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Message

Editor in Chief / Managing Editor



Dear Academicians & Research Scholars,

Congratulations; now our refereed research journal listed with the **Global Impact Factor** organization belong to Australia. The motive of the “**Journal of Management Value & Ethics**” is publishing worthy and an original research papers after double blind peer review process. There is no misunderstanding that today we are spreading our recognition an internationally floor. Last five years of our journey, you can see there are so many research papers, case studies, book reviews coming from across the world, in the field of management. Many academicians, research scholars & students have approached from different countries like USA, Thailand, Indonesia, Saudi Arabia, Iran, Spain, Nigeria, Nepal, Pakistan, Sri Lanka to publish their research work in our esteemed international research Journal. We have considered most of them to publish after peer blind review process. We have also published many research papers from different management institutes of our country and they are sending regularly for publication in our upcoming issues. In addition to, it there are many academicians, research scholars and institutes subscribing for our journal for reading by students and faculties. There are so many academicians who are approaching for being associated with our editorial & advisory board or as a reviewer expert. We have selected some of them from foreign countries like USA, Nigeria, Uzbekistan and Sri Lanka. The standard of our all research papers like empirical, conceptual, book review and case study is increasing popularity of this Journal day by day. Our renowned editorial & advisory board is a real mile stone of our success. We thank our board members and editorial team, who are experts from different fields and contributing their valuable experience with us.

Today, nothing is possible without research. Research based study always support academicians & scholars to upgrade their innovative skill and academic profile as per UGC and AICTE norms. I would also like to request, those, who are interested to get their research papers published in the field of Retail, Tourism, Hospitality, Event Management, Import and export, HRM, Finance, Marketing, Advertising, Accounting, Economics, Aviation, and IT etc. to send their research papers through email.

With best wishes to all

Dr.P.S.Bhadouria

A MULTIVARIATE ANALYSIS OF JOB SATISFACTION AS PREDICTOR OF ORGANIZATIONAL COMMITMENT

Dr. Ajay Wagh¹

ABSTRACT

The objective of this study was to analyze the relationship between employees Job Satisfaction and Organizational Commitment. Pearson's product moment correlation coefficient and multiple regression analyses were used to analyze the data. In addition the interaction effect of Job Satisfaction and Organizational Commitment are also explored. Results of the Multivariate Analysis validate that Security Satisfaction is the strongest predictor of the Organization Commitment, followed by Compensation Satisfaction as the second strong predictor with General Satisfaction as the third strong predictor and Work Motivation as the fourth strong predictor of Organizational Commitment.

It concludes, that the Employee Satisfaction with various Organization Facets have a significant role in developing various work attitudes and behaviors, which in turn have a direct significant bearing on various factors like Retention, Commitment, loyalty, Motivation, Morale, ROI, Branding, Productivity and resultant Organizational Performance.

Key Words: *Job Satisfaction, Organizational Commitment, Multivariate Models, Performance, Productivity*

Introduction:

Life and Work Experiences leads to Psychological imprinting, leading to development of Attitudes in the Work Settings, Perception and its role in framing Attitude is well studied within Organizations, Job satisfaction is one of the attitudinal constructs that has been shown to be related to organizational commitment (Steers, 1977). Employee Commitment with Organizations and enhanced Performance on various indices are the most sought after concerns of an Organization. Attitudinal Commitment focuses on the process by which people come to think about their relationship with the organization, mainly as a mindset in which individuals consider the extent to which their own goals and values are congruent with those of the organization. Here, commitment is developed prospectively. Prospective view is individual's psychological bond as a function of his involvement, loyalty and belief in its values.

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Globalization has Impacted Business Practices, Revamping, Restructuring followed by the Cost Effective Models, Economy of Scales are primemot to and Lien Management with engagement of Multitasking workforce are the order of the day. Restructured Corporate Organizations with their Knowledge Workers, Enhanced Technological Work Environments and revamped business processes has also changed the People Management Systems in the Organizations. This transition in the delivery of Business has brought in many fold challenges before Organizations. The Concept of Workforce Motivation ,Retention of Star Performers, Loyalty, Commitment and Satisfaction with various facets of Job are also being into Process of transition, what satisfied in the past, is no more a satisfaction, Priorities have changed . This requires a Probe into the Concept of Satisfaction and Dissatisfaction, to be reinvented as per the current times. Organizations in order to have Competitive Edge for delivery of Business and Performance, needs a Competent Fleet of Stable Workforce. Business Performance is observed as a function of Satisfied and Committed Workforce. Job Satisfaction is crucial problem for all Organization, no matter, whether in public or private or working in advanced or under developed Countries.

Business organizations must develop a psychological bond between employees and the organization in the form of Organizational Commitment in order to create total dedication of their manpower towards their goals, interests and values. Robbins & Coulter, 2005 in a study on Job Satisfaction and Organizational Commitment found, that satisfied personnel are reported as committed workers and commitment is indication for organizational output and effectual operations.

Mowday, Steers, and Porter (1979) defined Organizational Commitment (OC) as a multidimensional concept embracing an employee's desire to remain in an organization, willingness to exert effort on its behalf, and belief in and acceptance of the values and goals of the organization. A committed employee is described as the one who stays with the organization through thick and thin, attends work regularly, puts in a full day's work, protects company's assets, shares company's goals, etc.

Further, Organizational commitment may be defined as relative strength of an individual's identification with and involvement in a specific organization. It can be characterized by three factors: 1) a strong belief in and acceptance of organization's goals and values; 2) a willingness to exert considerable effort on the behalf of the organization; and 3) a strong desire to maintain membership in the organization. (Porter, et al., 1974)

Job satisfaction is found as an important predictor of Organization Commitment .On any typical day, If, life of an Employee starts with Puzzled Gestures and his energy seems to be Low, for starting his day long Working, indicates that Employee is occupied with thoughts of some Job related facets, which are creating disharmony, which in long run lead to detachment, dissatisfaction and depersonalization. In this connection, Luthans, F. (1998) defined job satisfaction as a pleasurable or positive emotional state resulting from the

appraisal of one's job or job experience. The outcomes of Dissatisfaction with Job or Job related facets have a detrimental effect over organizational performance; some outcomes may be attrition, Low morale, disengagement, loss of commitment etc., apart from the obvious importance of job satisfaction, it has been demonstrated that satisfied employees have better health and live longer, and satisfaction on the job carries over to the employee's life outside the job (Luthans, F. 1998). Job satisfaction is the level of "favorableness or unfavorableness with which workers view their job (Werther & Davis, 1999).

According to (Cherrington 1994, Johns 1988), Job satisfaction has two aspects; Facet Satisfaction & Overall Satisfaction: Facet Satisfaction refers to the tendency for an employee to be more or less satisfied with various facets or aspects of the job. Overall Satisfaction: Overall Satisfaction focuses on the general internal state of satisfaction or dissatisfaction within the individual.

Organizational Commitment is said to be the outcome of 'Job Satisfaction' from a diversity of the Factors. Organizational Commitment and Job Satisfaction are widely studied factors in management literature (Bodla & Danish, 2008; Bodla & Naeem, 2009a; Bodla & Naeem, 2009b; Parker et al, 2005; Allen & Meyer, 1990, as mentioned by Karim,F., Rehman, O,2012), which are the precursors of employee's performance, in the given Job or Role.

Various researchers have taken the Research related to Job Satisfaction and Organizational Commitment to the next level of understanding and operationalized the concepts for better Research Outcome. Mowday et al., (1979) argue that Organizational Commitment is more global, reflecting a general affective response to the Organization as a whole, while Job Satisfaction, reflects one's response either to one's job or to certain aspects of one's job. Thus Organizational Commitment focuses on attachment to the employing Organization as a whole, including the Organization's goals and values, while Job Satisfaction focuses on the specific task environment where an employee performs his or her duties (Mowday et al., 1979). Organizational Commitment is less influenced by daily events than Job Satisfaction; it develops more slowly but consistently over time, and therefore is seen to be a more complex and enduring construct (Mowday et al., 1979).

A potpourri of concepts related to Job Satisfaction and OC is presented by (McPhee & Townsend, 1992), job satisfaction and organizational commitment do not necessarily occur simultaneously: it is possible that an employee may exhibit high levels of job satisfaction without having a sense of attachment to, or obligation to remain in, the organization. Similarly, a highly committed employee may dislike the job he/she is doing (exhibiting low levels of job satisfaction).

In line, an interesting Research Outcome was give by few Researchers regarding relationship between Research Variables, as to Predictor-Predicted Models, Lincoln &

Kalleberg (1990), Porter et al. (1974), and Tett and Meyer (1993) maintain that a satisfaction-to-commitment model assumes that satisfaction is a cause of commitment. A second commitment-to-satisfaction model holds that commitment contributes to an overall positive attitude toward the job (Tett & Meyer, 1993; Vandenberg & Lance, 1992).

Within the background of Vast Opinions and available Literature on Job Satisfaction & Organizational Commitment, this study is aimed at investigating the relationship of Job Satisfaction and Organizational Commitment among employees in power sector organizations, assuming the Satisfaction-to-Commitment Model.

Materials & Methods:

Objectives of the Study:

- 1) To find out Potential Factors responsible for Organizational Commitment.
- 2) To find out the relationship between different Job Satisfaction Factors and Organizational Commitment.
- 3) To find out the extent of relationship among Job Satisfaction Factors and Organizational Commitment.

Research Design:

A predictor-predicted multivariate survey research design was used to accomplish the objectives of the research; the survey research design is focused on analyzing relationship of Job Satisfaction as a Predictor of Organizational Commitment (Predicted). This study is a quantitative study in nature and utilized survey method for collection of Data. SPSS 17.0 Version is used in analyzing the data and establishing the proposed relationship through a Multivariate Regression Model.

Participants:

Convenient Samples of Junior, Middle and Senior level Executives were obtained from the Power Generation Plants located in and around the adjoining border areas of MP and Chattisgarh. A total of 120 questionnaires were distributed and 96 were returned yielding a response rate of 80 %.

Measuring Instruments:

Two measuring scales were used in the study:

The first scale 'Job Diagnostic Survey' (JDS), developed by Hackman & Oldham (1974) , It is used to measure overall and facet specific Job Satisfaction. The measure consists of 07 Variables & 25 Items. The 07 Variables are namely; General Satisfaction,

Work Motivation, Growth Satisfaction, Security Satisfaction, Compensation Satisfaction, Social Satisfaction and Supervisory Satisfaction.

The second scale used in the study measures Organizational Commitment, developed by Meyer and Allen (1997). The measure consists of 03 Variables (Affective Commitment, Normative Commitment & Continuance Commitment) & 18 Items, However, a composite score of scale is used here for data analysis.

A Five Point Likert Type Scale was appended to the Descriptive Items, Scores ranged from 05-Strongly Agree to 01-Strongly Disagree.

Research Procedure:

The participants were supplied with the hard copy of the questionnaire and were assured of anonymity. All ethical guidelines in the treatment of human subjects in research were observed in all steps of the study. All statistical analysis was carried out with SPSS 17.0 version. Basic Descriptive Statistics were used to describe the various demographic factors in the study. Product Movement Correlation Coefficients were used to determine the relationships between the different variables and only the significant variables were finally included in the study. Simple regression analysis was carried out to determine the predictive value of 'Job Diagnostic Scale' on 'Organizational Commitment Scale'.

Data Analysis and Interpretation:

In order to satisfy various objectives of the study data analysis were conducted with the help of SPSS 17.0 Version. The results so reached are presented in the various tables in this part.

Frequency Table of Respondents Demographic Profile:

Table-1

Frequency Table of Respondents Demographic Profile

Item		Frequency	Percentage
Age	25-34	28	29.2
	35-44	32	33.3
	45-55	30	31.3
	56 & Above	6	6.3
Sex	Male	88	91.7
	Female	8	8.3
Qualification	Traditional	42	43.8
	Professional	48	50.0
	Others	06	6.3
Hierarchy	Junior level	24	25.0
	Middle level	62	64.6

	Senior level	10	10.4
Experience	0-5	26	27.1
	6-10	28	29.2
	11-15	18	18.8
	16-20	12	12.5
	20 & Above	12	12.5

Interpretation:

Profile Table No.1 shows that the highest number of employees i.e 33.3% are from the age group 35-44 yrs, the second most highest are from the age group of 45-55 yrs of age, which represents 31.3%, rest all employees are under the age group of 25-34 yrs. Male respondents represent 91.7% and Females are represented with 8.3% in the sample. As far as qualification of employees is concerned 43.8% are traditionally qualified and 50.0% are professionally qualified, remaining all employees is under the category of other qualifications. In the hierarchy level, 25.0% are junior level employees and 64.6% middle level employees, senior level employee are round 10.4% of the sample. Demography of experienced employee shows that 12.5% employees are represented in category of employees having Job experience of 20 years and above and around 12.5% employees have 16-20 year of experience in the Job, 18.8% employees have about 11-15 years of experience and nearly 29.2% employee have 6-10 year of Job experience, remaining 27.1% have experience ranging from 0-5 years of experience.

Descriptive Statistics and Product Movement Correlations:**Table-2****Descriptive Statistics and Product Movement Correlations**

SCALES	ITEMs (n)	MEAN	SD	1
1.Organizational Commitment	18	58.52	6.09	1
2. General Satisfaction	5	17.14	1.86	.492**
3.Work Motivation	6	19.41	3.78	.569**
4.Security Satisfaction	2	6.73	2.08	.678**
5.Compensation Satisfaction	2	6.66	1.51	.514**

**Correlation is significant at the 0.01 level (2-tailed)

*Correlation is significant at the 0.05 level (2-tailed).

Interpretation:

The descriptive statistics and the number of items used in the scales and correlation coefficient of the scales are displayed in Table-2.

A statistically significant correlation was found between the 'Job Diagnostic Survey Scale' and 'Organizational Commitment Scale' i.e. between General Satisfaction and Organizational Commitment (0.492), between Work Motivation and Organization Commitment (0.569) followed by Security Satisfaction (0.678) and Compensation Satisfaction (0.514) with the Organizational Commitment.

Multiple Regression Analysis:

The influence of Job Diagnostic Scale over Organizational Commitment was examined through multiple regression analysis. The test results confirms strong influence (based on significant value of 't') of four dimensions of Job Diagnostic Scale; General Satisfaction, Work Motivation, Security Satisfaction and Compensation Satisfaction with the Organizational Commitment.

On the basis of multiple regression procedure it was found that only four of the dimensions of contributed significantly to the variance of attrition (See Table-3).

Regression Analysis with Independent Variables & Organizational Commitment as Dependent Variable:

Table-3

S.No	Model	Variab les	R ²	F	Beta	T
1	Organizational Commitment	18	.801	12.612* *		
2	General Satisfaction	5			.305	2.899**
3	Work Motivation	6			.263	2.259**
4	Security Satisfaction	2			.439	3.810**
5	Compensation Satisfaction	2			.340	3.222**

The result in Table-3 shows that approximately 80.1 % of the variance in Organizational Commitment is predicted by four of the 'Job Diagnostic Sub Scales'. All four sub scales made a significant contribution to the regression model as can be seen by the 't' value; General Satisfaction (t= 2.899), Work Motivation (t= 2.259), Security Satisfaction (t = 3.810) and Compensation Satisfaction (t = 3.222).

The standard regression coefficients (Beta) for each of the predictors were: General Satisfaction ($\beta = 0.305$), Work Motivation ($\beta = 0.263$), Security Satisfaction ($\beta = 0.439$) and Compensation Satisfaction ($\beta = 0.340$).

Based on both t and β (Beta) value, it is concluded that Security Satisfaction is the strongest predictor of the Organization Commitment, followed by Compensation Satisfaction, with General Satisfaction as third strongest predictor and Work Motivation as the fourth strong Predictor of Organization Commitment.

Discussions:

The purpose of this research was twofold. The first goal was to find out the potential factors in the Power Sector leading to Organization Commitment among Employees and to study the work environment of Power Plant employees from the point of view of Job Satisfaction aspect. The second goal was to investigate the relative influence of Job Diagnostic Scale over the Organizational Commitment Scale.

Security Satisfaction is found as the most important predictor of Organizational Commitment. The contribution of this dimension in Organizational Commitment is not surprising as in the event of uncertain work environment where employees are concerned with Job Security and related Family Security against the Odds of life it seems to be obvious factor related with employees choice of being committed for the organization. People in organizations may prefer Organizations where they will be relieved from this Job Security aspect and would love to work with those organizations where employee centric policies are woven around as a security net.

Compensation Satisfaction is found as the second strong predictor of Organizational Commitment. Compensation has always remained at the center stage of employees concern. The organizations should focus on designing competitive pay designs, so as to harness best talent out of employees which will also foster commitment at work.

General Satisfaction is found as the third strong predictor of Organizational Commitment in the regression model. General Satisfaction is the feeling of being 'OK' and indicator of 'WELLNESS' in the organization. The feelings of being OK at the work place itself cultivate Organization Commitment.

Work Motivation is found as the fourth strong predictor of Organizational Commitment. All motivation theories suggest, incorporating extrinsic and intrinsic motivators for organizational performance and commitment in the manpower. This relationship is again found approved in this research that lack of motivational drive may lead to a force of uncommitted employees.

Conclusion:

Finally based on both t and β value, it is concluded that Security Satisfaction is the strongest predictor of the Organization Commitment, followed by Compensation Satisfaction as second strong predictor, with General Satisfaction as third strongest predictor and Work Motivation as the fourth strong predictor of Organizational Commitment.

As far as strategies for generating organizational commitment are concerned, various templates can be developed by the organizations. Effective template for commitment generation can be developed in unison with the participation of employees so that committed and loyal workforce be created and nurtured for higher performance. Employee Satisfaction with various Organization Facets have a significant role in developing work attitudes which in turn have a direct bearing on various factors like Retention, Commitment, loyalty, Motivation, Morale, ROI, Branding , Productivity and Performance.

The regression model and the potential factors so confirmed in this research can be used for improving organizational commitment scores in the work settings for deriving greater benefits within organizations.

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ALIGNING RECRUITMENT TO RETENTION FOR MINIMIZING ATTRITION

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ABSTRACT

Recruitment and retention are two human resources functions that involve strategic planning and action. For any business the most valuable assets are the talent & expertise of the human resources. Recruiting and retaining the best talent enhance the value of the organization's assets. Talented employees develop the company image in different ways such as ensuring customer satisfaction, maintaining balance and productivity within the workplace, and driving product development and innovation. Recruiting and retaining the best talent is essential for the success of the business. To ensure the effective recruitment process to prevail, the organization should align the recruitment process with the pragmatic retention strategies for successful retention and for minimizing the attrition. In this study, efforts are made to present the importance of retention of best talent by creating an environment in which employees continue to flourish. The paper also emphasizes the reasons for attrition in Indian companies and the different types of costs associated with attrition. The aim of this paper is to provide the readers a comprehensive understanding about the benefits of aligning recruitment to retention for minimizing attrition.

Keywords: *Retaining talent, Training/learning, Employees' wellness, Utilizing Referrals, Hiring Ex-Employees & Psychometrics test.*

Introduction:

The competitive businesses in present times face a serious impact of employee attrition. The attrition on a business can be detrimental to the organizations as it involves heavy costs when an employee leaves the organization. Employee attrition can challenge seriously both functional and human resource managers. It is essential for the managers to understand the causes of employee attrition. Therefore, steps can be taken to overcome the causes of attrition subsequently this assist in reducing the costs associated with attrition.

What is Attrition?

Attrition in human resources refers to the gradual reduction of employees over period of time. Attrition means employees leaving the organization through resignations, retirements, and death. The one factor among the mentioned factors which can be controlled most is loss of the employees through resignations.

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In the year 2013, Global professional services firm Towers Watson, study was reported in Indian daily newspapers, 'The Economic times' and 'Business standard' reports the details of the study, that "Attrition in India is at 14 per cent, marginally higher than global and Asia Pacific countries (11.20 per cent and 13.81 per cent, respectively)".¹

As per the report, it is obvious that, the Indian companies were facing challenges in attracting and retaining talent with a high attrition rate of 14 %, which is more than the global average. The report also views that 92 per cent of firms in the country experience challenges in attracting talent with critical skills, while over 75 per cent organizations face challenges in retaining high performing talent.

Employers shall note that one of the best noteworthy employment practices that can have a big impact on employee retention is framing and implementing pragmatic recruitment practices. The true success of the recruitment is possible only when its process results in retaining the work force. When there is a good match between the organization's objectives and employees' careers goals, retention will not be an issue. Hence the organizations should focus on selecting those employees whose careers goals have a close match with the organization's objectives.

Research Objective

The purpose of this paper is to present the details to the readers about the importance of retention of the best talent. The paper also presents the reasons for attrition in Indian companies. The main objective of this paper is to provide the readers a comprehensive understanding about the benefits of aligning recruitment to retention for minimizing attrition.

Research Design and Methodology

The data for this study is drawn from a review of *secondary sources*, consisting primarily of management research papers from reputed journals, human resource newsletters, and several corporate websites and media reports related to the study.

Findings of the Deloitte survey

The Deloitte compensation trends survey is an annual study conducted by Human Capital Consulting in March, 2014, the data was collected by the firm for the study from January to March, 2014. The Objective of the study was to understand the key compensation and benefits trends across sectors in Indian Market. The report gives the following statistics with regards to various sectors in Indian market for the two financial years 2012-2013 and 2013-2014.

Overall Industry Analysis- Voluntary attrition analysis

Sectors	In % year 2012-2013	In% year 2013-2014
1. Overall Industry	14.2	13.4
2. Auto and auto components	11.6	10.6
3. BFSI-Banking and Financial Services industries	15.3	14.0
4. Chemical	13.7	12.2
5. Consumer Business	13.5	12.5
6. Engineering and Manufacturing	12.2	11.8
7. Energy	12.6	11.5
8. Hi-Tech	15.6	14.2
9. ITeS-Information Technology enabled services	17.8	16.4
10. Infrastructure/ Real Estate	14.3	13.2
11. Logistics	11.4	10.5
12. Media & Advertising	17.2	15.6
13. Pharmaceuticals life sciences and Health care	14.1	12.8
14. Retails	13.8	13.1

Source: 2014, Deloitte Touche Tohmatsu India Private Limited-The Deloitte compensation trends survey is an annual study conducted by Human Capital Consulting in March, 2014.

The report suggests that the attrition rates have reduced marginally across sectors. However, it continues to be a concern in the BFSI, Hi-tech, ITeS and Media and also advertising sector. These results provide an impetus for the present study.

Further, as per the information reported by Money Control, *one of the leading financial information source*, on the June, 22, 2014, in the article titled “ITeS to see highest attrition at 21%; exit at junior level”. In the said article, the expert’s opinions were collected and the opinion of Mr. Satya D Sinha, CEO of MANCER Consulting, was as follows, "This sector (ITeS) faces the highest overall attrition rates (21 percent), closely followed by Media, IT and Pharma sectors."² It was also observed by Mr. Sinha, that: "Easy entry and exit barriers, with minimum qualifications and skills levels required, makes the junior level staff in ITeS sector less stable workforce."

The above study signifies that ITeS sector has easy recruitment norms and relatively easy exits. This is considered to be one of the main causes for attrition in ITeS sector. It is to be understood that, the issue of employee attrition can be solved by focusing it to the hiring process. While hiring employees, firms should focus on selecting the right candidates who will be solid employees, who wish to stay with the firm for the mutual growth and success.

After knowing the impact of attrition on some of the industries, let’s shift our focus on individual and well reputed Indian IT firms. With regard to the IT firms the following latest information is reported by the Business standard-*The India’s leading newspaper for latest news*, on the Friday, 10th October, 2014. It was reported that, “Infosys- A Bangalore based IT Firm, has witnessed steady exits, especially of senior level executives, in the last one and half years “The attrition level grew higher to 20.1% in the July-September 2014 quarter as compared to 19.5% in the April-June 2014 quarter and 17.3% in Q2 last fiscal.”³

It was also reported in the Business Standard that, In comparison, TCS- (Tata Consultancy Services) had reported an attrition rate of 12%, while that at Wipro (IT services) and HCL Services stood at about 16% and 15%, respectively, in the April-June 2014 quarter (last 12 month basis). This shows that Indian multinational companies are facing attrition however, individual attrition rates differ.

Reasons for Attrition in Indian Companies

(a) For Employees money and career advancement as priorities

Mr. Nandkishore S Rathi, while working at IIT Mumbai on campus placements has reasoned in his article “Reasons behind IT attrition” in economic times, dated November, 18th 2004⁴, that the software professionals have different aspirations at different stages of their career. Firstly, the early career stage (0-3 years) and secondly the mid-career (5 years plus).

With regards to the early career stage, the employees involved are basically the youngsters who value money a lot; they perceive the job as the best job that offers them a huge amount of money. Another factor the youngsters give importance to the peer and

family pressure. The young software professionals always compare their present job with that of their ex-batch mates and colleagues.

In case of the mid-career stage, the concerned employees adopt a strategic approach to their career needs. The company's placement in the software industry value chain becomes a key parameter for taking up a new job or leaving the present one. They want to move up from body-shopping and coding kind of job to programming and business solutions companies. Most of the services people want to move to product companies because they are looking for challenges. Secondly, they know that developing next level skills will only keep them ahead in the job-market, also finally resulting in better compensation. They also look for a job with higher level of responsibility.

The reasons are clear with this study that at different stages of career the employees concerns are different, while summing up the concerns it is witnessed that employees give priority to money, career advancement & challenges these are the motivating factors for the employees to search another job.

(b) Employees not receiving appreciation from the Reporting Manager

Ms. Amrita Premarajan, in her article titled "Why managers' appreciation is essential to prevent attrition" in economic times, dated September, 24, 2014⁵. Ms. Amrita opines that employees become de-motivated and eventually decide to switch their jobs when they were left unappreciated by the managers for their earnest efforts.

Ms. Amrita, in her article also contributed the opinions of Mr. Manash K Baruah, general manager-corporate HR, STEER Engineering. In the said article, Mr. Manash K Baruah, opined that "There are many instances where employees feel distant and gradually this feeling translates into disengagement and poor self-esteem, because their immediate supervisor or manager failed to engage them through timely recognition, appreciation and rewards,"

It was also highlighted in the article that, Recognition, appreciation and rewards are the three most definitive attributes which build organizational vectors like employee performance and engagement. If employees are appreciated, they develop their self esteem and enhance their potentiality; these will results into retaining the employee. Hence managers should give genuine appreciation to employee for his/her good work.

(c) Employees leaving the company in pursuits of higher education

One of the important reasons for high attrition is employees are seeking higher education to gain managerial skills and advance technical skills for career advancement. This reason for attrition was taken seriously by the Wipro. To overcome the problem of attrition, because of employees seeking higher education, Wipro launches staff retention plan by providing the chance of higher education to its employees.

Mr. Varun Sood, mentions in his article in Economic Times Bureau, on October, 29, 2014. The article titled “Wipro launches staff retention plan to tackle attrition; to facilitate further academic pursuits”. Mr. Varun Sood, reports the action plan designed at Wipro, Mr. Varun reports that, according to Mr. Saurabh Govil, head of human resources at Wipro “Under the new programme, launched in the second quarter that started in July, Wipro offers employees who have put in more than two years at the company a chance to do Masters at Pune based Symbiosis, Pilani's Birla Institute of Technology and Science or VIT University in Vellore. The company has also partnered with ICFA to offer a two-year regular programme in professional accounting. According to Wipro, more than 500 employees have already enrolled, and its aim is to expand this number tenfold to 5,000 in three years⁶.”

The above action plan at Wipro, substantiate that employee are conscious to have higher education. Wipro has worked out a fee structure with the institutes, and staff will be reimbursed the fee based on their scores. The efforts of the Wipro are to achieve a successful retention.

(d) Other major reasons why employee leave organizations

Best performing employees quit the organization for many obvious reasons, some of the possible reasons are

1. When immediate superiors play favourites with other employee or employees.
2. When longer working hours are followed for cost cutting measures resulting into employee fatigue.
3. When the job description promised during interview process is different than the one given on joining the job
4. When employees find no scope for growth and there seems to be no improvement in their status etc.

Costs associated with Employee Attrition

Costs associated with attrition are major concerns for organizations, when an employee leaves the position and until the position is filled with other employee, the costs keep occurring. The costs associated with employee attrition costs may be classified into four types

- **Exit Costs-** The cost related to paper work requirements and the time consumed for exit interviews and the review cost for resigned employee work in progress.
- **Absence Costs-** The cost related to productivity lost and this loss continues until the other employee joins the vacant position and gets familiarize with the work culture.

- **Recruitment Costs-** The cost related to announcing the position in print/electronic media. Also involves the costs for interviewing and finalizing the new employees.
- **On Board/Panel Costs** – The costs includes paperwork, including business cards, Identity card/badges cost, orientation costs, etc.

RECRUITMENT PROCESS

For any business the most valuable assets are the talent and expertise of the work force. Recruiting and retaining the best talent can only improve the value of the organization's assets. It is very essential to have an understanding about the recruitment process before aligning recruitment to retention for minimizing attrition.

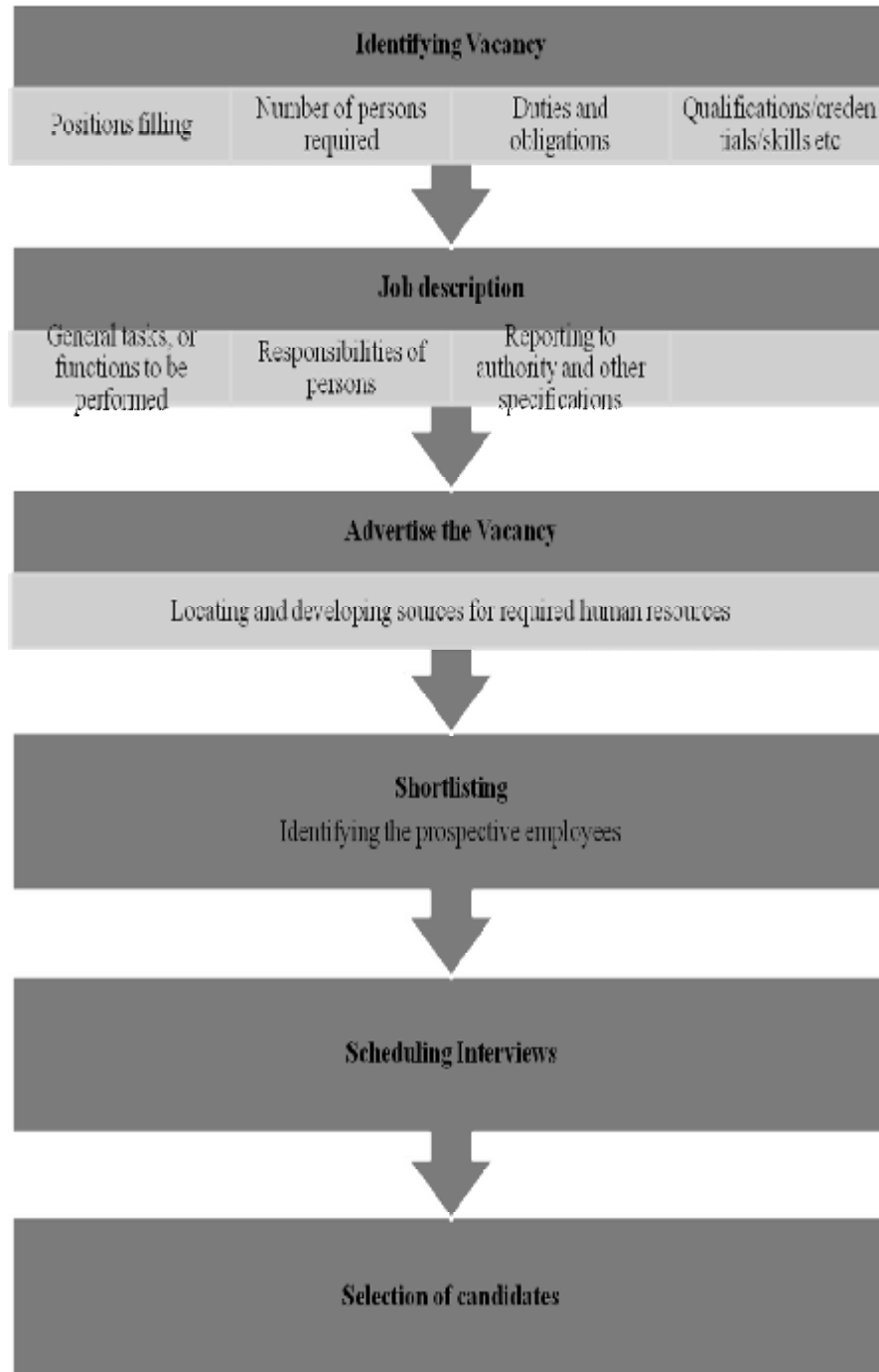
According to Edwin B. Flippo, "recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization."⁷ Recruitment is the activity that links the employers and the job seekers.

A general recruitment process followed in organization is as follows:

- (a) Identifying the vacancy-The recruitment process begins with the human resource department receiving requisitions or formal demand for recruitment from any department of the company.
- (b) Preparing and documenting the job description and person's specifications.
- (c) Locating and developing the sources of required number and kind of human resources.
- (d) Short-listing and identifying the potential/prospective employee.
- (e) Arranging and scheduling the interviews for the short-listed candidates.
- (f) Administrating or handling the interview and decision making for selection of right candidate for the right job.

The recruitment process is immediately followed by the selection process i.e. the final interviews and the decision making & the paper work for formally offering job to the selected candidates.

Diagrammatic presentation of general recruitment process



Aligning Recruitment to Retention- A detailed study.

The attrition issue is a few years old and it is known that firms' have tried different methods to minimize it. But it is observed that none of the organizations large, medium and small has had enough success. The retention issue was earlier limited to IT and BPO space, but of late Retail, Insurance, Banking, Infrastructure, Biotech and few others are inflicted with the attrition issues.

It is to be noted that, retention is not a mere activity it is a result, hence Human Resource Department (HRD) should play the role of a strategic alignment in aligning recruitment to retention. Strategic choices with regard to selection of talent is very important for successful retention, good human who respect employment should be chosen by adopting various acceptable and authentic selection measures. HRD officials should be aware that, employees do not leave overnight; therefore, HRD should focus on considerable mentoring. HRD should also focus on transparent appraisals at organizations to help avoid the attrition.

To ensure effective recruitment process to prevail for the successful retention, the organization should align the recruitment process with the below mentioned retention strategies.

(1) Retaining talent- Identifying and retaining the talent.

Ms. Nisa Chitakasem, founder of position ignition which helps organization in talent retention, has rightly pointed out in her article titled, "The need to retain talented employees is increasing every day". She mentions that "It is far shrewder and more economical to work at keeping your top employees than to let them go and spend money on recruiting and training new people who are going to take a while to get up to speed. Losing esteemed colleagues can also have an impact on the rest of the team, department and business. Other workers may well feel demoralized if they see the best talent being let go too easily."⁸

Retention of crucial talent is very important for the growth and success of the businesses. The talented employees enhance the company image in different ways such as ensuring customer satisfaction, maintaining balance and productivity at workplace, and driving product development and innovation.

While executing the recruiting process, HRD officials shall focus on selecting the talented candidates. For the successful retention results, retention strategies should be initiated from the time the recruitment process begins the selection of candidates, proper motivational techniques should be adopted to retain the talent.

(2) Focus on Training and Learning- Empowering employees.

Ms. Lacey Halpern, HR Business Partner with Xenium- *A top Human resources, cultural and leadership blog*, Ms. Lacey, in her article titled “Importance of Training on Employee Retention”, opines that, “one way many organizations have chosen to hang on to their top talent is by re-investing in their human capital -the specialized knowledge, skills, and abilities of a company’s workforce. After making the initial investment of hiring these employees, companies are now looking to provide their workforce with the tools needed to grow and develop as contributors to the growth of the company.”⁹

HR shall note that, empowering employees with training is crucial for the ongoing development of an organization. For retaining the top talent there could be no other way better than by providing employees the appropriate training and learning because this empowers the employees. The successful recruitment is possible only with successful retention.

(3) Employees’ wellness- An essential element.

Employers’ investment in the wellness of their workforces in the form of wellness programs can benefit them in numerous ways. Employers shall note that offering wellness programs to employees not only result in retaining the employees, it also benefits the organization through reducing health-care costs and increasing employee productivity, engagement and morale. It is now being recognized that the workplace has a strong effect on people’s health. When people are satisfied with their jobs, they are more productive and tend to be healthier. However, when employees feel that their workplace environment is negative, they feel stressed. ***Stress has large impact on employees’ mental and physical health, and in turn, on productivity.***¹⁰ The underlying idea is that companies must genuinely care about the wellbeing of their employees.

Ms. Tera Kristen, is a Community Coordinator at Pay Savvy- *A comprehensive HR management firm*. She views the following “6 Great examples of workplace wellness programs” in her article published on May, 13th 2014. They are On-site fitness centers, Smoking cessation programs, Transit options, Paramedical services, Yoga Classes and Lunch and Healthy snacks.

The concrete benefits of employee wellness program which directly result in economic savings can best be seen in these four areas:

1. Reduction in demand for medical services.
2. Reduction in employee absenteeism.
3. Reduction in on-the-job injuries and worker’s compensation costs.
4. Reduction in Disability Costs.

The other benefit for sure is increase in employee productivity. Studies consistently show that employees who engage in a wellness programs are more productive. Additionally, the employees wellness programs help attract, recruit and retain the more productive and effective employees. Therefore, HRD shall give considerable importance to the wellness program and include it in the remuneration package to attract talented employees.

(4) Utilizing Referrals- *It works well!*

Employee feedback should be a crucial component for recruitment process. HR personals should discuss the recruitment needs with their current staff. The current staff may have insight into the role that a manager usually may not think of. In addition to this, employee referrals are one of the best ways to attract top talent.

An article written by Dr. John Sullivan, on May 7th 2012, and was published in ERE.net, focus on employee referrals. Here are some highlights:

- (a) Hire volume — Referrals are the #1 source in hiring volume.
- (b) Hire quality — Referrals are also the #1 source for new hire quality.
- (c) Speed (application-to-hire time in days) – Referrals are the #1 fastest time to fill (29 days for referrals, 39 days for job boards, and 45 days for career sites)
- (d) Average lengths of employment of all initial hires after one year (retention) – Referrals are #1 at 46% retention after 1one year (compared to 33% from career sites and 22% from job boards).
- (e) Average lengths of employment of all initial hires after two years (retention) – employee referrals are #1 at 45% retention after two years (compared to 20% from job boards after two years and 14% after three years).¹¹

The above study concludes that referrals are used as a major source for hiring high volume and also it is used for hiring quality personals. Further, referrals are referred as fastest source for converting applicant into an employee. The retention results for referred employees after one year and two years time period is more than the employees recruited by other sources such as job boards and career sites. Hence HRD shall give priority to employee referrals for recruitment of candidates for filling the positions.

(5) Hiring Ex-employees- *Achieving Mutual expectations& generating synergy.*

One of the unconventional yet acceptable strategies adopted by many organizations in controlling the attrition is re-hiring the ex-employees or the former employees.

Apple Computers considers the rehired ex-employees as “Outside-Insiders”. They believe that these Outside-Insiders can walk the fine line: balancing the deep understanding of the company’s culture with the right amount of perspective and independence, to push the changes necessary for organizational growth.¹²

But however, HRD should ensure that company has a clear documented policy with regard to rehiring an employee. The document should specify clearly the eligibility and ineligibility criterion for recruiting the former employee. If any employee was terminated in the past he should be excluded from the eligibility list. One of the important aspects to be taken into consideration while recruiting the former employee is his attitude towards work and his good work performance in the past. Nevertheless, HRD should take proper care while rehiring the former employee, HRD should not merely settle to offer job to a former employee as this will not serve the purpose. However, rehiring the suitable former employee is good for both the organization and for the employees as both would know what is expected from each other and this generates synergy.

Dr. Vijayanagar Sundar Raj and Prof. Hundekar S.G. concludes in their article titled “Industry trends in Re-employment” published in International Journal of Social science and interdisciplinary research, in June 2013 “That the Companies rehire former employees only if the time gap between the person leaving and rejoining is not very long. For if the time gap is huge, then the ex-employee is as good as any other external employee, which means that the former experience of the Individual in the Organization is not really of much importance and the person would have to be retrained, because the business might have changed substantially from the time when the person had left initially.”¹³

This emphasize that organization can garner large benefits of hiring the ex-employee if the time gap of talented employee leaving and rejoining is short.

(6) Applying Psychometrics Test in Talent Acquisition and retention

If a wrong candidate is selected, the recruitment process is exceptionally expensive and consumes time. Hence it is essential to choose the right candidate for the job. Psychometric test can be used to select the right candidate for the various reasons.

- (a) Educational degree and testimonials alone may not indicate abilities required for the job,
- (b) Candidates may over prepare for the interviews or may exaggerate the resumes which may mislead the selectors,
- (c) Interviewer may show unacceptable bias on any candidate,
- (d) When references cannot be sorted from previous employments.

Components of Psychometric Tests

The following are the test usually the prospective employees are tested while following the Psychometric analysis, they are: Numerical Aptitude, Verbal Aptitude, Abstract Reasoning Ability, Technical Ability, Clerical Ability, Management Test, Marketing Aptitude Test, Emotional Quotient Test etc.

Ms. Siobhan Hamilton-Phillips has over 30 years experience as an occupational psychologist. Over the years she has offered psychometric testing for major companies and organizations. She conveys in her own words the reliability of psychometric test in selection process, “I believe appropriate selection testing seriously reduces the risk of having the wrong person in the wrong job. Similarly, good quality, reliable psychometric testing can quickly show the career path a person should enjoy, making planning that career an adventure instead of a chore.”¹⁴

But it is to be noted that, human brains are experts in conveying valuable information about a person or a situation in fraction of time, something that psychometrics cannot do so. Hence, one cannot underestimate the instinct of the interviewer while selecting the candidates. But for the successful results, the psychometric tests should be used in conjunction with interviews or the other methods of selection.

Adopting unique retention practices

(a) Internal planned Job Rotation:

When large number of hiring is not required, managers can focus on internal planned job rotation, to close serious gaps in talent supply and demand.

Dr. John Sullivan, in his article titled “Speeding up rotations and internal movements for development, retention and profit” has specified various types of rotations that are classified under the following categories, they are: 1. “Whole Job” rotations, 2. Location based rotations, 3. time based rotations and 4. less common rotations.¹⁵

Managers should be aware of the benefits and difficulties associated with various types of rotations that to be offered to the employees that fits their needs as well as the organization’s requirements.

(b) Employee Engagement.

For the successful retention, top performers should be engaged with new challenges and opportunities as challenging jobs/projects keep them ahead.

“Once top performers have been identified, keep them engaged by putting them on stretch assignments that align with their interests”, suggests Mr. Alarka Purkayastha, PMP, program manager, Accenture, Bangalore, India.¹⁶

(c) Monetary and Non-Monetary Rewards

Money still occupies a major place in the mix of motivators. The sharing of a company's profits gives incentive to employees to give good performance. However, monetary incentives can prove counter-productive if not made available to all members of the organization. Therefore, non-monetary benefits such as rewards and recognitions are considered very important motivating factors for retention.

“People are motivated to higher levels of job performance by positive recognition from their managers and peers.”¹⁷

The emphasis here is, if a non-monetary benefit such as recognition, if awarded to employees for their best work, this will result into reinforcing the positive behavior among employees and improves employee retention and performance.

Conclusions:

The problem of retention has to be perceived by the HR officials' right from the recruitment process starts. It is therefore in the interest of organizations to understand how the recruitment process impacts the employee attrition and devise strategies accordingly. A negligent hiring or discrimination results into employee attrition. Likewise, a well designed recruitment process can save the organization from costs and allows the firm to attract and retain the best candidates. The paper suggests that HR officials shall focus on selecting the talented candidates, as talented employees enhance the company image in different ways. Intensely, the paper suggests that empowering employees with training is crucial to the ongoing development of an organization, as trained employees provide productivity to the organization. The study provides an opinion to the readers that HR shall give considerable importance to the wellness program and shall include it in the remuneration package to attract talented candidates.

The study also gives importance to employee referrals as referrals are the fastest source for converting applicant into an employee. The paper emphasizes that one of the unconventional yet acceptable strategies adopted by many organizations in controlling the attrition is re-hiring the ex-employees or the former employees. The paper also gives importance to Psychometrics test for the successful retention when it is used in conjunction with interviews or the other methods of selection. The paper concludes that the successful recruitment is achieved only when it results into successful retention.

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FOREIGN DIRECT INVESTMENT IN INDIA'S RETAIL BAZAAR: OPPORTUNITIES AND CHALLENGE

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ABSTRACT

In this paper we argue that the potential benefits from allowing large retailers to enter the Indian retail market may outweigh the costs. Evidence from the United States suggests that FDI in organized retail could help tackle inflation, particularly with wholesale prices. It is also expected that technical know-how from foreign firms, such as warehousing technologies and distribution systems, for example, will lend itself to improving the supply chain in India, especially for agricultural produce. Creating better linkages between demand and supply also has the potential to improve the price signals that farmers receive and by eliminating both waste and middlemen also increase the fraction of the final sales prices that is paid to farmers. An added benefit of improved distribution and warehousing channels may also come from enhanced exports. India's experience between 1990-2010, particularly in the telecommunications and IT industries, showcases the various benefits of opening the door to large-scale investments in these sectors. Arguably, it is now the turn of retail.

Keywords : Direct Investment, Retail Bazaar

1. Introduction

India is now the last major frontier for globalized retail. In the twenty years since the economic liberalization of 1991, India's middle class has greatly expanded, and so has its purchasing power. But over the years, unlike other major emerging economies, India has been slow to open its retail sector to foreign investment. Recent signals from the government however suggest that this may be about to change: global supermarket chain stores such as Wal-Mart (United States), Carrefour (France), Marks & Spencer and Tesco (United Kingdom), and Shoprite (South Africa) may finally be allowed to set up shop in India.

Foreign direct investment (FDI) in the retail sector in India is restricted. In 2006, the government eased retail policy for the first time, allowing up to 51 per cent FDI through the singlebrand retail route (see Section 2 for a classification of organized retail in India).

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Since then, there has been a steady increase in FDI in the retail sector, and the cumulative FDI in single-brand retail stood at \$195 million by the middle of 2010 (DIPP, 2010).

Foreign investment in the single-brand retail sector in India has been resilient to the global economic crisis of 2007-08. Given India's large population and rapidly expanding middle-class, there is robust and growing demand and a rapidly expanding market. Table 1 shows the growth in private consumption expenditures across categories to highlight this trend.

Table 1: Growth Rates in Private Final Consumption Expenditure: 2005-2009 (%) in constant prices.

Category	2005-06	2006-07	2007-08	2008-09
Food and Beverages	11.7%	11.1%	13.0%	10.4%
Clothing & Footwear	18.0%	25.0%	7.7%	5.2%
Rent, Fuel and Power	10.5%	12.5%	14.2%	16.6%
Furniture and Appliances	17.7%	22.2%	19.4%	9.4%
Medical Care	10.1%	10.1%	10.1%	10.1%
Transport and Communication	10.6%	14.1%	9.3%	16.5%
Recreation, Education and Culture	12.3%	12.9%	18.3%	13.3%
Miscellaneous Goods and Services	12.9%	27.1%	29.7%	29.0%
Total Private Consumption Expenditure	12.0%	14.8%	14.1%	14.2%
Estimated Retail Trade Sales	12.4%	14.9%	15.1%	12.5%

In the past few decades large retailers have experienced substantial growth around the world.

Evidence suggests while the impact of entry by large retail chains on employment and incumbent mom-and-pop stores is mixed, there can be substantial benefits to consumers in the form of lower prices and lowered food price inflation in particular. Similarly, by employing improved distribution and warehousing technologies, large retail chains are in a

position to provide better price signals to farmers and to serve as a platform for enhanced exports.

At the same time, public outcry over the impact of these chain stores on other retailers and local communities is reported around the world. Small retailers, farmers, and even large organized competition have concerns about the entry of large global chain stores. On balance, however, in this paper we argue that opening up FDI in India to multi-brand retailers from abroad may be a catalyst to growth and the development of the retail industry, with positive externalities for the rest of the economy.

The retail sector in India is organized into three categories. According to the Department of Industrial Policy and Promotion (DIPP) of the Government of India, single-brand retail comprises those retailers selling products “of a ‘single brand’ only, such that products should be sold under the same brand internationally; and single-brand product retailing covers only products which are branded during manufacturing. In this category, FDI is allowed to the extent of 51 per cent.

From 2006 to March 2010, around 94 foreign firms applied to invest through the single-brand route of which 57 were approved. Consequently, the percentage increase in FDI flows in the retail sector between 2008 and 2010 was even higher than that in sectors such as the services sector, trading and telecommunications, which have a much higher share in the country's overall FDI (DIPP, 2010).

In contrast, no FDI is allowed in the multi-brand retail category. This includes all firms in organized retail that seek to stock and sell multiple brands, such as large international retailers like Wal-Mart and Carrefour. This is the sector that is most under dispute.

As per the ‘cash and carry’ structure commonly employed in India, the wholesale and retail entities are maintained as separate entities without any cross-shareholdings. The retail entity is owned and controlled by the Indian partner while the wholesale entity can be owned by the foreign partner up to 100 per cent. Wal-Mart, for example, has already established a successful presence in this category of wholesale operations by entering into a joint venture with Bharti Enterprises Ltd. of India. The new entity, Bharti-Wal-Mart, is in operation with stores opening around the country. The yardstick used to determine whether an operation is wholesale or not is the type of customers to whom the sale is made and not the size and volume of sales.

Forecasts for Retail Sector Growth in India

The data from private consulting company reports suggest that growth in the retail market has been rapid despite major restrictions on FDI. In the third-quarter report of 2010, the BMI India Retail Report forecasts that the total retail sales will grow from US\$ 353 billion in 2010 to US\$ 543.2 billion by 2014. An important consideration, the report suggests, is the fast-growing middle and upper class consumer base. The analysis also

suggests that in the next few years there will be major opportunities in India's smaller cities.

AT Kearney, a global management consulting firm, rates India as the most attractive nation for retail investment. The study, presented in the Global Retail Development Index of 2009, is carried out annually for 30 emerging markets, and has rated India highest four times in the last five years.

This report expresses even more optimism, and estimates that suggests that India's retail market is expected to be about US\$535 billion by 2013, with around 10 per cent coming from organized retail.

Other estimates are more conservative, though still impressive. According to McKinsey, a research and consulting firm, organized retail in India is expected to increase from 5 per cent of the total market in 2008 to 14-18 per cent of the total retail market and reach US\$ 450 billion by 2015.

Even if growth is more conservative than estimated, the spill-over effects of this rapid expansion could be felt by many other sectors of the economy. A report published by Knight Frank India in May 2010 looks at the question of land and available retail space. It estimates that, during 2010-12, around 55 million square feet of retail space will be ready in the major cities like Mumbai,

Benefits of FDI and Competition in Organized Retail in India

The changing structure and scale of retail can critically impact several industries in the short term– the retail industry itself, manufacturing, and real-estate, to name a few. And in the long term, spill-over effects can be felt in other industries. The growth of retailing has the potential to impact the performance of interlinked sectors such as manufacturing of consumer goods and agriculture-based industries. We begin by discussing the potential benefits of allowing entry by large foreign discount retail chains on lowering inflation, improving distribution and warehousing technologies. We do so by comparing findings from US studies that examine the effects of Wal-Mart and other large chains entering the US retail sector and the upheaval in the retail landscape brought about in the US beginning in the early 1990s. The section concludes by describing a couple of policy recommendations made in the Indian Government's recent discussion paper on opening up the retail sector with a view to protecting domestic firms and increasing employment in the retail sector.

Lowering Inflation and Food Prices

Evidence from the United States suggests that FDI in organized retail could help tackle inflation, particularly with wholesale prices. Inflation is a politically sensitive subject, particularly for incumbent governments in a democratic country such as India, in particular

because rising food prices tend to be regressive in their impact. This is underscored by the fact that the weight of food in rural and agricultural household consumption baskets is approximately 65-70%. Recent studies quantify the price impact of entry by low cost entrants. For example, using average city-level prices of various consumer goods, price dynamics in 165 US cities before and after Wal-Mart entry suggest robust reduction in prices for several products while magnitudes vary by product and specification, but generally range from 1.5–3% in the short run to four times as much in the long run (Basker,2005b) with significant increases in consumer surplus especially for lower income households (Hausman and Ephraim, 2007).

Taking into account demographics, store characteristics, and market conditions, corroborating evidence suggests that Wal-Mart decreases prices by 6%-7% for national brand goods and by 3%-8% for private label goods. Price decreases are most significant in the dry grocery and dairy departments. Moreover, Wal-Mart sets grocery prices significantly lower than its competitors (Volpe and Lavoie, 2008).

Hausman and Leibtag (2004) also argue that a more appropriate approach to estimating CPI figures which would lead to a continuously updated expenditure weighted average price calculation in comparison to the official Bureau of Labor Statistics (BLS) approach. Estimates using their new approach would lower food at home inflation by about 0.32 to 0.42 percentage points, in turn lowering the estimated inflation rate by about 15% per year (Hausman and Leibtag, 2004). In India, food accounts for nearly 50% of the consumption basket and the impact on inflation reduction could therefore be significant.

Improving Distribution and Warehousing Technologies. It is expected that technical know how from foreign firms , such as warehousing technologies and distribution systems, for example, will lend itself to improving the supply chain in India, especially for agricultural produce. Here there are multiple inefficiencies in the supply chain that leads from farm to the dinner table. While the Indian government is the largest purchaser of food crops for many farmers, the consequence of a poor distribution system is that much of the stockpile fails to reach consumers, and ends up rotting or as waste. India is the world's second largest producer of fruits and vegetables in the world after China, producing around 180 million tonnes per year. Official estimates are that about 25-30 per cent of this produce goes waste between harvest and consumption.

Encouraging wholesale trading can create demand throughout the supply chain. In this spirit, the recent discussion paper talks of earmarking 50 per cent of FDI inflows for building up of back-end infrastructure, logistics and agro processing (DIPP Report, 2010). In theory, if fresh produce is collected efficiently at the farm-gate, and end-to-end cold-chain is maintained in storage and transportation until it reaches supermarket shelves as in developed countries, this wastage can be eliminated, translating into better prices for

farmers and lower prices for consumers besides greater availability of the produce for processing, export and other value-addition.

Creating better linkages between demand and supply also has the potential to improve the price signals that farmers receive. This could allow them to better respond to market demand, and thus reduce uncertainty. The Indian Prime Minister, Dr. Manmohan Singh, called for a debate on the opening up of the sector on similar lines, pointing to the vast difference between farm gate and consumer prices.

In this context, the DIPP's discussion paper points out that the farmers get just a third of the total price paid by the final consumer, as against two-thirds realized by farmers in nations with a higher share of organized retail. FDI in retail, therefore, could be an efficient way of addressing concerns of farmers and consumers (DIPP Report, 2010).

Evidence from the United States also however suggests by connecting suppliers worldwide with downstream buyers, the retail sector as a whole, has become more efficient at providing consumers with the goods they want at better prices and with increased convenience (Basker, 2007).

An added benefit of improved distribution and warehousing channels may also come from enhanced exports. A recent study notes that each of the world's largest retailers---Wal-Mart, Carrefour, Tesco, and Metro---entered China after 1995 and that their subsequent expansion in China may have influenced Chinese exports through two channels (Head, Jing and Swenson, 2010). First, the authors argue that large retailers may have enhanced bilateral exports between the retailers' Chinese operations and destination countries also served by stores in the retailers' networks. Second, Chinese city-level exports to all destinations may have grown if multinational retailer presence enhanced the general export capabilities of local suppliers. Evidence from Chinese city-level retail goods exports supports the capability hypothesis as the expansion of Chinese city exports follows the geographic expansion of the retailers' Chinese stores and global procurement centers (Head, Jing and Swenson, 2010). Wal-Mart has therefore contributed to the trend of increased outsourcing which could bode well for agricultural exports from India.

Challenges for Foreign Firms in Organized Retail

The first challenge is competition from the unorganized sector. Traditional retailing has been established in India for many centuries, and is characterized by small, family-owned operations. Because of this, such businesses are usually very low-margin, are owner-operated, and have mostly negligible real estate and labor costs. Moreover, they also pay little by way of taxes. Consumer familiarity that runs from generation to generation is one big advantage for the traditional retailing sector. It is often said that the mom-and-pop store in India is more like a father-and-son enterprise.

Such small shops develop strong networks with local neighbourhoods. The informal system of credit adds to their attractiveness, with many houses 'running up a tab' with their neighbourhood kirana store, paying it off every fortnight or month. Moreover, low labor costs also allow shops to employ delivery boys, such that consumers may order their grocery list directly on the phone. These advantages are significant, though hard to quantify. In contrast, players in the organized sector have to cover big fixed costs, and yet have to keep prices low enough to be able to compete with the traditional sector.

Getting customers to switch their purchasing away from small neighbourhood shops and towards large-scale retailers may be a major challenge. The experience of large Indian retailers such as Big Bazaar shows that it is indeed possible. Anecdotal evidence of consumers who return from such shops suggests that the wholesale model provides for major bargains – something Indian consumers are always on the lookout for.

The other major challenge for retailers in India, as opposed to the US, is the storage setup of households. For the large-scale retail model to work, consumers visit such large stores and return with supplies likely to last them for a few weeks. Having such easy access to neighbourhood stores with whom, as discussed above, it is possible to have a line of credit and easy delivery service, congested urban living conditions imply that few Indian households might be equipped with adequate storage facilities. In urban settings, real estate rents are also very high. Thus the opportunities in this sector are limited to those retailers with deep pockets, and puts pressure on their margins. Conversely, for retailers looking to set up large stores at a distance from residential neighbourhoods may struggle to attract consumers away from their traditional sources of groceries and other products.

Conclusion

India's retail sector remains off-limits to large international chains especially in multi-brand retailing. A number of concerns have been raised about opening up the retail sector to FDI in India.

The first concern is the potential impact of large foreign firms on employment in the retail sector. A second related concern raised in the DIPP's report is that opening up FDI would lead to unfair competition and ultimately result in large-scale exit of incumbent domestic retailers, especially the small family-owned business. A third concern raised by domestic incumbent firms in the organized retail sector is that this sector is under-developed and in a nascent stage.

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A Leader's role is not to control people or stay on top of things, but rather to guide, energize and excite.

Jack Welch
Former CEO of GE

A STUDY OF INVESTMENT BEHAVIOUR CONCERNING TO RISK FACTOR IN STOCK MARKET

Swati Vishnoi¹, Ritu Gangil²

ABSTRACT

Behaviour Finance is a integral part of the decision making because it heavily influence investor's behavior. Investor's behavior is a psychology concerned with purpose of investment, risk associated with how investor treat his investment and did they meet the expectation. Investment is the allocation of monetary resources to assets that are expected to yield some gain or positive returns over a period of time. Investor's behavior provides a way to accurately measure how the investors think about the investment and how it affects the investment performance. This study mainly focuses on decision making process of investors while choosing investment to meet their level of risk and its impact on their stock performance and it also discusses investment behavior of investors and their ability to understand the judgment criteria like rationality and irrationality in investment pattern.

Keywords: *Behaviour Finance, Investment, Risk, Stock market.*

Introduction

Indian economy is fastest growing economy in the world so the growth and development of the country leading to greater economic activity which is introducing a vast array of investment outlets. Each investment has common characteristics that is risk, time and return. Where risk and return are in separable and both go hand in hand so one should determine degree of risk which he is willing to bear. (Kahneman and Tversky 1979), developed second groups of illusions which may impact the decision process are grouped in Prospect Theory, by developing the Prospect Theory, he has shown how people manage risk and uncertainty. They discussed several states of mind which may influence an investor's decision making process. The key concepts which he discussed are as follows:

Loss aversion

The investor is a risk-seeker when faced with the prospect of losses, but is risk averse when faced with the prospects of enjoying gains. This phenomenon is called loss-Aversion (Paul Tarak, 2010). Barberis and Huang (2001) Loss aversion refers to the difference level of mental penalty people have from a similarsize loss or gain.

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Regret Aversion

It arises from Investors' desire to avoid pain of regret arising from a poor investment decision. This aversion encourages investors to hold poorly performing shares as avoiding their sale also avoids the recognition of the associated loss and bad investment decision.

Review of literature

1. Das. M et.al (2010), concluded that modern investor is a mature and adequately groomed person. In spite of phenomenal growth in the security market and quality Initial Public Offerings (IPOs) in the market, the individual investors prefer investments according to their risk preference. A majority of investors are found to be using some source and reference groups for taking decisions. Though they are in the trap of some kind of cognitive illusions such as overconfidence and narrow farming, they consider multiple factors and seek diversified information before executing some kind of investment transaction.
2. Jain's and Dashora (2012), examined the investment pattern of investors to various capital market information and their ability to understand the judgment criteria like rationality and irrationality in investment pattern and behaviour which enables the investor to be cautious as its consequences affect the lifestyle, asset value and relationship with others, study has shown that investors prefer investing in both primary and secondary market instruments. Most of the decision are rational and influenced by the various information available in market. It was also found that investors prefer the wait and watch policy for taking their decision, and are very cautious and their decisions are influenced by various psychological factors and behavioural dimensions.
3. Varadharajan P., Vikkraman P. (2011), discussed the characteristics of the Indian individual investors along makes an attempt to discover the relationship between a dependent variable like Risk Tolerance level and independent variables such as Age, Gender of an individual investor on the basis of the survey. Indian investors are high income, well educated, salaried, and independent in making investment decisions and conservative investors. The descriptive research design has been employed for the study. The results indicate that majority of the investors are regular traders, It is observed that more number of investors interested to enter in to stock market, due to fear and risk aversion they are not ready to enter in to the capital market. The government and regional stock exchanges has to motivate the small and medium investors to invest so that the unutilized money will come to the market that consequently develop the economy of the nation.

4. (William Sharpe) proposed the “Capital asset evaluation model” in (1964), which assumes that risk-averse investors expect highest returns; and investors are measuring risks with standard deviation of rate of returns.

Objectives of the study:

- a) To know the decision process of investors
- b) To analyze the degree of risk investor can bear

Research Design:

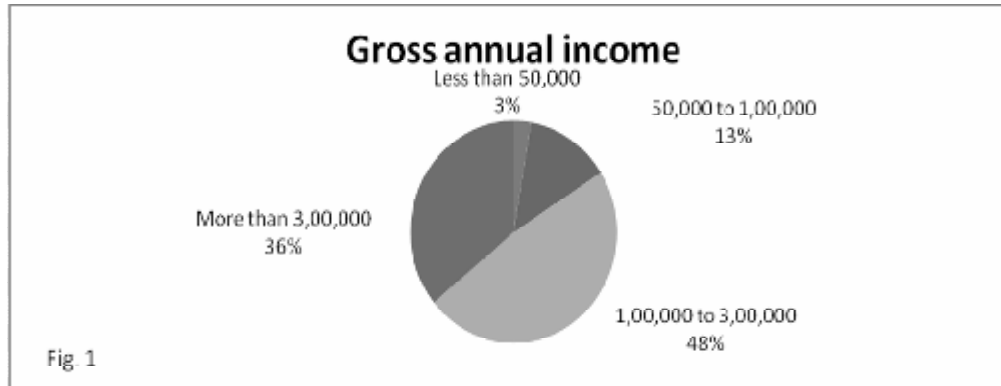
The study is based on the data collected from the individual investors in Gwalior district. Convenient sampling technique has been used in order to collect data from 75 investor which were collected for a period of 2 months i.e. from March 2014 to May 2014 through structured questionnaire

Result & Discussion:

The questionnaire discusses the demographic details with respect to investor’s gender, educational qualification, age and income details, gender, occupation, marital status which were recorded primarily for the classification of investors. The second section of the questionnaire was related to the Investment Pattern and behavioral details of the investor. Further this section questions are framed to find out how risk factor force investor to change their investment profile, life style characteristics.

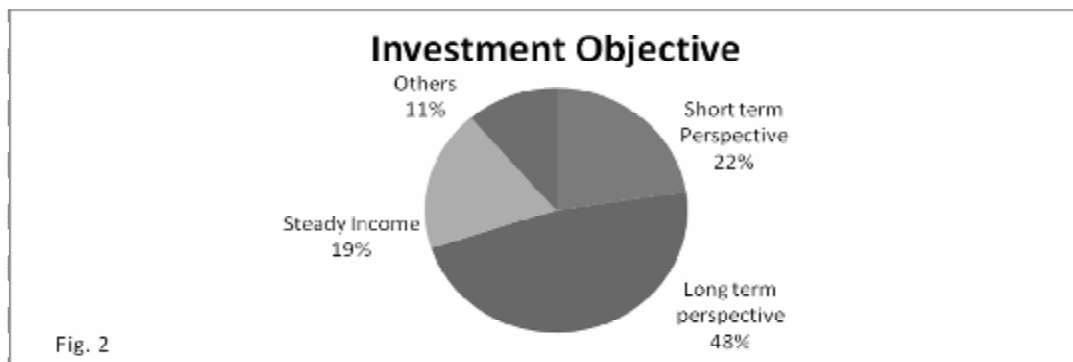
Summary of Result:

In the study 75 respondents are targeted out of which 76% are male and 24% are female. It was noted that married invest more as compare to single. Where people of age group of 30-50 are more interested in investment, Salaried person and Self employed person take major part in contributing toward the investment which is 52% and 40% respectively. It was observed that the major category of investors are graduates they found it is the best time to invest and interest gradually increases and they start to believe more in investment. Income play a very significant role is deciding the investment level, as it was found that the gross annual income of the investors who are more interested in investment given in Fig 2 is between 3 lac to 5 lac, i.e. 48% of investors and 36% of investors fall in the group of more than 3,00,000.



Investment objective of investors vary from investors to investors, investment objective can be estimated with the help of the income level, expense level, investment time horizon, risk aversion and their total net worth of investor.

It is shown in Fig.2, A major portion of investment is done with the objective of long term investment i.e. 48% and remaining part for short term investment and steady income which is 22% and 19% respectively. It was also a part of concern how frequently investor monitor their investment it was found that 35% of investor are keen to know the statement of risk they bear during the trading hours where 40% of investor access their portfolio on monthly basis.

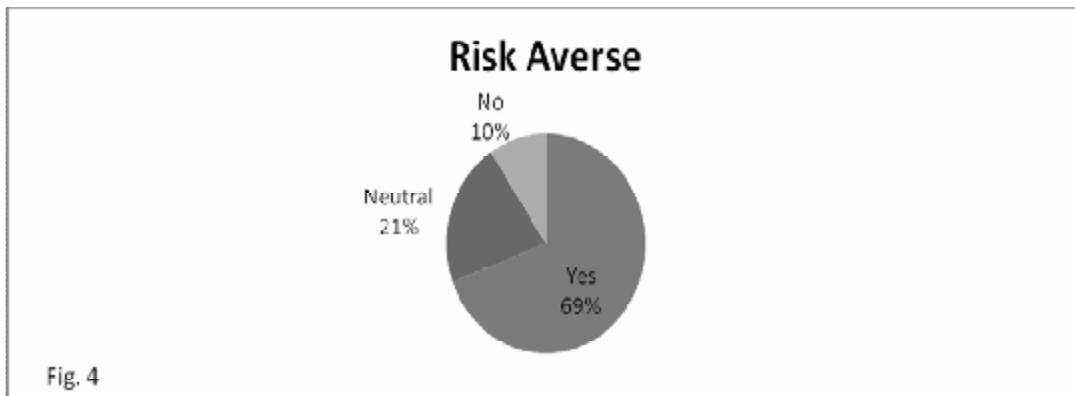


Risk is a natural phenomenon, as risk is associated with everything we do in our daily lives. Everything has two faces, like risk too have its dual aspect. While investment, Investors analyze the level of risk they are possessing to bear, the objective of study was to answer these questions After a prior gain, Investors are more risk seeking than usual and After a prior loss, Investors become more risk averse.

As per the research it was found that the investor who have prior gain are neutral towards the risk or investment they are possessing in future , it was estimated out of 75 investors 43% of the risk seeker are neutral, 29% of the investor are not seeking any kind of risk and 28% of the investor are risk seeker.



Here is the result for risk aversion, it is estimated that the investors who have prior loss are more risk averse. 69% of the investors are risk averse after having the prior loss, 21% of the investors are neutral towards the risk and 10% of the investor does not bother about risk aversion.



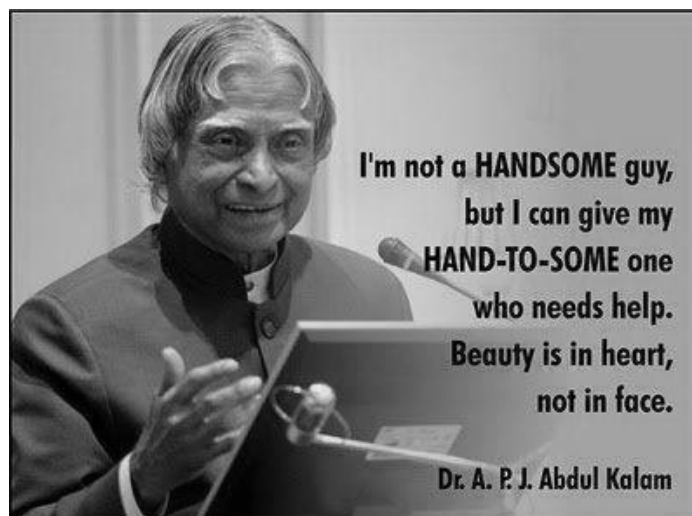
Conclusion:

Decision making is a process of choosing best alternative among the given alternative, which inculcate analysis of various factors, as it was found decision making process changes through the entire life on the basis of experiences, Decision making on the basis risk describes the degree of risk a investor can bear, outcome of decision can be either gain or loss based on many factor such as investment objectives, investment avenues, time horizon for investment and many more The findings of the research are that investors display risk-seeking behavior and avoid selling stocks when faced with loss and it is found that risk seeker are neutral towards the risk and Investors display risk aversion behavior with the objective of steady income and short term they avoid to invest after incurring loss,

Investors while taking investment decisions must consider these biases as risk factor associated with their investment portfolios.

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CASE STUDY

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SPIRULINA: STILL TO BE ACKNOWLEDGED

Acme food and Nutraceuticals started their office in Gwalior region on 17th October 2010 under the proprietorship of Dr. O.P. Agarwal, Technical Director and Mr. Varun Agarwal, Managing Director with the motto of “**Customer Care & Satisfaction**” and guaranteed the product purity & reliability with the development, manufacture & supply of Spirulina based products under the trade name Green Gold at reasonable cost. Acme Foods & Nutraceuticals prides itself in being the only concern in India, which is exclusively involved in production of Spirulina based products.

Acme Foods & Nutraceuticals is an organization committed for well-being of human society by supplying nutraceuticals: Spirulina & its food products, Considering the facts that Spirulina is the “**Best Food for Future**” (as declared by **W.H.O.** in 1974), “**Super Food**” (NASA) & certified by various agencies i.e. USDA Organic for US sale, IMO Control etc. This Super food (which is also taken by NASA's astronauts on their space expedition) is a complete nutritional formula, which can benefit people of all age groups. ACME believes in “Tasty & Healthy Concept of Living” through safe & natural products like Spirulina. There are other players manufacturing Spirulina capsules, but none is there who offers Spirulina in the form of other food products.

Spirulina is a green-blue algae that grows in fresh water and is known for its health & therapeutic benefit. It derives its name from its spiral structure. This tiny aquatic plant has been eaten by humans since prehistoric times and is grown worldwide as a healthy food. It is a unique blend of many important nutrients. It contains rich vegetable protein (60~ 63 %, 3~4 times higher than fish or beef), multi Vitamins (Vitamin B 12 is 3~4 times higher than animal liver), which is particularly lacking in a vegetarian diet. It contains a wide range of minerals (including Iron, Potassium, Magnesium Sodium, Phosphorus, Calcium etc.), a high volume of Beta- carotene which protects cells (5 time more than carrots, 40 time more than spinach), high volumes of Gamma-Linolenic Acid (which can reduce cholesterol and prevent heart disease). Further, Spirulina contains Phycocyanin which can only be found in Spirulina.

In brief, Spirulina is a COMPLETE FOOD with more protein than soy, more Vitamin A than carrots, more iron than beef, profound source of protective phytochemicals, naturally low in fat, provides a lot of energy and is easy to digest.

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Spirulina is a microalgae plankton vegetable food which is both ancient and new. It has recently been receiving much attention as a health food which has a high nutritive value and has been well tested in Japan for its medical benefits. It has been utilized as an everyday food in both Mexico and Africa since ancient times and with the modernization of the food industry it is today being added daily to foods such as cheese, soup, seaweed (nori), ice cream, chocolate, and grains. In particular the Mexican government in 1973 approved and licensed Spirulina through the equivalent of its FDA as an edible foodstuff after testing it for palatability and toxicity and recommending it for daily use in the home. Moreover, in France, palatability tests are now being conducted along with other efforts to give Spirulina its place in modern food processing.

The geographical places of origin for Spirulina are Mexico and Africa but modern science has only very recently investigated it. When it was studied, nutritive analysis revealed that it contained 69.5% protein, 12.5% complex sugars (carbohydrates), 8% fat, plus many vitamins, amino acids, minerals and food colorations.

Nonetheless, no matter how high the nutritive value of a food, it cannot be called a superior or outstanding food product on that account alone. With respect to this point it should be noted that Spirulina has a soft, thin cellular membrane and is exceedingly digestible. In fact, digestion is about 95%. There have been food products made from seaweed before of course, such as Chlorella, but Chlorella has a hard cell wall and is quite hard to digest; this constituted a barrier to its use as a food source for human beings. But with Spirulina that problem has now been resolved.

Patients who suffer from high blood pressure, diabetes, chronic hepatitis and other diseases have no vitality, lose their incentive for work, their easily and more or less retire from society to sit around home and do nothing in a depressed and lethargic state. Yet a great number of these people have been saved by Spirulina. Of course Spirulina is not a panacea by itself but must be used under the strict supervision of a physician in conjunction with medicine prescribed by him. From the physician's viewpoint it is a supplementary food which compliments and enhances the effects of the treatment prescribed. For example, in the case of diabetes, large amounts of Spirulina are given in conjunction with a strict diet, and the same is true for patients with eye diseases. The treatment requires a strict regimen and lifestyle which includes refraining from between-meal-snacks and eating a balanced diet. Spirulina is popular in China, America, Japan etc. and where people becoming more health conscious.

Acme uses only organic Spirulina for its produce. An organic product is produced without the use of chemical fertilizers, pesticides or herbicides, using sustainable production practices. Spirulina is cultivated / grown in natural & pristine location, far from any pollution and contamination. Furthermore Spirulina cultivation is an eco-friendly

activity that has a potential to be employed as a tool against environmental pollution & global warming.

Acme is involved in constant product development and has been rapidly increasing its product line with a gamut of following products in its portfolio:

1. Green Gold Spirulina Biscuits
2. Green Gold Spirulina Soup Powder
3. Green Gold Spirulina Spices (Chat, Poha, Raita, Jaljeera)
4. Green Gold Spirulina Capsules (It is not a medicine, is a food supplement & most convenient way to consume Spirulina)
5. Green Gold Spirulina Elaichi Protein Powder
6. Green Gold Spirulina Chocolate Protein Powder (ACME Protein Powders, apart from children and other users, are particularly useful for gym buffs, body builders and athletes to fulfill their extra protein need).

The taste of every product is guaranteed, as Acme has worked in coordination with food experts & dieticians and the company believes in healthy & tasty concept.

Despite of having a gamut of product line, number of certifications and marketing tie up with Hyderabad based company Parry Nutraceuticals of Murugappa Group, the company is lagging behind in generating brand awareness and to make the product popular in Gwalior region. Mr. Varun Agarwal has adopted various marketing strategies to promote the product in Gwalior region like advertising, displaying the product in Gwalior Trade Fair and Phool Bagh Mega Bazaar, Shopping Malls, adopted various Multi-level marketing strategies and tried to popularise the product by contacting various doctors in the region, by telling them about the benefits of the product. By doing so Mr. Varun was able to generate some response but still the benefits are quite low in terms of profits and expenditure comes out to be huge if they keep the product in open-outlets. However, people who are health conscious and educated showed some preference regarding the product, but rest of people seems out to be non-interested as they haven't heard about the product and most of them are not health conscious and preferred other popular health supplement. The acceptability also became much low when they came to know that the product Spirulina is made out of green-blue algae and has strong Oder & taste.

Green Gold Spirulina was at the same time facing tough competition with various other competitive products available in market and most of them were selling through various Health Care Centres around the town.

In the month of July 2011, Mr. Varun Agarwal got an opportunity, as a part of Acme Foods and Nutraceuticals's tie-up with Parry Nutraceuticals, to sell some of its samples in

foreign market i.e. South Korea, U.S.A., U.A.E. and South Africa, where the initial response of the product was overwhelming.

Finally, Mr. Varun Agrawal thought to promote the product in those countries and places where the people are aware about the product Spirulina, rather than creating awareness within the region first and then generating profits for the company.

QUESTIONS

- Q1) Do the SWOT analysis of Acme Foods and Nutraceuticals.
- Q2) Analyse the case from the prospective of Marketing Management.
- Q3) If you were Mr. Varun Agarwal, what marketing strategies you would have adopted to generate awareness about the product in Gwalior region?
- Q4) Do you think Mr. Varun Agarwal has taken the right decision by promoting the product in other countries where the people are having fair idea about the Spirulina based products?

TEACHING NOTES

1) Overview:

The case is based on the challenges faced by Acme Foods & Nutraceuticals, related to brand awareness and brand positioning of its product range 'Green Gold Spirulina' in Gwalior region. Acme has developed value added health supplement i.e. Spirulina based products, which are very unique in terms of high nutritive value & medical benefits and it is the only concern in India, which is exclusively involved in the production of Spirulina based product.

This case reflects that Mr. Varun Agarwal, MD of Acme Foods & Nutraceuticals has been facing problems of popularising the product in Gwalior region despite of adopting various marketing strategies, as the people in the region were not health conscious and hesitate to accept the product as a part of daily food health supplement. This finally made Mr. Varun Agarwal to move towards foreign market in order to ensure the survival of his organisation.

2) Application :

- (a) The case can be used for teaching the above concepts to executives and post graduate students of management for individual analysis and small group discussions for not more than five members.
- (b) The case and reference should be provided to the students one day prior of the discussion for individual analysis and write up.

- (c) The case should be discussed among small group and outcome of the same should be presented in front of the whole batch by the representative of the group in order to evaluate each point in detail.

3) Objectives of the case:

The case is a Decision Case and can be used for teaching the conceptual aspects of marketing management, marketing strategy, buying behaviour and brand management. In this case reader is required to suggest the various alternatives by which the product Green Gold Spirulina becomes acceptable among the people of Gwalior region, thereby leading to the generation of profits to Acme Foods & Nutraceuticals.

Teaching Suggestions: The case does not have any quantitative data and should be analysed using SWOT analysis method. The case is suitable for written assessment or examination, role playing and oral presentation.

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E-COMMERCE ON SUPPLY CHAIN MANAGEMENT

Mr. Parmanand Barodiya¹

ABSTRACT

The E-Commerce is thriving and poised for robust growth in Asia. There are players who made a good beginning. Their success depends on their understanding of the market and offering various types of features. This paper analyses the interaction of two topics: Supply Chain Management (SCM) and the Internet. This paper will address the concepts related to e-commerce on supply chain.

Key Words: *E-commerce, Supply Chain Management*

Introduction

Internet technologies have already had a dramatic impact on the way that people around the world think and act. In the six or so years since the World Wide Web's inception, its speed of acceptance has been unprecedented. The first two years of the 21st century have seen a boom and a bust in predictions of the impact of technology on supply chain management.

Supply chains have been affected by this new economy of e-commerce solutions, but I believe the major changes that are possible will take a lot longer to happen. To use a showbiz phrase:

'You aren't seen nothing yet!' Organizations have experienced a period when many people involved with supply chain technology and software lost the plot when it came to the potential delivery of business benefits. People commonly confused the potential for very significant supply chain benefits, with the capacity of a technology solution to deliver those benefits. For a period, it seemed that causality between benefits and solutions had become unnecessary. Many companies learned the expensive way that supply chains are complex beasts to tame; there are rarely 'magic bullets' for success. However, we are now seeing more practical and effective approaches to delivering supply chain improvements through e-commerce. With time, these new approaches have a big potential to address the clear performance gap that exists between what companies are achieving in their supply chains and what they could achieve.

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E-commerce

E-commerce can be defined as the conduct of business communication and transactions over networks and through computers or as the buying and selling of goods and services, and the transfer of funds, through digital communications. It can include all inter-company and intra-company functions (such as marketing, finance, manufacturing, selling and negotiation) that enable commerce. E-commerce uses communications such as electronic mail, EDI, file transfer; facsimile, video conferencing, workflow, or interaction with a remote computer e-commerce has also become associated with solutions and tools such as portals, e-marketplaces, e-auctions or virtual inventory. The last few years have seen a dramatic increase in the capabilities of e-commerce as hundreds of millions of dollars were invested in building new solutions and in fighting a marketing war for apparent first mover advantages.

So why should all this investment in technology and communication have an impact on the supply chains of companies? At a simplistic level, supply chains are typically made up of three major flows – physical, financial and information. E-commerce has the capacity to affect all three.

1. **Physical flows** can be affected by using information to avoid physical movements and to make product information available through virtual ways. In essence, e-commerce can give companies access to more markets and customers without the physical need to move the levels of product and inventory that were required in the past.
2. **Information flows** can be affected by the capacity of e-commerce solutions to provide '24 x 7 x 365' access to information and to eliminate traditional paper-based approaches to working and company interactions. E-commerce is also particularly well suited to providing information such as product tracking and tracing.
3. **Financial flows** can be affected by the capacity for e-commerce solutions to offer faster payment and settlement solutions at all stages of the supply chain. At a more sophisticated level, e-commerce will have an impact on supply chains for five main reasons:
4. **The performance gap can no longer be hidden.** An undoubted impact of the last few years has been the way that dot.com companies have helped to highlight the gap between the level at which companies' supply chain could and are performing. It is now clear that major companies can no longer afford to be complacent about underperformance. Given that companies now know they need to change, e-commerce-related solutions are the logical enablers of new levels of performance.

5. ***Companies have new capabilities that are not yet fully exploited.*** Most major companies have implemented new capabilities as a result of concerns over Y2K and the e-commerce revolution. For instance, many companies now have major ERP systems that integrate data between functions, locations and countries. They have the capacity to manage operations at a different level not only internally but also with customers and suppliers. In addition, many companies have bolted on best-of-breed software applications, such as e-procurement, demand and supply planning and e-logistics, to these ERP systems. Most companies are still at an early stage of exploiting these capabilities but will increasingly use e-commerce to deliver the benefits from these existing investments.
6. ***Technology companies have invested heavily in new e-commerce solutions.*** The last few years have seen an unprecedented investment by technology companies and their financial backers into new supply chain technology. There has been an acceleration of the development of new software technology to support supply chain management. This has been particularly evident around procurement, marketplace, planning, and event management and fulfillment software. The casualty rate among software companies has been high. However, supply chain software now exists that software companies need to sell to get a return on their investments. We can expect them to remain aggressive in continuing to develop and sell new e-commerce solutions.
7. ***The supply chain is one of the last major areas of business benefit.*** Supply chain change is hard work. Many companies have avoided addressing some areas of the supply chain because they have been too difficult physically or politically. E-commerce will help to break down this reluctance to address supply chain opportunities in two ways: by providing new solutions to old problems and by helping to reduce the political barriers to cross-functional cross company and cross-country changes.
8. ***The future competitiveness of companies will be fought out between value chains of partners on a global basis.*** The world is shrinking and the supply chains of companies have to become more integrated between customers and suppliers and across geographies. E-commerce will be a key enabler of this integration and collaboration. The ability to use e-commerce to work with business partners quickly and effectively will also be a key differentiator between value chains of multiple companies. Business partners will become increasingly demanding of their supply chain partners and particularly their e-commerce capabilities.

E-commerce will not change what needs to happen in the supply chain, but how it is done. Business processes rarely disappear, they just get done differently. The impact of e-commerce on the supply chain will be felt in how work is done, including how areas of the

supply chain interact, and in how supply chains operate between company and geographic boundaries.

E-commerce and its working

E-commerce will have an impact on all major areas of supply chain work in companies from design, through buying to fulfillment and service support. The major areas of work inside companies can be illustrated using a simple process map of a supply chain, as shown in Figure 1. The process map shows the high-level flows and interactions between suppliers' suppliers and customers' customers. It can also be used to show where e-commerce will have its greatest impact:

- **Indirect procurement.** E-commerce will have a direct impact on both indirect and direct procurement of goods and services. E-procurement applications, such as Commerce One and Right works, are being used to bring greater efficiency and effectiveness to the buying of indirect goods such as travel and stationery. The major benefits from such programs, which are typically in the 5–15 per cent range, will always come from effective strategic sourcing. E-procurement will have its greatest effect on change management and compliance. In some cases, indirect procurement will be shifted to e-marketplaces or outsourced procurement services using E-procurement solutions.
- **Direct procurement.** Direct procurement represents a bigger prize for most companies than indirect spend simply because of the size of direct spends. In this area, the combination of e-commerce procurement solutions with existing ERP and MRP systems has the capacity to provide large efficiency savings. The level of these savings will clearly depend on how well direct procurement is currently managed. In some cases, the major benefits will come from the integration of ERP, MRP and demand and supply planning systems. Procurement is, at the end of the day, a matter of visibility and business intelligence. E-commerce has the capacity to make buyers smarter and cost saving opportunities more visible.
- **Product and service design.** E-commerce has the capacity to improve the quality of product design, reduce design time-scales and fundamentally improve the interaction between designers, engineers, suppliers and manufacturing. Collaborative product commerce (CPC) is a term that is often used to describe the potential of e-commerce in this area. Great deals of the thinking and capabilities required for CPC have already been developed in the automotive, aerospace and electronics industries. We can expect these capabilities to be rolled out across many other industries as e-commerce solutions become more widely accepted.
- **Manufacturing.** E-commerce solutions will also have an impact on manufacturing as companies are required to be more flexible and responsive in what they make

and in the levels of mass customization that manufacturing systems can deliver. E-commerce can, in some ways, be seen as a mechanism for customers to become more demanding of their suppliers. However, it can also be seen as a highly effective mechanism for ensuring that manufacturing is ultra responsive to the reality of actual customers rather than intermediary demand.

- ***Demand and supply planning.*** Most people find it difficult to cope with planning when it involves more than a few variables. This is an area where computers, statistics and e-commerce will always be more capable – if they are used in the right way. Demand and supply planning systems, such as Manugistics, Aspen Tech and i2Technologies, are increasingly using e-commerce alongside their traditional software applications to improve the effectiveness of planning solutions. E-commerce is also expected to allow much greater interaction between the planning systems of multiple companies in areas such as collaborative forecasting and replenishment (CPFR) and e-marketplaces.
- ***Fulfillment and e-fulfillment.*** Fulfillment remains an area of great promise for e-commerce solutions, but one that has largely underperformed its potential. E-commerce has the capacity through information, such as tracking and tracing, to revolutionize the way that goods and services are delivered. It has the capacity to virtualized inventory and to change fundamentally the relationship between end customers, retailers, wholesalers and manufacturers. As yet, this has not happened for several reasons. First, it is not clear that customers are ready but it is only a matter of time before these changes. Second, most logistics suppliers are under intense margin pressure, making investments in fulfillment technology difficult. Third, retailers and wholesalers are unclear about how their role will change if e-commerce allows greater interaction between customers and manufacturers. The potential for e-fulfillment is huge – it is just a matter of time before e-commerce revolutionizes this area.
- ***Service and support.*** Service and support is another area where e-commerce has made some impact but there is still potential for greater change. E-commerce has the capacity to transform the effectiveness of field service forces and to change the way that returns and repairs are managed. Like fulfillment, this is an area where the value proposition will drive radical change, but it will take time.
- ***E-working.*** E-working is an area that will have a more immediate impact on the supply chain. Most companies have already given thousands of their workers access to intranets and the Internet. They have given them e-working tools such as employee portals, knowledge management systems and computer-based training. Through e-mail they have revolutionized the way in which people work across boundaries of time and space. E-working capabilities are already having a

significant impact on the working of supply chains and on the ability of employees to manage complex events and issues in the supply chain.

The future impact of e-commerce

E-commerce will not only have an impact on the supply chains of medium to large companies. It will also change the way we live and work in our cities and communities, it will change government at both a local and national level and it will affect the way that we build contingency into our lives. Internet technologies have grown out of a range of standards that are based on the need to communicate and interact openly. As such, we can expect to see day-to-day activities such as shopping, ordering, booking tickets and personal services increasingly moving online. This will have a dramatic impact in cities. More than 90 percent of all telephone calls are local. Most people spend most of their income within a small radius (less than 50 miles) from where they live. It seems logical to predict that the design and execution of local supply chains within cities will change significantly.

Local distribution will change, as will the role of the city centre. Local and national government will need to adapt to new realities such as taxation, voting patterns, education levels and payments as people question the need for fixed assets and locations such as buildings. Government and local supply chains will need to be more responsive or companies and people will be increasingly willing to circumvent their authority and control. While e-commerce will make us more efficient it is also likely to make our supply chains more vulnerable to shocks.

New e-commerce technologies will also emerge and have an impact, including wireless data communications such as 2.5 and 3G and radio frequency identification (RFID). This will give us the very real prospect of being able to not only track products and to transfer data using mobile communications but also the possibility of managing products and deliveries to the individual product level in real time. The amounts of data involved could be huge and will require significant enhancements to current ERP systems. Companies will see the benefits and penalties involved in giving all their products.

E-commerce affecting for supply chains

E-commerce solutions for the supply chain have been available for some years, so it is reasonable to assume that there are already good examples of its potential to deliver significant business benefits. Indeed, this is happening and there are some excellent case studies showing the impact of e-commerce on supply chain effectiveness. Some Companies have the advantage of being relatively new, strongly versed in e-commerce technologies, growing rapidly and unencumbered by traditional supply chain constraints. More traditional companies have also embraced e-commerce rapidly and effectively in their supply chains. GE is a much quoted example. Its combination of 'destroy your business' thinking, Six Sigma and e-business execution have seen the successful

introduction of new capabilities, including e-ordering, e-procurement, e-marketplaces, such as GE Polymer land, and new retail business models using virtual inventory, such as GE Appliances. Jack Welch, the former CEO of GE, has used the word 'boundary less' to describe the corporate culture that emphasizes the removal of any boundaries within and external to a company to encourage idea sharing and team working.

Even industries traditionally slow to change such as chemicals and oil have seen the partial implementation of radical new uses of supply chain e-commerce solutions. Shell and BP have championed, until recently, indirect e-procurement marketplaces such as Trade Ranger. E-auctioning has become common using internal and external providers. Dow has been a leader in the chemicals industry in linking Six Sigma, a single ERP system and new supply chain solutions together into a coherent supply chain strategy. British retailer Tesco has been highly effective in combining traditional supermarket logistics with online ordering and local deliveries.

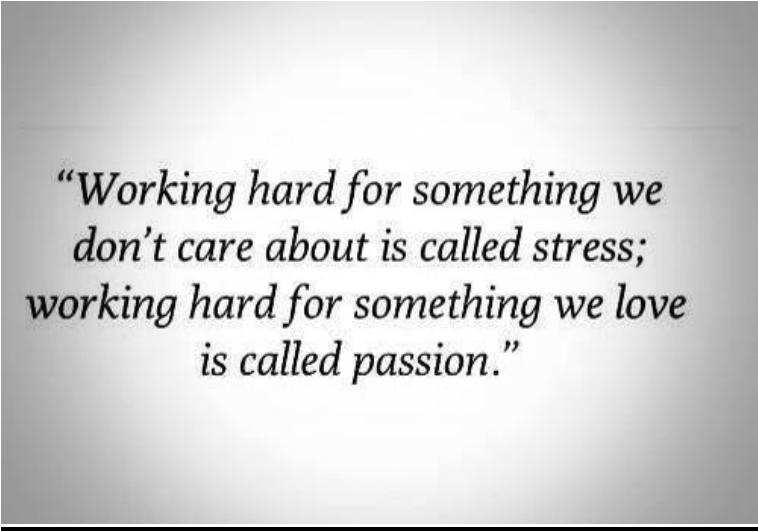
However, amid these examples the overriding impression is one of unfinished business. Few companies have completed the roll-out of these capabilities. Few software providers can honestly claim to have completed their products so that they can be effectively implemented. A great deal still has to be done before the causality between potential for supply chain benefits and e-commerce solutions can be proven on a significant scale.

Conclusion

E-Commerce is difficult to predict. There are various segments that would grow in the future like: Travel and Tourism, electronic appliances, hardware products and apparel. There are also some essential factors which will significantly contribute to the boom of the E-Commerce industry in India. E-commerce is already having a significant impact on supply chain management in some companies. In this paper, I have outlined how that impact will increase over time as companies adopt e-commerce solutions more broadly and increasingly collaborate between companies and across countries. The broadening of e-commerce will be a gradual process, phased in over time; it will involve a lot of hard work. The benefits of supply chain improvements will be considerable, however, representing 10–25 per cent of overall supply chain costs. Leading supply chain operators are likely to achieve collaboration with their key value chain partners far more speedily and effectively than their slower competitors. The benefits of cost savings and performance improvements will accrue to the companies that are the best at harnessing e-commerce solutions.

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“Working hard for something we don’t care about is called stress; working hard for something we love is called passion.”

ROLE OF TOURISM AND ITS IMPACT ON INIDAN ECONOMY

S. Aneel Amrutha Raj¹, K. Ramanjaneyulu², Dr.R.Lilambeswara Singh³

ABSTRACT

Tourism plays a key role in exhibiting Indian Culture & Tradition to other countries. Tourism Industry is the most effervescent tertiary activity and a multibillion industry in India. The power and performance of India's tourism industry needs to gauge in terms of its socio- economic magnitudes. This paper discusses how India is emerging as a popular tourist destination in the world, driven by the focus on innovation and creating value for tourists. It also examines the impact of tourism on India's economic growth, Contributors to economic growth, Role of Tourism industry in India's GDP, Foreign versus Domestic Tourists. The paper also explores that there has been a tremendous growth in tourism in India because of the policies of the government and support from top to bottom levels.

Keywords: *Role of Tourism, Impact, foreign tourist, GDP, economic growth*

ROLE OF TOURISM

Tourism in India has been playing an important role in Indian economy. All regions of India are contributing something to economic development of the country. It is a unique package of cultural and traditional embellishes as reflected in its artifacts, traditions, scenic beauties of the rivers, sea and mountains, thus enabling it to gain an advantage in the international tourism arena. As per the Travel and Tourism competitiveness Report 2014 by the World Economic Forum, India is ranked 11th in the Asia Pacific region and 65th overall, moving up three places on the list of the world's attractive destinations. It is ranked the 9th best tourist destination for its natural resources and 24th for its cultural resources, with many World heritage sites, both natural and cultural, rich fauna, and many creative industries in the country. India also bagged 39th rank for its air transport network. The India travel and tourism industry ranked 5th in the long- term [10-year] growth and is expected to be the second largest employer in the world by 2024.

The Indian tourism ministry has been playing an important role in the development of the tourism industry, by initiating advertising campaigns such as the 'Incredible India' campaign that promoted India's culture and attracted many tourists. The campaign helped to build a colorful image of India in the minds of consumers all over the world, and has directly created interest among tourists. The India's tourism industry follows certain core

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nationalistic ideals and standards which are Swaagat or welcome, Sahyog or cooperation, Sarachanaa or infrastructure, and Suvida or facilitation.

IMPACT OF TOURISM ON INDIA'S ECONOMIC GROWTH

To know the impact of tourism on India's economic growth, one needs to study this feature as part of the larger picture of the developing world's contribution to this economic boost. Some economists may point the success of Indian economy to the profits generated by the tourism sector, which in turn were increased by brand-building, innovative marketing and strategic planning of tour packages; other thinkers may credit the rise in number of Multinational companies and diversifications of the Indian industries norm as being the chief cause. Tourism in India has been growing tremendously because of the policies of the government and support from all levels. There are recently many events that have taken place, which are a big catalyst for prompting tourism in India. The international sports events like World cup cricket matches in 2011 , 20/20 IPL Cricket matches, Commonwealth Games, visit of President Obama of USA & 1st lady Michelle have also helped the tourism industry and it will prosper to great heights and standards in the near future.

The continuous growth in Indian Tourism market benefited many support industries like aviation, transport, medical tourism, hotel and sports. The year 2008 and 2014 had witnessed an enormous increase in the eco tourism in India In addition the government has come up with a new idea of India tourism named as "Rural Tourism", which is very successful in promoting tourism by offering exclusive India travel packages for rural tourism thereby contributing to rural development. The exotic train "PALACE ON WHEELS" Which travel through Rajasthan attracts large number of tourists also affect the tourism in our country. This train is rated in the top ten most luxurious train of the world.

India had hosted Asian Games long back that had brought many developments in India and, upgraded the quality of tourism in India and attracted many tourists to India from all over the world. Common Wealth Games 2010, which was organized in Delhi, capital of India, gave a pioneer opportunity to tourism in India. The industry can gain a lot of business by coming up with various travel packages for attraction and benefit of tourists. In 2010, about 3.5 million tourist visited India to witness the Common wealth Games that were held in Oct 2010 at Delhi. It was a very important event and Indian tourism industry catered to the needs of such a big rush of foreign tourists that depended on the transport, hotel bookings and for their travel itineraries, visas and other facilities. In 2011, as one of the hosts, India organized World cup cricket matches and made that event success. Now there are indications that the growth of tourism in India will be very steep in the next couple of years.

IMPACT OF TOURISM IN INDIA

Tourism industry in India has several positive and negative impacts on the economy and society. These impacts are highlighted below.

POSITIVE IMPACTS

1. **Income and Employment generation:** Tourism in India has emerged as key instrument of income and employment generation, poverty reduction and sustainable human development. It contributes 6.23% to the national GDP and 8.78% of the total employment in India. Almost 25 million people are now working in the India's tourism industry.
2. **Source of Foreign Exchange Earnings:** Tourism is an important source of foreign exchange earnings in India. This has favorable impact on the balance of payment of the country. The tourism industry in India generated about US\$100 billion in 2008 and that is expected to increase to US\$346.6 billion by 2024 at a 7.9% annual growth rate.
3. **Preservation of National Heritage and Environment:** Tourism helps to preserve several places of historical importance by declaring them as heritage sites. For instance, the Taj Mahal, the Qutab Minar, Char Minar, Ajanta and Ellora temples, etc, would have been decayed and destroyed had it not been for the efforts taken by Tourism Department to preserve them. Tourism also helps in conserving the natural habitats of many rare species.
4. **Infrastructure Development:** Tourism tends to encourage the development of multiple-use infrastructure that benefits the host community, including various means of transports, health care facilities, and sports centers, in addition to the hotels and high-end restaurants that cater to foreign visitors. The development of infrastructure has in turn induced the development of other directly productive activities.
5. **Promoting Peace and Stability:** Honey and Gilpin (2009) suggests that the tourism industry can also help promote peace and stability in developing country like India by providing jobs, generating income, diversifying the economy, protecting the environment, and promoting cross-cultural awareness. However, key challenges like adoption of regulatory frameworks, mechanisms to reduce crime and corruption, etc, must be addressed if peace-enhancing benefits from this industry are to be realized.

NEGATIVE IMPACTS

1. **Social and Cultural Change:** Tourism sometimes led to the destruction of the socio-cultural fabric of a community. The more tourists coming into a place, the more the perceived risk of that place losing its identity. A good example is Goa. From the late 60's to the early 80's when the Hippy culture was at its height, Goa was a haven for such hippies. Here they came in thousands and changed the whole culture of the state

leading to a rise in the use of drugs, prostitution and human trafficking. This had a bad effect on the culture of country.

2. **Increase Tension and Hostility:** Tourism can increase tension, hostility, and suspicion between the tourists and the local communities when there is no respect and understanding for each other's culture and way of life. This may further lead to violence and other crimes committed against the tourists.
3. **Creating a Sense of Antipathy:** Tourism brought little benefit to the local community. In most all-inclusive package tours more than 75% of travelers' fees go to the airlines, hotels and other international companies, not to local businessmen and workers. Moreover, large hotel chain restaurants often import food to satisfy foreign visitors and rarely employ local staff for senior management positions, preventing local farmers and workers from reaping the benefit of their presence. This has often created a sense of antipathy towards the tourists and the government.
4. **Adverse Environment and Ecology:** One of the most important adverse effects of tourism on the environment is increased pressure on the carrying capacity of the ecosystem in each tourist locality. Increased transport and construction activities led to large scale deforestation and destabilization of natural landforms, while increased tourist flow led to increase in solid waste dumping as well as depletion of water and fuel resources. Flow of tourists to ecologically sensitive areas resulted in destruction of rare and endangered species due to trampling, killing, disturbance of breeding habitats. Noise pollution from vehicles and public address systems, water pollution, vehicular emissions, untreated sewage, etc. also have direct effects on biodiversity, ambient environment and general profile of tourist spot.

ROLE OF TOURISM INDUSTRY IN INDIA GDP

Tourism Industry has contributed enormously in India's economy by attracting a huge number of foreign and domestic tourists travelling for professional as well as holiday purposes. According to the Travel & Tourism Competitiveness Report 2014 brought out by the World Economic Forum, the contribution of travel and tourism to gross domestic product (GDP) is expected to be at US\$ 346.6 billion by 2024. The report also states that real GDP growth for travel and tourism economy is expected to achieve an average of 7.9 per cent per annum over the next 10 years. Export earnings from international visitors and tourism goods are expected to generate US\$ 51.4 billion (nominal terms) by 2024. Furthermore, the sector which accounted for 6.4 per cent of total employment in 2009 is estimated to rise to 7.9 per cent of total employment by 2024.

Some of the most significant features of India's tourism industry in India GDP have been listed below:

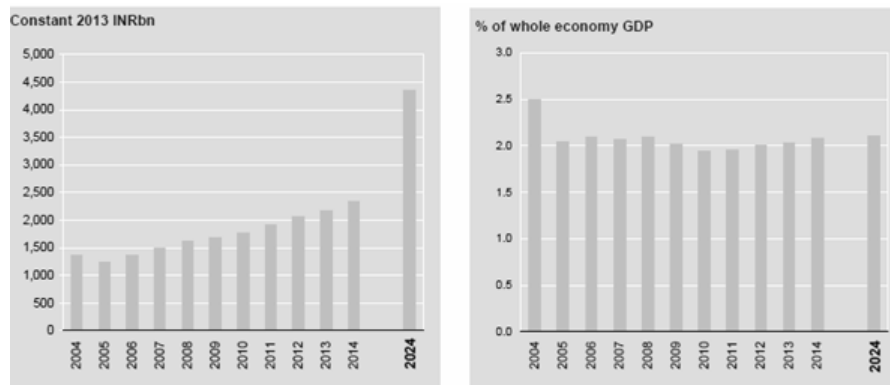
1. Deeming the growing rate of the tourist's arrival in the country, the Indian tourist industry designed a wide spectrum of holiday packages and cheaper airfares to attract more tourists.
2. Nonetheless, the outgoing graph of tourism industry in India is in no way lagging behind from the inbound one. People traveling from India to abroad or states within India have increased by 27 percent.
3. The United Nations World Tourism Organization [UNWTO] has estimated the outgoing tourists to reach around 50 million by the year 2020.
4. The booming success of Indian tourism industry has led to a drastic change in the hospitality department as well. The increase in the ratio of tourist resulted in the increase of room rates and also setting up of a wide range of hotels and other residing areas.
5. The Role Tourism Industry in India GDP also features medical tourism that includes traditional therapies like yoga, meditation, ayurveda, allopathic and other.

Travel and Tourism's contribution to GDP

The direct contribution of Travel & Tourism to GDP in 2013 was INR 2,178.1 bn (2.0% of GDP). This is forecast to rise by 7.5% to INR2,340.6 bn in 2014. This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). But it also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists.

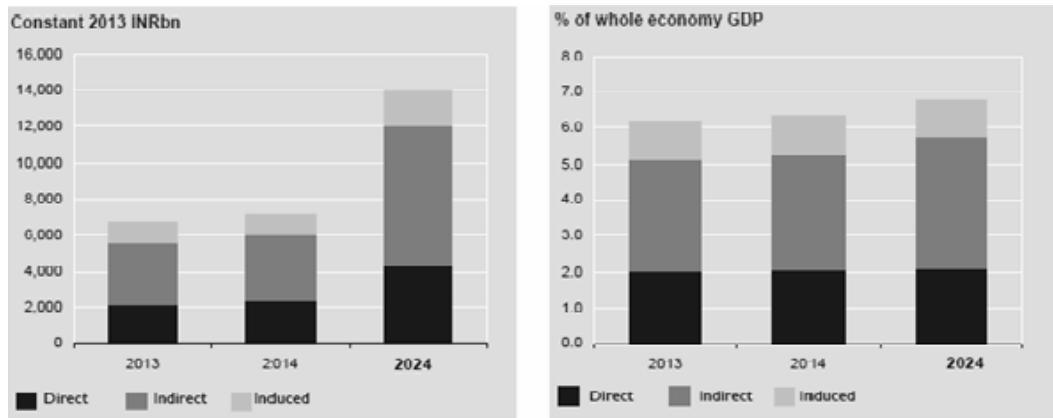
The direct contribution of Travel & Tourism to GDP is expected to grow by 6.4% pa to INR4, 346.4bn (2.1% of GDP)

India: Total Contribution of Travel & Tourism to GDP



The total contribution of Travel & Tourism to GDP (including wider effects from investment, the supply chain and induced income impacts) was INR6,631.6 bn in 2013 (6.2% of GDP) and is expected to grow by 7.3% to INR7,117.6bn (6.3% of GDP) in 2014.

India: Total Contribution of Travel & Tourism to GDP

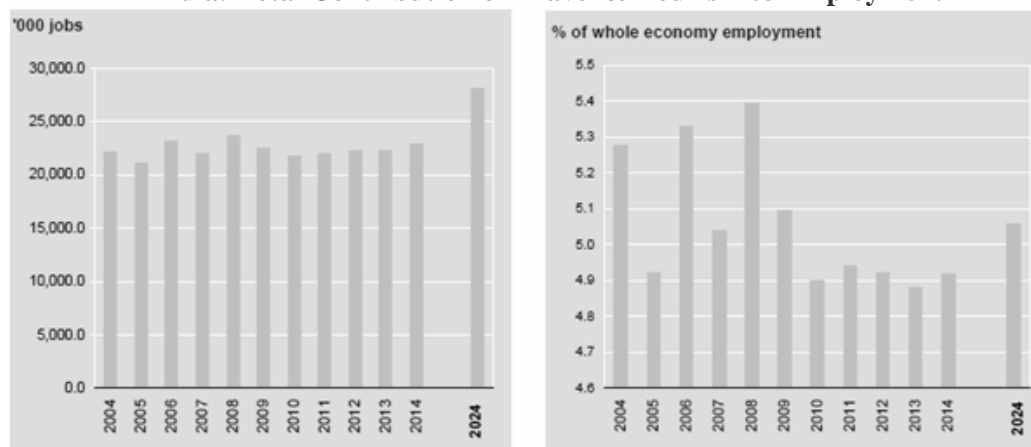


Travel and Tourism's contribution to employment

Travel & Tourism generated 22,320,000 jobs directly in 2013 (4.9% of total employment) and this is forecast to grow by 2.5% in 2014 to 22,876,000 (4.9% of total employment).

This includes employment by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). It also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists. By 2024, Travel & Tourism will account for 28,081,000 jobs directly, an increase of 2.1% pa over the next ten years.

India: Total Contribution of Travel & Tourism to Employment



The total contribution of Travel & Tourism to employment (including wider effects from investment, the supply By 2024, Travel & Tourism is forecast to support 43,837,000 jobs (7.9% of total employment), an increase of 1.9% pa over the period.

Foreign versus Domestic Tourists

Earlier foreign tourist arrivals to India were highly uneven, with a few countries such as the US and the UK accounting for the bulk of arrivals in India. In recent years, foreign tourist arrival figures have been diversifying. More and more people from Afghanistan, Bangladesh, Sri Lanka, China, and Nepal visit India now, as are people from Southeast Asian countries, South America, and Africa. Domestic tourism in India has been a widely neglected topic. Even today, the statistics on foreign travelers gain all the attention. However, the total of 500 million trips taken in India per year. Only about five million are from international visitors.

Domestic travellers form the major component of revenue generation in the Indian travel industry.

Number of Foreign Tourist Visits (FTVs) to all States/UTs in India, 1997-2013

Year	No. of Foreign Tourist Visits to States/UTs (in Million)	Percentage(%)change over the previous year
1997	5.50	9.3
1998	5.54	0.7
1999	5.83	5.3
2000	5.89	1.1
2001	5.44	-7.8
2002	5.16	-5.1
2003	6.71	30.1
2004	8.36	24.6
2005	9.95	19.0
2006	11.74	18.0

2007	13.26	12.9
2008	14.38	8.5
2009	14.37	-0.1
2010	17.91	24.6
2011	19.50	8.9
2012	18.26	-6.3
2013(p)	19.95	9.2

Source: State/UT Tourism Department

Number of Domestic Tourist Visits (DTV) to all States/UTs in India, 1997-2013

Year	No. of Domestic Tourist Visits to States/UTs (in Millions)	Percentage (%) change over the previous year
1997	159.88	14.1
1998	168.20	5.2
1999	190.67	13.4
2000	220.11	15.4
2001	236.47	7.4
2002	269.60	14.0
2003	309.04	14.6
2004	366.27	18.5
2005	392.01	7.0
2006	462.32	17.9
2007	526.56	13.9

2008	563.00	6.9
2009	668.80	18.8
2010	747.70	11.8
2011	864.53	15.6
2012	1045.05	20.9
2013(p)	1145.28	9.6

Source: State/UT Tourism Department

KEY ANNOUNCEMENTS OF GOVERNMENT ON TOURISM IN INDIA UNION BUDGET 2014

- **Central Plan outlay:** Increased to INR1,507 crore from INR980 crore
- **e-Visa:** To be introduced in a phased manner at nine airports in the next six months
- **Tourist circuits:** Allocated INR500 crore for developing five tourist circuits

National Mission on Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD): Allocated INR100 crore

- **North-east rail connectivity:** Allocated INR1,000 crore (over and above interim budget allocation)
- **Convention centre at Goa:** Assistance through VGF (Viability Gap Funding) for A Convention centre in Goa to be implemented through PPPs
- **Heritage cities:** Allocated INR200 crore for preserving heritage character of Mathura, Amritsar, Gaya, Kanchipuram, Vellankani and Ajme Exemption of service tax for Indian tour operators arranging tours wholly outside the country for foreigners
- **CENVAT credit to tour operators:** Credit for services of rent-a-cab and tour operators
- **Adventure tourism:** An annual event to promote unique Himalayan region sports to be held.
- **REITs:** Incentives and pass-through status for taxation of REITs.
- **Airports:** To be developed in Tier-2 and Tier-3 cities.

HIGHLIGHTS OF INDIAN TOURISM

The following are the highlights of Indian Tourism

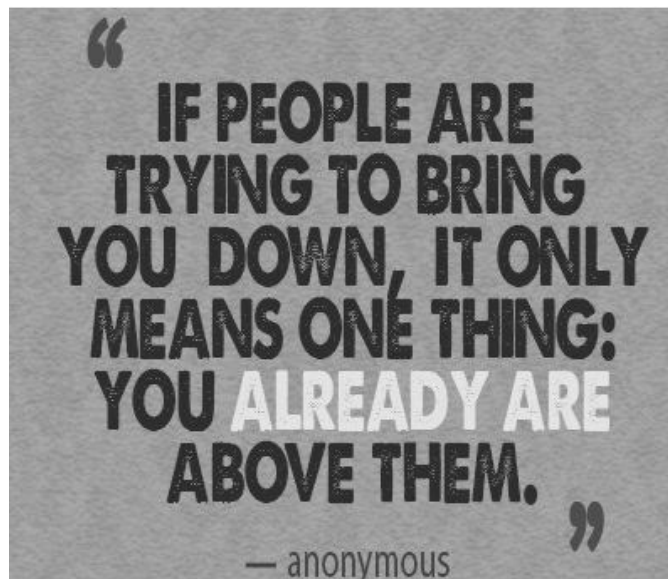
- Increase in GDPC making the tourism industry a unifying force
- Helping to preserve, retain and enrich our cultural heritages
- Increase in International Trade
- Giving more innovative promotional measures for tourism
- Offering more Tourism Education
- Growth in Health Care Management
- Progress in Health Care Industries
- Multi-socio cultural Activities
- Growth in Hotel Industry
- Expansion in Transport [Both Urban and Rural], Air Travel and shipping
- Focus on Rural Tourism
- Motivating private sectors to attract more tourists
- Enriching peripheral services to add additional attractions, like developing websites for Indian tourism and offering hotel, hospitality, traveling assistance, booking tickets online

CONCLUSION

Tourism is plays an important role in economic growth globally. India's tourism industry is experiencing a strong period of growth, driven by the promising Indian middle class, growth in high spending foreign tourist and coordinated government campaigns to promote 'incredible India'. Tourism is the right vehicle for a developing country like India which is on the path of modern economic growth through structural transformation of the economy. Tourism has forward and backward linkages with a host of sectors like transport, hospitality, education, health, banking etc. India is all set to reap full potential of this effervescent sector. Tourism sector is not only contributing to the growth of the economy but generating employment opportunities as well. Let us hope that Indian tourism will have massive impact and will be a global leader by the year 2024.

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Modi Government's "Beti Bachao Beti Padhao" scheme will be ambitiously launched on 22nd January 2015 of this month to improve the CSR (child sex ratio) and will be launched by PM Narendra Modi at Panipat Haryana.

Many States in the country has experienced a decline in the CSR which is highly complex. This scheme has been derived to address the issues related to protection, survival and education of the girl child. A multi-sector strategy will be developed under the scheme with emphasis on the principles of protecting, respecting and to fulfill the rights of the girl child and woman. The statement released by Women and Child Development Ministry said that the strategic scheme is aimed at bringing an end to violence and mistreatment against women.

The BBBP scheme has been developed on the core strategies that include formation of a communication and mobilization campaign to change the norms of the society, creating equality for girl child, improving the CSR in the urban and rural regions for faster impact. This scheme for women and girl child development that has been put forward by the Modi Government will be implemented nationwide through campaigning in 100 selected districts in the country. All the States and Union Territories will be joining the initiative of "Beti Bachao Beti Padhao" that will be launched from the district of Panipat in the State of Haryana.