Institutional	Rs. 1000	Rs. 1800	Rs. 2500
Individual (Overseas)	US \$ 50	US \$ 90	US\$ 120
Institution (Overseas)	US \$ 75	US \$ 100	US \$ 125

Rs. 50/- should be added of outstation cheques in India.

Mail to:

Dr. Ashish Kr. Singh

Editor ‘SAARANSH’

Raj Kumar Goel Institute of Technology

5 km Stone. Delhi-Meerut Road, Ghaziabad (U.P.) 201003, INDIA

Tel.: 0120-2788273, 6517163, 2788409, Fax: 0120-2788350/447, 9811276227, 8588831328

Email: saaransh@rkgit.edu.in Website: <http://www.rkgit.edu.in>





Guidelines For Contributors

The author should follow the following instructions while preparing the manuscript.

- The paper should be about 8000-10000 words in length. The author(s) should submit the manuscript, typed in two space on A4 size bond paper allowing 1-inch margin on all sides in PC compatible MS-word document format at saaransh@rkgit.edu.in
- The author should provide confirmation that– The article is the original work of the author(s). It has not been earlier published & has not been sent for publication elsewhere.
- Figures, charts, tables and diagrams should be placed at their original position in flow and numbered in a single sequence. Please mention their number at appropriate places within the text.
- References must be kept to a bare minimum. The references must be quoted in the text using American Psychological style of referencing. The references section should be a continuous alphabetical list. Journal's names and book title should be in Italicized style.

Books: The order of information should be as in the following example:

Srivastava, V (2011), *Marketing Research Theory & Concept*, New Delhi, ABP Publication.

Journal papers and book chapters: The order for reference to articles/chapters of books should be as in these examples:

Prakash. J. (ed), *Privatization of Public Enterprises in India*, Mumbai, Himalaya Publishing House, p 212.

- The Editors reserve the right to accept or refuse the paper for publication, and they are under no obligation to assign reasons for their decision. Authors will receive a complimentary copy of the journal in which their articles are published.
- The work published in the journal should not be reproduced or reprinted in any form, without the prior permission from the editor.
- Author(s) will be solely responsible for any plagiarism, copyright, commercialism issues in the manuscript.
- Journal follows blind peer review procedure, so authors are requested not to mention their name or any identification in the manuscript.
- Author will take permission for reprint of any previously published matter containing figure(s), table(s) or text passages, if used in manuscript.
- Manuscript should include an abstract of about 200 words (max) containing purpose, design methodology /approach, finding, implication and should not include any video, figure, abbreviation with 3-6 keywords.
- Author(s) are requested to acknowledge about financial support, if they received from any organisation for the conduction of their research work in the manuscript.
- Author(s) are requested to follow rules mentioned on Publication ethics and Publication malpractices statements available on website.

Research Paper Selection Process

Authors can send their paper up to October and April for the issue of January and July respectively. When a manuscript is received, the editor first completes a preliminary screening of the manuscript. For the initial review, the editor assigns two reviewers to each manuscript. The editor makes publication decisions about it. However, these decisions are made in conjunction with recommendations given by members of the Editorial Board or other qualified reviewers. **All submissions will be blind reviewed**



RAJ KUMAR GOEL INSTITUTE OF TECHNOLOGY

(Approved by AICTE, Ministry of HRD, India & Affiliated to Dr. APJ Abdul Kalam Technical University, Lucknow)

AN ISO 9001:2015 CERTIFIED INSTITUTE

(Best Engineering College in Ghaziabad adjudged by Big Brand Research Pvt. Ltd. in 2011)

“It is not Color of balloon, It is what is inside that make it go up”

-Mr Shiv Kherra

RKGIT, with state of art infrastructure, enriched Experienced Faculties, best facilities and commitment towards excellence enable our students to gain the maximum possible career growth.



- Low-Floor Buses
- ATM at doorstep
- Doctor & Medical Facilities
- 24-Hrs Ambulance Services
- Well equipped Gymnasium
- Cafeteria
- Multi-stadium



Providing an academic focused environment to inject technical & professional skills among students & Faculties

- Advanced Professional Communication Lab
- Latest configured & Updated Computer Centre
- Mechanical, Electronic & other Labs



TOPPERS/RANK HOLDERS AKTU LUCKNOW



Ms. Laxmi Rajput
Uni. Topper, MBA
Batch 2015-17



Pooja Tripathi
2nd Rank, ME Deptt.
Year 2012-13



Archana
10th Rank, EN Deptt.
Year 2012-13



Priyanka Khurana
19th Rank, MBA
Year 2012-14



Akansha Arya
2nd Rank, EN Deptt.
Year 2012-13



Ravin Singh
4th Rank, MCA Deptt.
Year 2012-13



Kriti Saxena
4th Rank, AEI
Year 2013-14



Vishaka Garg
17th Rank, EN Deptt.
Year 2013-14

RKGIT, a torchbearer to provide the skills and growth to the future of nation.....

PLACEMENT SNAPSHOTS



RAJ KUMAR GOEL INSTITUTE OF TECHNOLOGY

5 km Stone, Delhi-Meerut Road, Ghaziabad-201003, INDIA. Phones : 0120-2788273, 2784224 Fax : 0120-2788350/447
M.: 9582949143-44, 8588831329-30 for further information visit us at www.rkgit.edu.in



RKGIT

RAJ KUMAR GOEL INSTITUTE OF TECHNOLOGY

ISO 9001:2015 Certified Institution



Founder
Late Shri Raj Kumar Goel Ji

Commandment

From The Founder

We are building our Institute as an ideal family, the RKGIT PARIWAR where members strive for the development, well being and promotion of each other.

अज्ञानेनावृतं ज्ञानं ।

श्रीमद् भगवत् गीता अध्याय 5, श्लोक 15



A sprawling campus of more than 27 acres has been aesthetically designed in a pollution free environment as an entirely self contained academic township. RKGIT is approved by AICTE, New Delhi and affiliated to Dr A P J Abdul Kalam Technical University, Uttar Pradesh, Lucknow.

The Academic Programs:

RKGIT offers the followings professional courses:

- Information Technology
- Mechanical Engineering

Bachelor of Technology (B. Tech)

(Four-Year degree course)

- Civil Engineering
- Computer Science & Engineering
- Computer Science & Engineering (Internet of Things)
- Computer Science & Engineering (Artificial Intelligence & Machine Learning)
- Computer Science & Engineering (Data Science)
- Electrical and Electronics Engineering
- Electronics & Communication Engineering

Bachelor of Pharmacy (B. Pharm.)

Master of Business Administration (MBA)

(Two years Post Graduation Course)

Master of Pharmacy (Pharmaceuticals)

M Tech (Electronics & Comm. Engineering)



For Cloud Computing, Big Data and Internet of Things (IoT)

RAJ KUMAR GOEL INSTITUTE OF TECHNOLOGY

5 km Stone, Delhi-Meerut Road, Ghaziabad-201003 (UP) INDIA.

Phones : 0120-2788273, 2784224, 6517163 Fax : 0120-2788350 Website : www.rkgit.edu.in