



The Journal of Indian Management & Strategy

Indexed/Abstracted: J-Gate, EBSCO Discovery, Summon (Proquest), Google Scholar, Indian Science Abstracts, Indian Citation Index (RII-0.016), InfoBase Index (IB Factor 2016 - 2.6) Thomson Reuters, SJIF Impact Factor 2016-4.756, Cosmos Impact Factor, Approved by UGC vide S.No. 28603

Efficacy Of Financial Services: Employee-customer Relation Perspective <i>Abhishek Janvier Frederick, Sebastian Tharapil Joseph, Shabana Mazhar</i>	4
Foreign Direct Investment (FDI) and Tele-communication Sector In India <i>Mohd Azher Parvez, T. Satyanarayana Chary</i>	9
At Your House- Case Study of a Student Entrepreneur <i>Shabana A. Memon</i>	15
Knowledge Management Process Capabilities for Competitive Advantage: A Comparison of it Multinationals in India <i>Vaneet Kaur, Versha Mehta</i>	22
Role of Microfinance Institutions on the Empowerment of Female Borrowers: Evidence From West Bengal <i>Srimoyee Datta, Tarak Nath Sahu</i>	32
Online Shopping Preferences of Consumers- The Web Experience and Purchase Pattern <i>Savneet Kaur</i>	39
Financial Literacy Among People of Delhi: An Empirical Analysis <i>Timcy Sachdeva</i>	47
Emotional Intelligence as a Mediator Between Leadership Styles and Leadership Effectiveness: A Theoretical Framework <i>Urvashi Sharma, Anisha</i>	52
Study of Awareness of Micro-Insurance Policies: Comparative Analysis of Two Villages <i>Timira Shukla</i>	59
Focus: Productive Leadership in Action <i>Jyoti Kukreja</i>	64

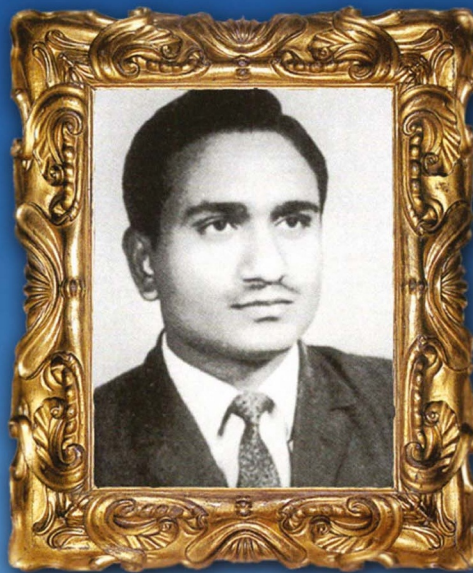
◀ Research

◀ Book Review

A TRUE VISIONARY

*“You see things and you say **Why?** But I dream of things that never were and say **Why not?**”*

- George Bernard Shaw



Shri Jagannath Gupta
(1950 - 1980)

*Also a true visionary...who dared to dream!
He lives no more but his dreams live on....and on!*

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And more dreams to come!

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Editor's Desk

Scams, Scams and Scams!! Financial Sector, Banking Sector and Political Sector - no sector is free from scams in India. Let us take a look at some of the scams in this decade. Notable amongst banking scams are the latest being Gitanjali Jewels where Punjab National Bank has been defrauded of Rs. 11,200 Crores. The fault in this case has been entirely the banks as the employees have colluded with the borrower and tampered with the law by not performing the task of checking the rules of Letter of Undertaking. The Vijay Mallya Scam where due diligence was not exercised by the bankers and loan was given primarily because he wanted to invest in infrastructure which was a sector that government wanted to promote. How many crores were lost from the Indian economy through this fraud? These are the tune of Rs. 1,300 crores. Satyam Fraud of Rs. 14,000 crores were the biggest fraud in corporate history due to the collusion of auditors with the management. Government scam in Commonwealth Games for Rs. 70,000 Crore, Indian Coal Allocation Scam for Rs. 1,86,000 Crore and 2G Spectrum Scam for Rs. 1,76,000 Crores.

There is a lot of talk of ethics in corporate governance. Is it being followed? The above scams show that ethics is only on paper and for the small man. All the taxes affect the middle income and the lower income group of people remain poor. When they go for loans to banks or to other financial institutions they are unable to get it because they do not have collateral. The rich population of the country who are high flying businessmen and can show collateral are immediately extended help with loans they can ill afford to repay but for a few shining sums of money rules are bypassed. Should these people be given lessons in corporate ethics or should SEBI, RBI and government have super regulators?

Time and again scams and frauds rock the country. Regulators are helpless. Once again the time has come to take stock. Why did this happen? SEBI was helpless when Satyam auditors did not report malpractices in the organization. It was thoroughly blamed and there was a buzz in several newspapers that there should be a Super Regulator to manage the affairs as SEBI could not manage to stop the frauds. This time a banking fraud has occurred, now RBI is helpless. It is watching but unable to find a direction. Does RBI also require a Super Regulator? Government has failed to see frauds happening within its ambit. Is it not time for India to rethink and impose faith in people to become more honest in their dealings? Or should it only think of bringing more regulations which fail to bring about any results?

(Preeti Singh)

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EFFICACY OF FINANCIAL SERVICES: EMPLOYEE-CUSTOMER RELATION PERSPECTIVE

Abhishek Janvier Frederick* Sebastian Tharapil Joseph** Shabana Mazhar***

Financial services are the act of the financial intermediaries to the households in a financial system, which involves different kinds of organisations that comes together and work in synchronisation. But the services cannot reach to the end user without the help of empowered, content and motivational employees. Indian banking sector has experienced privatization in the pre independence era, then nationalization of banks and soon after Independence and the New Economic Policy in 1991 paves the way of liberalization which opened the Indian Banking Sector for foreign and private players. This liberalistaion was done to provide better banking products and services to customer but in the race of development employee satisfaction and customer satisfaction was lagged behind. Therefore, the present study aims to find out the effect of employee satisfaction over customer satisfaction of SBI and HDFC Bank in connection with the SERVQUAL Model given by Barabara, Culiberg, & Rojsek, I.

Keywords: Financial Services, Financial Intermediaries, Efficacy, Employee satisfaction & Customer Satisfaction.

Efficacy of Financial Services at Bank

Banks are the tool by which the various financial services are offered to the households of an economy. The financial services are offered by the financial intermediaries after getting a prior permission and license from the financial regulators through the financial market.

Efficacy of financial services rendered by the banks has been a major issue for the policy makers and policy planners, since the gains of real sector economy depend on how efficiently the financial sector performs the function of financial intermediation (C.Rangarajan, 1997). Efficacy of banks depends upon the profitability, customer satisfaction, employee satisfaction and to finding out whether a bank is efficient or not.

Banking Efficacy

Banking efficiency is also related to macroeconomic environment, such as monetary policy, structure of interest rates, capital/deposit mobilization, credit policy and bull and bear market conditions. These policies and conditions influence the entire economy, banks and their efficiency. Basically Indian banks are efficiently inefficient. In the Indian banking sector, till eighties, the banks were operated in a highly regulated, protective and stressed environment. It is due to the impact of interest rate regime, direct credit control system, monetary policy and lack of technology. Hence banking sector was not internationally competitive till then. In order to raise the standards of the banks internationally, a number of committees were appointed by RBI. Among them. Narasimham committee I (1991), Narasimham Committee II (1998) and Verma Committee (1999) were influential in improving international standards, and led

to banking sector reforms, globally flexible to its deregulation, norms and conditions etc. The above said committees have basically identified the causes for the weak banks and guidelines have been given to improve their efficiency. In order to measure efficiency many would face problems such as methodological aspects, choosing parameters for the measure efficiency of the units/banks, using appropriate data, implementing recommendations of the formed committees and various studies on banking efficiency and so.

Research Objective

- To assess the effect of employee satisfaction of SBI and HDFC Banks over the customer satisfaction of SBI and HDFC Banks at Allahabad.

Hypothesis

- H₀₁ There is no significant effect of the employee satisfaction of SBI on customer satisfaction of SBI.
- H₀₂ There is no significant effect of the employee satisfaction of HDFC on customer satisfaction of HDFC.

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I. Review of Literature

- (Olorunniwo, Hsu, & Udo, 2006) According to them customer satisfaction is the customers' positive response regarding the fulfilment of their needs. It is the evaluation as well as an emotion-based response with respect to the service. Moreover, customer satisfaction is considered to be an indicator of the customer's belief with the probability of positive feeling for utilizing the service.
- (Olorunniwo, Hsu, & Udo, 2006), conducted a study on service sector organizations to disclose whether there is an association or relationship between service quality and customer satisfaction. Later their study concluded that both service quality and customer satisfaction are positively correlated.
- (Nihat, Erdogan, & Demet, 2010) This study has explored the relationships among HRM activities, organizational climate and job satisfaction in the Turkish banking sector. An important finding in this study is that a positive relationship exists between HRM activities and organizational climate. In addition, all HRM activities appear to have correlations with organizational climate elements. These correlations support earlier research on the relationship between climate and job satisfaction.
- (Ratnamani, 2013), in this study of it was found that job security is one of the most important factors of job satisfaction as the secure job environment enhances the degree of job satisfaction. Most important cause of dissatisfaction in private employees is of job security. Public banks provided many benefits to their employees but employees in public banks get salary on time. In public banks employees have good relations with their bosses but in private bank employees facing difficulties in maintaining healthy relationships with their peers and bosses. Job commitment is higher in public sector banks as compared to private sector banks.
- (Tutuncu & Kozak, 2007), studied in the Turkish hotels, the extent to which employees are satisfied with what they are responsible for may directly influence the level of customer satisfaction with their services. Using an improved form of job descriptive index, this study aims to evaluate the predictors of hotel employees' both job satisfaction and their intention to stay in the hotel business. The findings of a survey suggested attributes like the work itself, supervision, and promotion are the determinants of the level of overall job satisfaction. The level of overall job satisfaction in turn, leads to changes in the employees' intention to continue working in the hotel business.

- (Thakur, 2007), came to the conclusion that work culture in public and private sector banks was entirely different. The bank managers and officers working in private banks were found involving themselves personally in their work, which indicates personal commitment. The personality structure of the employees working in private banks was found to be superior to that of public sector bank employees. They don't consider work as compulsion, but they see it is an integral part of their lives and as a means of obtaining satisfaction through personal achievement. Employees working in these banks were mostly satisfied with the salaries, amenities, nature of work, and other allowances.

II. Research Design & Methods

The core objective of the study is to do a comparative analysis of efficacy of financial services being rendered by SBI bank and HDFC Bank. With measuring the factors on which efficacy of financial services are dependent. The different parameters which are been considered in this study are Profitability & Efficiency, Customer and Employee satisfaction,

Period of Study

The period of study is very important as it gives firmness to the research, the primary data had been collected during the period commencing from May 2016-Feb 2017 at Allahabad city.

Data Collection Method

Primary data has been collected by the customers with the help of structured questionnaire, having both open ended and closed ended questions; the researcher has personally interviewed the customer and employees of SBI and HDFC Bank and asked them to record their response on the questionnaire.

Data Collection Tool

The data has been collected by the researcher on the Questionnaire which has been used in previous studies also, for measuring the efficacy of banks.

The questionnaire for customers is focused on getting the response of customers in regard to the six service quality factors, which were suggested by Reliability, Responsiveness, Assurance, Access, Empathy and Tangibility the sum of all the six factors leads to overall performance of the bank's service which ultimately leads to customer satisfaction.

Questionnaire for customers was developed by Barbara Culiberg, University of Ljubljana & Ica Rojsek,

University of Ljubljana, which is administered at the Retail Banking sector in Slovenia, Europe (Rojšek, 2010)

III. Analysis, Discussion & Findings

The researcher has used Confirmatory Factor Analysis (CFA) for Customer Satisfaction which uses the six factors of Service Quality by the (Barabara.Culiberg & Rojsek, 2010) in their research, while for the employee satisfaction the researcher has used Exploratory factor analysis as the criteria for validity of Employee Satisfaction while for as followed by (Caruna & Pitt, 1997), (Gilbert, 2000), (Frost & Kumar, 2001)and (Miguel, Salomi, & Abackerli).Factor analysis gives evidence of the factor loadings of the variables and the validity which is based on inter-item correlation. The Exploratory Factor Analysis (EFA) is used as a measurement criteria and the extraction method used in this research is the principal component analysis, which identifies the key factor having correlation with the variables (Caruana and Pitt, 1997).

Model Development

An Employee satisfaction effects on the Customer Satisfaction Model had been developed using AMOS Graphic Software Version 20 which is an additional program bundled with the SPSS 20 Software, it helps in Structural equation modeling (SEM) which encompasses diverse statistical techniques such as path analysis, confirmatory factor analysis, and causal modeling with latent variables, and even analysis of variance and multiple linear regression.

In the present study an attempt has been made by the researcher for assessing the effect of Employee Satisfaction on the customer satisfaction for both banks. The Model Fit has been calculated for showing that Factors which had been found while doing Confirmatory Analysis for Customer Satisfaction at Bank and Employees Job Satisfaction at Banks.

The above Base line comparisons for SBI Bank shows that the MODEL has achieved Goodness of Fit index, which is evident from the results of Base line comparisons of CFI which is .873 for SBI and another test i.e. RMSEA (Root Mean Square Error of Approximation) also shows the same result for SBI. The RMSEA for SBI is 0.45 for employees and customers.

Therefore, on the basis of the above baseline comparisons the hypothesis No.3 H1 “There is a significant effect of the employee satisfaction of SBI on customer satisfaction

of SBI” is accepted and the null sub hypothesis is rejected.

HDFC Customer and Employee Satisfaction

The above Base line comparisons for SBI Bank shows that the MODEL has achieved Goodness of Fit index, which is evident from the results of Base line comparisons of CFI which is .873 for SBI and another test i.e. RMSEA (Root Mean Square Error of Approximation) also shows the same result for SBI. The RMSEA for SBI is 0.45 for employees and customers.

Therefore, on the basis of the above baseline comparisons, hypothesis No.2 H1 “There is a significant effect of the employee satisfaction of HDFC on customer satisfaction of HDFC” is accepted and the null sub hypothesis is rejected.

While comparing for SBI AND HDFC employees and customer’s satisfaction at Allahabad, the results shows that the above Base line comparisons for HDFC and SBI Banks shows that both the MODEL has achieved Goodness of Fit index but MODEL FIT for SBI is better than SBI, which is evident from the results of Base line comparisons of CFI which is .873 for SBI and for HDFC it is .824 another test i.e. RMSEA (Root Mean Square Error of Approximation) also shows the same result for SBI. The RMSEA for SBI is 0.45 and 0.48 for HDFC employees and customers.

Therefore, on the basis of the above baseline comparisons the hypothesis

- “No.1 H₀ There is a significant effect of the employee satisfaction of SBI on customer satisfaction” of SBI.
- “No.2 H₀ There is a significant effect of the employee satisfaction of HDFC on customer satisfaction of HDFC”, is accepted and the alternate hypothesis No.2 and No.2 is rejected.

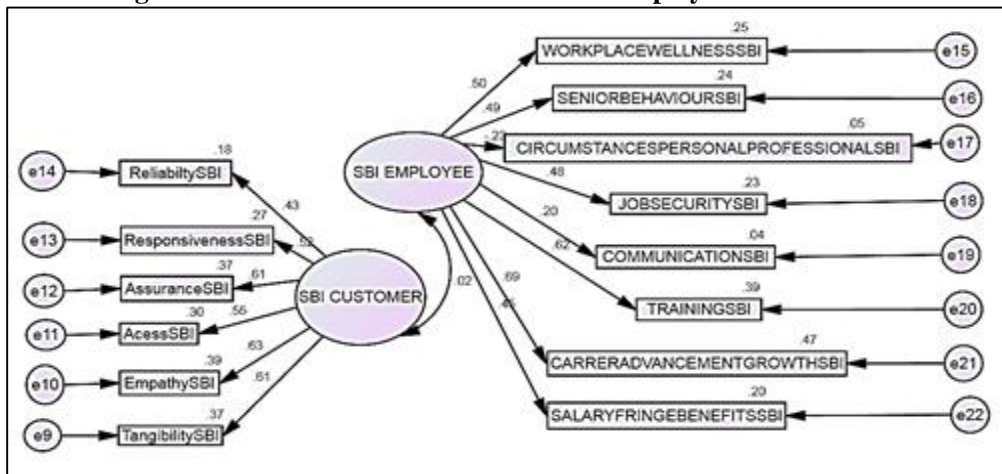
IV. Conclusion

The present study clearly brings out support to the hypothesis of the study, which shows that if the employees are satisfied then only they will be able to perform and deliver better services to the customers. Therefore, on the basis of our findings we would recommend that the intermediaries of banking system must work towards the incremental development of employees which will in return provide satisfaction to the customers.

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Figure 1: Standardised Estimates for SBI Employee and Customer



Source Self Developed

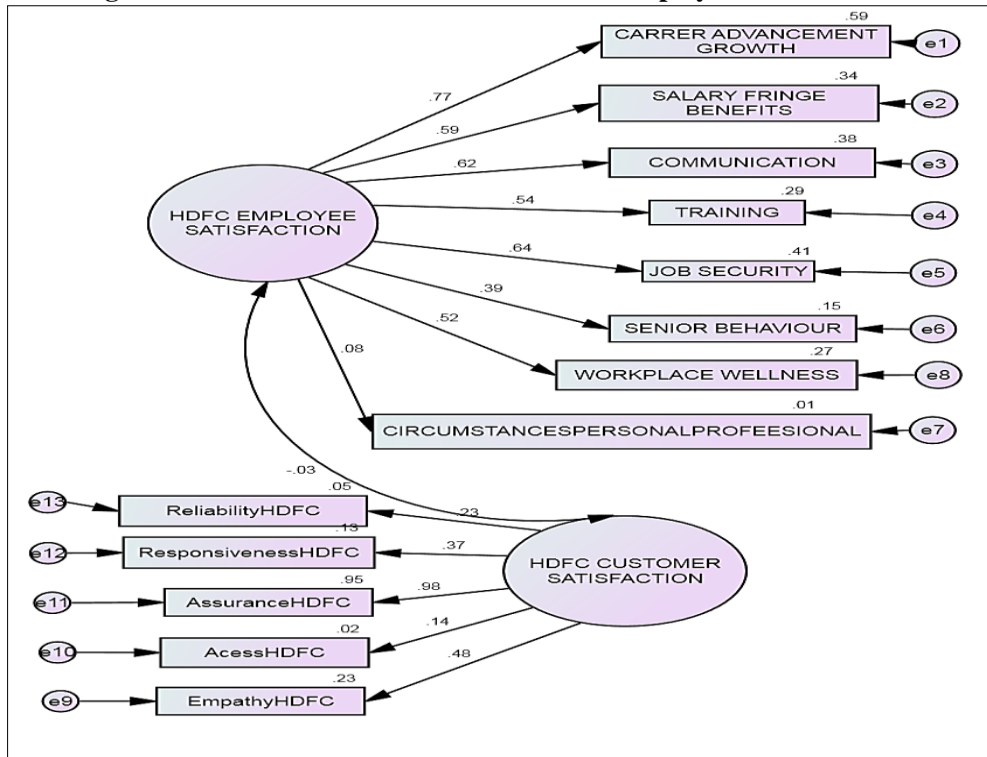
Table 1: Baseline Comparisons SBI Employee and Customer.

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.719	.612	.884	.825	.873
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Table 2: Rmsea Sbi Employee and Customer

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.045	.027	.061	.673
Independence model	.107	.097	.119	.000

Figure 2: Standardized Estimates for HDFC Employees and Customer



Source Self Calculated

Table 3: Baseline Comparisons HDFC Employee and Customer

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.665	.524	.844	.750	.824
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Table 4:1 RMSEA HDFC Employee and Customer

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.048	.029	.066	.546
Independence model	.096	.085	.109	.000

FOREIGN DIRECT INVESTMENT (FDI) AND TELE-COMMUNICATION SECTOR IN INDIA

Mohd Azher Parvez* T. Satyanarayana Chary**

Foreign Direct investment (FDI) can work as a focal source for the capital formation of any country for its economic development in a significant manner. This can be expected to span over all the industries and sectors including Telecom, particularly in developing countries like India. Over the past decade the Telecom sector has experienced rapid growth owing to regulatory liberalization, however, the sector has been in turbulent phase started from 2014-15 year, marked by legality of Long-Term Evolution (LTE), roaming agreements, one Time Spectrum Cost, Reframing of allotted spectrum in the 2300+ MHz band, etc. The present paper discusses on the role of FDI in the development of telecom sector.

Key words: FDI, Economic Growth, Public and Private Sector, TRAI, FIPB.

Telecommunication is one of the fastest growing industries in India that has undergone an innovative phase over the past few years and stands as the second largest telecommunications market in the world after China. It is due to of liberalization policy telecom sector could attract more FDI flows in private sector participation increased in total telephone connections of the nation. This led the sector to competitive stimulus high telecom penetration and substantial reduction in tariffs. Though foreign telecom players have been present in India for almost more than a decade with tremendous growth, the sector is yet to witness the expected vibrancy and infusion of innovative technologies. FDI in the telecom sector was initially allowed at 74 per cent. It was subject to the condition that Companies bringing in FDI shall obtain necessary license from the Telecom Regulatory Authority of India (TRAI) for undertaking telecom activities. By recent decision government of India did hike FDI ceiling from 74 per cent to 100 per cent through the Foreign Investment Promotion Board (FIPB) and Government's consolidated FDI Policy.

The FDI flow into telecom sector was totally Rs 883287.89 million over the period of 2000 to 2015, including telecommunications, with Rs 307695.62 million, Radio paging Rs 272.98 million, Cellular Mobile, Rs 298921.4 million and other related services Rs 276397.89 million. Such FDI flows have moved from the countries, namely, Mauritius with Rs 558845.26 million that constitutes at 64.85 per cent, Singapore with Rs 185458.81 million, equals to 19.10 per cent, Russia with Rs 46011.93 million equals to 4.78 per cent, over the total.

I. Review of Literature

It is very clear that the importance on telecommunication sector is growing in India due to the development concept

in the light of liberalization, globalization and privatization that have brought the changes in the economic dimensions very significantly, so the FDI role getting higher in the sector day-by-day.

Hence, there are limited studies on telecommunication sector with regard to FDI in India. Some of the important studies are discussed in the following lines.

K. Yadav, T. Shashank and R. Divekar (2015), in his paper on rapid changes in technology in Indian telecom sector stated that there is a significant impact of technology on the operational aspect of telecom business with increased competition and emergence of rural market.

Preetha (2011), in her article on FDI in Telecom Sector presented an overview of FDI in Indian Telecom sector. The article examined the current status of FDI in the Indian telecommunication sector and the issues being faced by foreign companies. The paper concludes with a brief economic examination through relevant factors influencing the level of FDI.

D. Chennappa (2005), in his research discussed on FDI in Telecom sector in India. He opined that many countries allowed FDI based on the growth of tele-density and the per capita income that had gone up to considerable levels.

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Objectives

1. To study the trend of FDI inflows in India Telecommunication sector.
2. To study the growth of subscribers of Telecom, Internet and Broadcasting & Cable services in general and subscribers of Major Telecom Companies in particular.
3. To study the impact of FDI inflows on subscribers of Telecommunication sector.

II. Research Design and Methods

Hypotheses

- Ho1: There is no significant difference between the trend of FDI inflows in India and Telecommunication sector.
- Ho2: There is no significant difference in the growth of subscribers among telecom, internet and broadcasting & cable services.
- Ho3: There is no significant difference among the growth of subscribers of Major Telecom companies.
- Ho4: There is no significant impact of growth of FDI Inflows on the growth of subscribers of Telecommunication sector.

Data and Methodology

The present paper is an analytical and conclusive research through secondary sources of data to ascertain the objectives and examine the hypotheses. To analyse trend and growth of subscribers of telecommunications sector under FDI, data was taken for 10 years period, which spans over 2006-2015. Besides, growth rates, percentages, Co-efficient of Correlation (C.C), t-test and Kendall Trend Analysis were employed.

III. Analysis, Discussion and Findings

FDI and Indian Telecommunication sector

It can be realised from table I that percentage of FDI inflows in Telecommunication sector over the total FDI. For the period of 10 years, i.e., 2005-06 to 2014-15, the FDI inflows were not constant, but, fluctuated in most of the years, particularly in the year 2005-06 the flow was very less at Rs 90154.44 Ten millions. Similarly, in the year 2005-06 it was Rs 2751.45 Ten millions in the telecommunication sector. In percentage the FDI flows in the sector in 2005-06 year was 3.05. Hence, FDI registered the highest flows of Rs 248754.05 Ten millions, in the year 2011-12 in the country, whereas, the Telecommunication sector registered the highest inflow of FDI in the year 2014-15 by Rs 17371.82 Ten millions, which is equal to 9.45 per cent over the total. In a time, span of 10 years, an average FDI flow in India was found at Rs 177087.3 Ten millions, whereas, with the

Telecommunication sector it was found at Rs 7752.20 Ten millions, which is equal to 4.33 per cent over total flows of FDI. Hence, the inflows of FDI are very minimal in the Telecommunication sector as part of FDI flows in India. Correlation of Coefficient (C.C) between FDI inflows into India and Telecommunication sector is traced at 0.3840 (See table I for details).

Subscribers of Telecommunication Sector

Table II is an attempt to study the growth of subscribers of Telecommunication sector, through the data ranged from 2005-06 to 2014-15 pertaining to Telecom (Wireless), Internet and Broadcasting & Cable services. The growth of subscribers was not constant as there was a fluctuation in most of the years, particularly in 2005-06 the subscribers was very less in number, i.e. 163.09 millions. Then it moved from 249.88 million to 351.62 million, 488.60 million, 687.54 millions, 921.32 millions, 1032.68 millions, 986.51 millions, 1258.11 million and 1313.81 million of subscribers through the years 2006-07 to 2014-15. By segment wise analysis individual subscribers in Telecom (Wireless) and Internet were found in the year 2005-06, by 90.14 million and 6.94 million respectively. Similarly, in the year 2005-06 it was 66.01 million in Broadcasting & Cable services. Telecom (Wireless), Internet registered a highest number of subscribers, i. e 944.01 millions, 259.79 million in the year 2014-15, whereas the subscriber of Broadcasting and Cable services were 110.01 million during the same year. By the time span of 10 years, an average subscriber in Telecom (Wireless), Internet, Broadcasting & Cable services were 593.95 millions, 62.51 millions, 88.86 million respectively, whereas, the total Telecommunication sector subscribers were found at 745.32 millions (See table II for details).

Telecom (Wireless) Subscribers of Companies

Table III is an attempt to study the growth of subscribers of Major Telecom companies, through the data ranged from 2005-06 to 2014-15, pertaining to Bharat Sanchar Nigam Limited (BSNL), Mahanagar Telephone Nigam Ltd. Delhi (MTNL), Airtel Bharti (AB), Vodafone, Reliance Communications (RC), Idea, Tata docomo (TD), Aircel, Uni-tech (UT) and Others. The growth was a fluctuating one in most of the years, particularly in 2005-06 the company wise Telecom subscribers were less in numbers 17.65 millions in BSNL, 2.05 millions in MTNL, 19.58 millions in AB, 7.37 millions in Idea, 15.36 millions in Vodafone, 17.31 millions in RC, 4.85 millions in TD and 2009-10 year 4.26 millions in UT. BSNL registered the highest subscribers of 101.12 millions in 2012-13, MTNL, RC, UT register 5.83 millions, 153.05 millions, 42.43 millions in 2011-12, respectively and AB,

Idea, Vodafone, Aircel was 211.25 millions, 174.52 millions, 140.72 millions, 76.71 millions in 2014-15 year and TD registered with 89.50 millions in the year 2010-11. Over a span of 10 years, an average subscriber in BSNL, MTNL, AB, Vodafone, RC, Idea, TD, Aircel, UT and Others found at 69.56 millions, 4.39 millions, 128.86 millions, 103.41 millions, 89.90 millions, 75.82 millions, 51.30 millions, 39.84 millions, 29.40 million and 12.47 million, respectively, whereas, the total Telecom (Wireless) subscribers were found at 593.948 million over the study period (See table III for details).

Population and Subscribers of Telecommunication Sector in Rural and Urban Areas

Table IV is an attempt to study the growth of population and subscribers of Telecommunication sector through the data ranged from 2005-06 to 2014-15 pertaining to Rural, Urban areas and Public, Private sectors of Telecommunications. The growth of population was not constant, but fluctuated in most of the years; particularly in 2005-06 the population was least by 1117.73 million. Similarly, in the year 2005-06 it was 163.09 million subscribers in telecommunication sector and segment wise analysis of individual subscribers in Rural, Urban in the year 2006-07 and 2005-06 were very less by 36.14 million and 122.92 million.

Hence, population and subscribers of telecommunication sector registered the highest figure, 1254.02 million, in the year 20014-15 in the country, whereas, in the same year, the subscribers of telecommunication sector registered the highest of 1313.81 million inclusive of subscribers of Rural area, 398.73 millions and Urban area of 915.08 millions. Similarly, the growth of subscribers in the Public and Private Service was fluctuating in most of the years; particularly in 2005-06 they registered 42.99 per cent and 57.01 per cent growth respectively. Then it moved from 34.68 per cent, to 36.47 per cent, 20.84 per cent, 17.28 per cent, 14.89 per cent, 13.69 per cent, 14.49 per cent, 12.87 per cent and 10.85 per cent in the year 2006-07 to 2014-15 in public sector, whereas, in private sector 65.32 per cent, 73.13 per cent, 79.16 per cent, 82.72 per cent, 85.11 per cent, 86.31 per cent, 85.51 per cent, 87.13 per cent, and 89.15 per cent in same years. In a time span of 10 years, an average population in India was found at 1189.46 million, whereas, the total subscribers of Telecommunication sector were found at 745.32 million. Similarly, Rural and Urban registered the average numbers of subscribers of 215.6 millions, 529.62 millions respectively (See table IV for details).

IV. Conclusion

FDI is the main source for capital formation in India. Since the entry of FDI government of India has brought about its penetration into almost all sectors including telecommunication sector. The study by analysis found that in the trend of FDI flows in India and Telecommunication sector is significant different because the total flow into telecommunication sector was just 4.3 per cent over the total FDI flows in India over the 10 years period of time that spans over 10 year. Not only that growth in subscribers among Telecom, Internet and Broadcasting & Cable services is also differing a lot as proved by Kendall Trend Analysis caused by the change in requirement of people. Even in the case of growth in subscriber in numbers among major telecom is also highly volatility and insistence give to intimacy commutation. Hence, the impact of growth in FDI on the growth of subscriber of in number in Telecommunication sector is in significant. It does mean to say that FDI is playing a submissive role in telecommunication sector as it is working as only a focal source of capital and not able to create any difference. It is also caused by less utilization of FDI give cost of FDI.

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Table I: FDI Flows in India and Total Inflow of FDI in Telecommunication Sector.

Year	Total FDI in India (Rs. in Ten millions)	Total Inflow of FDI in Telecommunication Sector		% of FDI inflows in Telecommunication sector over total FDI
		Rs. in Ten millions	Growth rate in %	
2005-06	90154.44	2751.45		3.05
2006-07	94065.95 (104.34)	2149.58 (78.12)	-21.87	2.28
2007-08	151462.58 (168.00)	5099.56 (185.34)	85.34	3.37
2008-09	202502.66 (224.62)	11684.81 (424.68)	324.68	5.77
2009-10	172570.14 (191.42)	12269.66 (445.93)	345.93	7.11
2010-11	162665.79 (180.43)	7542.04 (274.11)	174.11	4.64
2011-12	248754.05 (275.92)	9011.53 (327.52)	227.52	3.62
2012-13	218381.22 (242.23)	1654.30 (60.12)	-39.87	0.76
2013-14	246447.58 (273.36)	7987.28 (290.29)	190.29	3.24
2014-15	183869.03 (203.95)	17371.82 (631.37)	531.37	9.45
Avg.	177087.3	7752.20		4.33

Co-efficient of Correlation (C.C) between growth of FDI inflows into India and growth of FDI in telecommunication sector is 0.3840

Source: RBI and DoT 2005 to 2015 Annual Reports.

Table II: Subscribers Growth in Telecom, Internet and Broadcasting & Cable services (in Millions).

Year	Telecom (Wireless)			Internet			Broadcasting & Cable services (DTH and Cable TV)	Total of Telecommunication sector
	GSM	CDMA	Total	Narrow-band	Broad-band	Total		
2005-06	69.19	20.95	90.14	5.59	1.35	6.94	66.01	163.09
2006-07	120.47	44.64	165.11 (183.17)	6.93	2.34	9.27 (133.57)	75.50 (114.38)	249.88 (153.22)
2007-08	192.70	68.37	261.07 (289.63)	6.68	3.87	10.55 (152.02)	80.00 (121.19)	351.62 (215.60)
2008-09	297.26	94.50	391.76 (434.61)	6.62	6.22	12.84 (185.01)	84.00 (127.25)	488.60 (299.59)
2009-10	478.68	105.64	584.32 (648.23)	6.45	8.77	15.22 (219.31)	88.00 (133.31)	687.54 (421.57)
2010-11	698.37	113.22	811.59 (900.36)	5.84	11.89	17.73 (255.47)	92.00 (139.37)	921.32 (564.91)
2011-12	814.06	105.11	919.17 (1091.71)	5.70	13.81	19.51 (281.12)	94.00 (142.40)	1032.68 (633.21)
2012-13	794.03	73.77	867.80 (962.72)	6.56	15.05	21.61 (311.38)	97.10 (147.10)	986.51 (604.81)
2013-14	847.41	57.10	904.51 (1003.45)	190.72	60.87	251.59 (3625.2)	102.01 (154.54)	1258.11 (771.42)
2014-15	901.26	42.75	944.01 (1047.27)	198.03	61.76	259.79 (3743.4)	110.01 (166.66)	1313.81 (805.57)
Avg.	521.34	726.05	5939.48	43.91	18.59	62.51	88.86	745.32
Mean Rank Kendall Trend Analysis	3.00			1.20			1.80	

Source: TRAI and DoT 2005 to 2015 Annual Reports.

Test of Hypothesis I,

Ho1: There is no significant difference between the trend of FDI inflows in India and Telecommunication sector.

Result & Decision

Test Applied	Sig. level	D. f	Calculated value	Critical value	Decision
t	5%	9	3.672	1.833	Rejected

The calculated value of 't' between FDI inflows into India and Telecommunication sector is 3.672 against the critical value 1.833.

So the hypothesis is rejected and it means that there is a significant difference in the trend of FDI inflows in India and telecommunication sector.

Table III: Growth in Subscribers of Major Telecom (Wireless) Companies (in Millions).

Year	BSNL	MTNL	AB	Vodafone	RC	Idea	TD	Aircel	UT	Others
2005-06	17.65	2.05	19.58	15.36	17.31	7.37	4.85	2.61	-	3.36
2006-07	30.99	2.94	37.14	26.44	28.01	14.01	16.02	5.51	-	4.05
2007-08	40.79	3.53	61.98	44.13	45.79	24.00	24.33	10.61	-	5.91
2008-09	52.15	4.48	93.92	68.77	72.67	38.89	35.12	18.48	-	7.28
2009-10	69.45	5.09	127.62	100.86	102.42	63.82	65.94	36.86	4.26	7.99
2010-11	91.83	5.47	162.20	134.57	135.72	89.50	89.14	54.84	22.79	19.49
2011-12	98.51	5.83	181.28	150.47	153.05	122.72	81.65	62.57	42.43	19.66
2012-13	101.21	5.00	188.20	152.35	122.97	121.61	66.42	60.07	31.68	18.30
2013-14	94.65	3.37	205.39	166.56	110.87	135.61	63.00	70.15	35.61	19.30
2014-15	99.41	5.14	211.25	174.62	110.17	140.72	66.58	76.71	39.61	19.40
Avg.	69.56	4.39	128.86	103.41	89.90	75.82	51.30	39.84	29.40	12.47
Mean Rank Kendall Trend Analysis	6.33	1.17	10.00	8.50	8.17	6.83	4.83	4.33	2.67	2.17

Source: TRAI and DoT 2005 to 2015 Annual Reports.

Table IV: Population and Subscribers of Telecommunication sector.

Year	Population of Country (million)	Total Subscriber of Telecommunication sector		Subscribers of Telecommunication sector			
		(million)	Growth rate (%)	Rural (million)	Urban (million)	Public	Private
2005-06	1117.73	163.09		40.17	122.92	42.99	57.01
2006-07	1134.02 (101.46)	249.88 (153.22)	53.21	36.14 (89.97)	213.74 (173.88)	34.68 (80.67)	65.32 (114.58)
2007-08	1150.20 (102.9)	351.62 (215.60)	115.60	62.28 (155.04)	289.34 (235.39)	36.47 (84.83)	73.13 (128.27)
2008-09	1166.23 (104.34)	488.60 (299.59)	199.59	111.63 (277.89)	376.97 (306.68)	20.84 (48.48)	79.16 (138.85)
2009-10	1186.00 (106.11)	687.54 (421.57)	321.57	190.88 (475.18)	496.66 (404.05)	17.28 (40.19)	82.72 (145.1)
2010-11	1210.57 (108.31)	921.32 (564.91)	464.91	273.54 (680.95)	647.78 (526.99)	14.89 (34.64)	85.11 (149.29)
2011-12	1213.37 (108.56)	1032.68 (633.2)	533.20	323.27 (804.75)	709.41 (577.13)	13.69 (31.84)	86.31 (151.39)
2012-13	1223.58 (109.47)	986.51 (604.89)	504.88	342.50 (852.63)	644.01 (523.93)	14.49 (33.71)	85.51 (150.0)
2013-14	1238.89 (110.84)	1258.11 (771.42)	671.42	377.78 (940.45)	880.33 (716.18)	12.87 (29.94)	87.13 (152.83)
2014-15	1254.02 (112.19)	1313.81 (805.57)	705.57	398.73 (992.61)	915.08 (744.45)	10.85 (25.24)	89.15 (156.38)
Avg.	1189.46	745.32		215.69	529.62	21.90	79.10

Source: Ministry of Statistics and Programme Implementation (MOSPI), TRAI and DoT

Test of Hypothesis II,

Ho2: There is no significant difference in the growth of subscribers among Telecom, Internet and Broadcasting & Cable services.

Result and Decision

Test Applied	N	Kendall's W	D. f	Asymp. Sig	Chi-Square		Decision
					Calculated value	Critical value	
Kendall Trend Analysis	10	.84	2	.000	16.80	5.991	Rejected

The calculated value of 'Chi-Square' is 16.80 against the critical value 5.991. So the hypothesis is rejected that there is a significant difference in the growth of subscribers among Telecom, Internet and Broadcasting & Cable services.

Test of Hypothesis III,

Ho3: There is no significant difference among the growth of subscribers of Major Telecom companies.

Result and Decision

Test Applied	N	Kendall's W	D. f	Asymp. Sig	Chi-Square		Decision
					Calculated value	Critical value	
Kendall Trend Analysis	6	.95	9	.000	51.42	16.919	Rejected

The calculated value of 'Chi-Square' is 51.42 against the critical value 16.919. So the hypothesis is rejected that there is a significant difference among the growth of subscribers of Major Telecom companies.

Test of Hypothesis IV,

Ho4: There is no significant impact of growth of FDI Inflows on the growth of subscribers of Telecommunication sector.

Result & Decision

Test Applied	Sig. level	D. f	Calculated value	Critical value	Decision
t	5%	9	0.09563	1.833	Accepted

The calculated value of 't' between growth of FDI inflows in Telecommunication sector and the growth of subscribers of Telecommunication sectors is 0.09563 against the critical value 1.833. So the hypothesis is accepted that there is no significant impact of growth of FDI Inflows on the growth of subscribers of Telecommunication sector.

AT YOUR HOUSE- CASE STUDY OF A STUDENT ENTREPRENEUR

Shabana A. Memon*

India being on the verge of becoming the super power of the world in terms of growth, development and talent has a lot to prove to the world to attain that status. The way to achieve that status is promotion of "Entrepreneurship". There is seeming consensus on the importance of entrepreneurship in ameliorating some socio economic problems especially poverty, unemployment and all sorts of social vices in the society. More and more business students view the possibility of starting and operating their own business as a viable alternative to being employed by an established company. In the quest to enhance students' learning and cope with the 'knowledge' economy challenges, higher education institutions are embedding entrepreneurship education programs in their curricula. Linking entrepreneurship to education would mean re-orienting present education to a specific result oriented objective wherein the students will be linked to various functions and responsibilities expected to be carried out by an entrepreneur, whether technical or managerial. The case mentioned below is of a student entrepreneur from Bharati Vidyapeeth Deemed University, Institute of Management, Kolhapur, (BVDUIMK) Maharashtra. The case highlights the journey and characteristics of the student entrepreneur and the barriers faced while charting his path. The study aims to inspire other students to take up entrepreneurship. It will also prove to the nation that supporting students' entrepreneurship will help in turning the raw energy and talent of students into some great startups

Keywords: Entrepreneurship, Student entrepreneurs, Hands-on experience.

Entrepreneurship has been hailed as the new engine of economic growth in both developed and developing countries. It is paradigmatically referred to as the process of innovatively exploring and exploiting opportunities in the midst of risks and uncertainty by synthesizing resources to create novel outputs often within the context of new organizational formation (Casson, 2003; Shane, 2003). Exalted as the driving force of innovation, entrepreneurship offers the benefits of increased economic efficiencies, bringing Innovation to the market, job creation and sustained employment.

Many studies have revealed that entrepreneurial intention could be influenced from two sources, internal and external. Internal factors include a strong motivation and personal characteristics of students while external factors cover the external environment that may support or hinder entrepreneurial intention. In order to accelerate the formulation of new enterprises, imaginative programs and policies backed up by sound institutional support are called for to identify, motivate and strengthen the new breed of entrepreneurs.

Entrepreneurship Education.

Entrepreneurship education can be defined as the purposeful intervention by an educator in the life of the learner to impart entrepreneurial qualities and skills to enable the learner to survive in the world of business. Alberti, Sciascia and Poli (2004) define entrepreneurship

education as the structured formal conveyance of entrepreneurial competencies, which in turn refers to the concepts, skills and mental awareness used by individuals during the process of starting and developing their growth oriented ventures. Entrepreneurship education aims to promote creativity, innovation and self-employment.

It is therefore agreed that existing activities and programmes qualify as education for entrepreneurship if they include at least two of the following elements:

- a) Developing those personal attributes and generally applicable (horizontal) skills that form the basis of an entrepreneurial mindset and behavior.
- b) Raising students' awareness of self-employment and entrepreneurship as possible career options.
- c) Work on practical enterprise projects and activities, for instance students running mini companies.
- d) Providing specific business skills and knowledge of how to start and successfully run a company.

Entrepreneurial programmes and modules offer students the tools to think creatively, to be an effective problem solver, to analyze a business idea objectively and to communicate, network, lead and evaluate any given

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project. Students feel more confident about setting up their own businesses if they can test their ideas in an educational, supportive environment. However, the benefits of entrepreneurship education are not limited to boosting start-ups, innovative ventures and new jobs. Entrepreneurship is a competence for everyone, helping young people to be more creative and self-confident in whatever they undertake.

I. Review of Literature

- Caird (1988) concludes that entrepreneurial attitudes tend to rely on the need for autonomy, internal locus of control, creativity, risk taking and self-believe.
- Charney & Libeca (2000) says the contribution of entrepreneurship education to societies is perceived as grand. Research shows that entrepreneurship graduates are more productive and thus their business startups have greater sales than those established by non-entrepreneurship graduates. Moreover, entrepreneurship graduates differ from those non-entrepreneurship graduates in terms of innovation and knowhow and consequently present more opportunities with advancing technologies.
- Crant (1996) highlighted that gender; educational level and parents who own businesses contribute towards influencing entrepreneurial attitudes.
- Gorman, Hanlon & King (1997) confirm “that entrepreneurial attributes can be positively influenced by educational programs and that many entrepreneurship programs and courses are able to build awareness of entrepreneurship as a career option and to encourage favorable attitudes toward entrepreneurship”.
- kathy Cheng (2011) in the article ‘Universities: An Entrepreneur’s Ecosystem’ explains how the university setting in and of itself serves as a natural ecosystem for entrepreneurship. Universities provide significant amounts of intellectual capital that spans the various disciplines required for businesses to succeed. If university ecosystems are strengthened, it might serve as a grassroots approach to stimulating national entrepreneurship.
- Liyan Z (2010) ‘Entrepreneurship Education within India’s Higher Education System’ If the university students with high entrepreneurial potentials get proper training, they will have the best prospects for becoming “real” entrepreneurs. Entrepreneurship is a matter that involves everyone, the government, society and the educational institutions. Higher education system should therefore, satisfy the need for entrepreneurship by: selecting + motivating + training + supporting.

- According to Mazzarol, Doss & Thein (1999) Entrepreneurial character and nature owned by some individuals together with demographic factors have also been proven to have close relationships towards the attitude to become an entrepreneur by establishing new businesses.
- According to Toledano & Urbano, (2008) entrepreneurship education could promote entrepreneurial attitudes and mindsets through focusing on informal institutions such as role models.
- In “Green Paper on Entrepreneurship in Europe” (2003) European Commission defines entrepreneurship as “the mindset and process to create and develop economic activity by blending risk-taking, creativity and innovation with sound management, within a new or an existing organization”.
- Economic Times, November 28, 2013. The article ‘Entrepreneurship Emerges as A Preferred Career Option Among Indian Students’ by Sounak Mitra highlights the study, conducted by International School of Entrepreneurship Education and Development (ISEED), which reveals that students aspiring to become entrepreneurs are more from tier III cities than tier II, tier I and metros.
- World Economic Forum, Switzerland (2009) Report of The Global Education Initiative. Under the title ‘Educating the next wave of entrepreneurs-unlocking entrepreneurial capabilities to meet the global challenges of 21st century’ says that Entrepreneurship and Education are two extraordinary opportunities that need to be leveraged and are interconnected. Academic institutions are central in shaping young people’s attitude, skill and behavior. Entrepreneurship education require close co-operation between academia and business. Barriers to academia collaboration with business need to be broken down.

II. Research Design & Methods

In entrepreneurial learning, traditional teaching methods such as lectures and examinations need to be complemented by activities such as learning by doing that is engaging students in experiential learning. The researcher identified the student entrepreneur during her teaching class, when the students were asked to come up with the business idea and present a business plan. Accordingly, an interview was conducted and an observation method was also adopted for the case writing, wherein mentoring and personal visits to the student Entrepreneur’s work place were done. Similarly, desk research has also been adopted to compile and review the

literature of the past studies by visiting library of Bharati Vidyapeeth, Institute of Management, Kolhapur. The relevant literature published and accessed online through websites was also considered

Introduction to the case

Ashish Nagdev age 17, studying in BBA I in Bharati Vidyapeeth's Institute of Management Kolhapur, had a family business of sarees- retail. He was completely involved in the business and thus irregular to college in whole of the first year. In the second year of BBA, he became sincere and started attending college regularly; but still aim was, just to get a degree certificate. He made friends and being very active, he gets well with his classmates, participated in various curricular as well as co- curricular activities, gaining lots of exposure and learning. He became an active member of the Entrepreneurship Development Cell of the college-BIMEC-K (Bharati Vidyapeeth's Institute of Management Entrepreneurship Cell-Kolhapur) where students were active on creation of innovative business ideas, social entrepreneurship, business plan competitions and likes.

He won around 20 certificates out of which 15 were as winners and 5 as participant. His life's direction changed and now winning was the only agenda. Ashish had joined Taekwondo in his first year of BBA (year 2013-14) and now by the third year BBA (year 2015-16) he was prepared to face international championship at South Korea. He participated and came out as winner; he bagged Silver for India in both fight and pomsae, making the country, college and of courses the parents, teachers and friends proud.

Beginning of the journey

Ashish's whole family was actively involved in the saree business, his mother too was very active and helped his father, she was at the shop as a whole timer. Being a full time business woman, they had to keep a maid to do all the household chores including the cooking. The maid use to leave by 6 pm in the evening and therefore every day they had to call dinner from outside, this was a very big concern, send someone to bring the food, send at the right time as due to rush and busy schedule at the shop, it use to be forgotten. This was a daily problem but things were somehow going on. It was the month of February, Entrepreneurship-Week-2015 was being celebrated at college, wherein the whole week is packed with entrepreneurial activities, students come up with business plans, sell their products at a bazaar held in the college and likes, and it is fun with learning. An idea suddenly clicked Ashish, he thought that so many people must be facing similar concern of food (like the one faced by their

family) due to various reasons, what can be done to ease this pain, YES there was a pain point which he had identified, an idea which could be materialized, but how to get it running on the ground was the question.

The Initial Leap

Ashish had a friend, Shreyas Bali who was a technical guy, he was working in Bangalore. Ashish shared his idea with him to get some technical help in making this idea run in the market. Shreyas liked the idea and found lots of scope and potential in it. They started making a blue print of this business idea, considering various aspects and issues. They planned to go for an online ordering of food, wherein all local restaurants, fast food corners and famous mithaiwalas needed to be roped in. An attractive, informative and user friendly website needed to be made and hosted. All legal and operational details were to be worked out and above all aggressive marketing and advertising needed to be done to educate the people on this concept. Kolhapur being a tier II city, such practice of calling food from restaurant is not popular. The duo decided to form a partnership and take this idea forward; Shreyas was to look after all technical part and Ashish to take care of all administration and managerial aspects including collecting orders, deliveries and supply chain. The blue print was sketched, finance worked out, but it did not match with the actual amount expended, it was decided that initial investment would be around Rs 90,000/-, but it actually went up to Rs 2.5 lacs. The two decided to change the form of the business organization into a private limited company (with a thought that, if they happen to sell their venture in future, a private company can get more value than a partnership firm) wherein their profit-loss sharing ratio would be 52:48. Shreyas will invest 1, 25,000/- and Ashish will contribute 1, 00,000/-. Ashish went forward with the idea as he had a support of his personal savings of Rs 2, 00,000/-. There was no support to Ashish by his family members.

III. Analysis, Discussion & Findings

The Journey Began

Shreyas promised to make the website for the business on his own at free of cost and Ashish was given the responsibility to campaign the new concept of ordering the food online, in Kolhapur. Days passed by, Shreyas kept on delaying the website preparation and after lots of follow-ups it was realized that he will not be able to do it, Shreyas had not kept his words. It was then decided to give this work to a professional company, in Bangalore, as Shreyas was settled there and would take follow-ups, The Company was to charge Rs one lakhs, ashish convinced them to accept the money in installments spread over a period of 2 years. The company accepted

the proposal and an initial payment of Rs 10,000/- was paid.

Bali worked out the days required by the website company, and it was decided that the website would be live by 8th of April 2015. Accordingly, ashish who was in charge of the marketing got to his heels and started advertising in local dailies, local television channels and also put hoardings saying "SOON COMING ON 8TH APRIL!!!! A NEW CONCEPT IN KOLHAPUR" All the printing and advertisement had cost Ashish a big amount of around Rs 30,000/- A surprise was waiting in store for ashish when Bali said that the website may take some more time and promised 27th April for sure. Ashish had a tough time answering about the delay to people and his family members, who was not very cooperative and happy with Ashish's business idea.

Teething problems

The change in dates cost ashish big as the five big hoarding boards and the eight standees all need to be changed with the new dates now. Ashish planned for a grand opening on 27th April, at a recently started five-star hotel in Kolhapur 'SAYAJI'. This was to cost another 15000/- Ashish was determined to go ahead, these hurdles on the way could not demotivate him, but God was testing his patients and till the date of inauguration the website was not ready, they had to go ahead with the inauguration as planned without the website live. (orders taken only on phone) Bali could not be trusted. Each incidence was teaching ashish a lesson to be always remembered.

Ashish had also arranged for a press conference for the promotion of this new venture on 1st May 2015, there too he had a tough time convincing the press people as to the delay. Finally, Bali handed over the website on 6th May for uploading of the content, while uploading it was realized that each item to upload takes 7 to 8 minutes. A question worried Ashish, how much time will be required for uploading the 15000 items? Ashish did not give up, he arranged around 15 staff, some friends and others paid on per day basis and HUSH! he finally got uploaded 2500 items in one day. Bali his partner cum friend was also trying to simplify the upload process that night and to a big indigestible surprise for Ashish, all the items uploaded got deleted and they were back to square one.

After all the shouting and hair pulling, Ashish and his team in Kolhapur decided to somehow make the venture working as already huge losses were suffered due to the delay in starting, loss of hoardings which need to be changed due to delay in dates, again salary to his staff and likes. Finally, on 15th May all the items were uploaded.

One more blow awaited Ashish as Bali rang up saying the website developer needs to be paid Rs 50,000/- on urgent basis, Ashish was wild, the website had bugs in it, there were login problems, customer required 20 min to place an order and with so many such flaws; Ashish was not ready to pay the amount. The amount was supposed to be shared between Bali and Ashish as 3:2 wherein ashish had to contribute Rs 20,000/- only, but still ashish was reluctant to do so. Initially Bali had quoted the cost of website as Rs 20,000/- which went on increasing and reached around one lakh, that too without the mobile app. Bali said that for mobile app Rs 2, 00,000/- needs to be paid in addition. Ashish lost his patience and decided to break the partnership and carry it alone further. (Nothing was in written or registered, everything was just oral) After all the calculations till date, Ashish had on his debit an amount of Rs 20,000/-.

Standing Strong in All Odds

Ashish had a liability of Rs 20,000/- on his head, with no where to look, he approached his father for help; his father was from the very beginning, not interested in this venture. When ashish had started, he had with him Rs 2,00,000/- as his savings, he went further with his idea alone and today he stood with a debt of Rs 20,000/-. Ashish's father was not happy with all this mess. Ashish approached his elder cousin, who convinced his father and after lots of arguments and discussions, Ashish's father finally got convinced and accepted to help ashish by giving him a loan of Rs 50,000/- which Ashish was supposed to returned in one month's time. Finally, after paying the debt of Rs 20,000/- Ashish was left with Rs 30,000/- he was confused as to what should be done now? How this incomplete website would be updated? Ashish was lost in lots of questions and faint hopes. One more blow was in store for him (before the actual opening of his new venture).

One Mr Jeevan Ghatage, a website developer, a professional hacker saw Ashish's advertisement of atyourhouse.in. This smart guy went back to godaddy website where domains are bought and sold, he found that domain of this name was not sold yet, with culprit intentions he bought it and started blackmailing ashish saying that this was his domain and how could ashish put his hoarding on the domain which was purchased by him 3 years back (Jeevan was speaking lies) Ashish's challenges knew no boundaries, still he kept his calm and went forward boldly with a never die approach.

Ashish started with enquiring about who this man named Jeevan was, what was his past and present, he came out with the following information- Jeevan was from Pune, studying in Kolhapur and training with a web site

company. Now Jeevan started blackmailing openly to ashish demanding that either Ashish change the name of his venture or pay him Rs 1.5 lakhs for the domain (which actually just cost Rs 99/-).

Ashish's Smart Way out

Ashish was very determined not to back out, he consulted his Chartered Accountant friend and they decided to move smartly, they purchased all the domains starting with At your house such as atyourhouse.net, atyourhouse.in, atyourhouse.org, atyourhouse.farm, atyourhouse.ind, atyourhouse.co and likes. They did not go for the .com one as it was very costly. All this cost ashish Rs 1500/-. Now next thing in the agenda was to tackle Jeevan.

Help of a Politician

A well Know politician of the city was approached. Ashish narrated the whole story to him. The politician promised to help him as he could see that Jeevan was at fault. The politician called Jeevan and gave strict warning, to mend his ways. Jeevan not being from the same city was initially scared, still he dares to call up Ashish for a final deal. He asked him for Rs 50,000/-. Ashish was reluctant, finally after a negotiation Jeevan got ready to accept Rs 8000/-. Parting with 8000/- also was very pinching to Ashish as, a domain of a meagre amount of Rs 99/- was to be paid Rs 8000/- plus additional tension and resources wasted for getting the matter closed.

Bali, the ex-partner of ashish had not bought the website and had lied to Ashish, and even ashish had not enquired regarding this; as Bali was looking after the whole website matter. This was a great learning for ashish.

Blessing in Disguise

The question remained lingering, where to make the website from? Ashish by that time had started taking orders on phone. Suddenly to Ashish's surprise Jeevan came as Jeevan- 'Life' and requested ashish to meet him, he came with his lap top and surprised ashish by showing him the new website (made for Ashish), which was, 10 times better than the old one, but not BUG FREE. Ashish struck a deal with Jeevan for Rs 1 lakh, but for a BUG FREE website. Initially Jeevan had demanded Rs 2 lakh, somehow after a negotiation ashish had finalized the deal at Rs 1 lakh, to be paid in installments spread over 36 months. Jeevan promised to give a bug free website and also look after its maintenance for a year free of cost. Now uploading of items was easy and finally the website was live by 20th July 2015.

At Your House goes Operational

In the very first month, the commission turnover of at your house was around Rs 30,000/-. This was a new concept for people of Kolhapur, just give a call and order food from your favorite restaurant and within half an hour, the food is delivered at your house. Ashish had 130 such tie ups with various hotels, fast food centres and ice-cream parlors. There was no delivery charge for orders above Rs 400/-

The whole modus operandi were as follows

- A customer places an order on phone or online to 'at your house'
- A call goes to the hotel/ fast food centre/ ice-cream parlor for confirmation of the availability of the order.
- The customer is called back with confirmation of the order placed and that no cancellation of order will be accepted, if the order placed is not available, other similar options are offered to the customer.
- The hotel is called back again for final placing of the order.
- Hotel asks for 10 min for delivery, at your house adds 20 more minutes for final delivery in half an hour.
- Once the parcel is collected by the delivery boy from the hotel, he gives a call to the customer, saying that food is collected and on the way.
- He hands the parcel at a central place to the delivery person in charge of that area for final home delivery.
- Cash is collected on delivery of food item.

Reviewing the Business Venture

It was realized that the customers tried this way of ordering food only once, and there were no repeated orders further, so Ashish and team took up the things aggressively, to revive the old and create new customers. Ashish also realized that the pay he was giving to his team members was very less, and it needed to be revised.

The following actions were undertaken in this regard.

- Increase the pay of the employee from Rs 4500/ to Rs 7000/, this would ensure their motivation and dedication.
- Calling up every potential customer personally, and advertising the new concept with a request to try once.
- Tying up with some events to get 'AT YOUR HOUSE' advertised and expose to public.
- Daily orders reviews of customers were done, review of feedbacks of customers were taken seriously.
- Visit 2 to 3 hotels every day to discuss how 'AT YOUR HOUSE' service can be made better and how new business can be gained. Ashish also suggested to

the hotels if they could come up with an economy range thali for bank employees and hospitals.

Introduction of an Economic Thali- 'POTOBA'

One of the hotel named 'RESTO' appreciated the idea of the economy thali. Ashish and RESTO came into an agreement that Resto would make the thali and Ashish would promote and market it, including the order taking and supply of it. Ashish was to get Rs 12/- per thali. The thali 'POTOBA' which was at a cost of Rs 90/-, was a great hit and in the very first month around 1684 thalis were ordered, the major customers were banks, hospitals, companies in the MIDC, who use to also place bulk orders on occasions like a get together or party. Ashish simultaneously also tied up with Panchavati Gaurav, which is a franchise-chain restaurant, this thali cost Rs 130/-. (here Ashish earned 12% as commission) In the very first month Ashish and team made a business of Rs 1,13,000/- from sale of Panchavati Gaurav thalis.

Present Situation

POTOBA and PANCHAVATI GAURAV are going parallel, daily orders are 85-90 thalis (plates) on an average, where each order bill goes to Rs 350/- to Rs 400/-, whereby daily net income is around Rs 2500/- But at this juncture too the venture is like working on BEP and past losses stand as they are -

Loss in partnership,

Website updating,

Advertisement and hoarding which went waste due to delay in launching the website.

Task

- Do a SWOT analysis of Ashish as a student-startup
- Do a SWOT analysis of 'At Your House' as a venture.
- Suggest Ashish with future business growth strategies.

Case Overview

There is seeming consensus on the importance of entrepreneurship in ameliorating some socio economic problems especially poverty, unemployment and all sorts of social vices in the society. More and more business students view the possibility of starting and operating their own business as a viable alternative to being employed by an established company. Studies have revealed that entrepreneurial intention could be influenced from two sources, internal and external. Internal factors include a strong motivation and personal characteristics of students while external factors cover the external environment that may support or hinder entrepreneurial intention. Students feel more confident about setting up their own businesses if they can test their

ideas in an educational, supportive environment. Linking entrepreneurship to education would mean re-orienting present education to a specific result oriented objective.

These aspiring entrepreneurs can be encouraged to set up enterprises so that, apart from being independent they can also employ people in their workforce. In the long run, these student entrepreneurs can be the backbone of the regional as well as national economy. The case showcases the characteristics of an entrepreneur, his ability; believe in himself, his persistent and patient which made him take the things in his stride. This is a source of motivation for other students to take up entrepreneurship.

Learning Objectives

To promote following important traits among the students and potential entrepreneurs:

- Being able to see possibilities where others do not.
- Vision and pioneering spirit.
- Confident about taking risks
- Proactive and focused on the future
- A good knowledge and skill base.
- To help understand the concept and process of entrepreneurship- its role and contribution in the development of an individual and nation.

Pedagogy

Audience of the case: Undergraduates and graduate students of Management and Engineering Faculty.

Prerequisites: An understanding of the concept of entrepreneur, Entrepreneurship. Need and importance of entrepreneurship for the economic development of the country. Exploitation of an idea, understanding the pain of the market and coming out with innovative solutions.

Teaching Plan

Start with what is a business Ideas? Sources of idea generations, examples of creative ideas, developing a new industry. Examples of entrepreneurs who started their entrepreneurial journey at a young age, entrepreneurs who trodded on the entrepreneurial path without getting a full fledge educational degrees e.g. (Steeve Jobs, Suhas Gopinath and likes) Let student identify pain areas, come up with creative solutions. Get in Ashish's shoes and answer the assignment questions given at the end of the case.

Student will come up with the qualities of an entrepreneur, as surfaced from the case. Discuss the role of educational institute and society to promote and nurture entrepreneurship.

IV. Conclusion

Endorsing academic entrepreneurship has become a major topic of public policy across the developed and developing countries. Interest in entrepreneurship is intense in many parts of the world. A proper support system, education and the development of managerial competencies may go a long way in making the entrepreneur aspirants successful. It is time to examine whether our entrepreneurs, the engine of economy formation are widely encouraged by national economic policies to stimulate economic growth and wealth creation.

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KNOWLEDGE MANAGEMENT PROCESS CAPABILITIES FOR COMPETITIVE ADVANTAGE: A COMPARISON OF IT MULTINATIONALS IN INDIA

Vaneet Kaur* Versha Mehta**

The present era of new economy has overturned the existing explanations for gaining an edge in industry and has ushered in novel means for attaining organizational advantage. At the time of the current revamp, organizational precedence lies not merely in the possession of superior knowledge but in harnessing it to build superior knowledge-based competencies. The present study empirically analyzes not only the relationship between Knowledge Capabilities and Competitive Advantage but also compares the level of deployment of such capabilities in Indian-origin MNCs vis-a-vis the Foreign-origin MNCs operating in India. The study also analyzes the effect of company's country of origin on its competitiveness as well as the strength of such capabilities. The results show that Knowledge Capabilities significantly impact competitiveness of a firm, with Combination Capability having the maximum impact, followed by Acquisition Capability and Protection Capability respectively. This relationship was found to be true irrespective of the country of origin of MNC. Also, comparison of companies highlighted that Indian MNCs do largely differ from their counterparts as far as the deployment of Knowledge Capabilities and competitiveness is concerned. Furthermore, individual capabilities of the organizations under study are analyzed and strategies to enhance the competitiveness of each organization are suggested.

Keywords: Knowledge, Management Process, Capabilities, Acquisition Capability.

The present era of new economy has overturned the existing explanations for gaining an edge in industry and has ushered in novel means for attaining organizational advantage. The pivotal role of concepts like economies of scale and economies of scope in organizational transcendence are now the things of the past. Similarly, the traditional factors of production namely land, labour and capital have lost their role as the prime ratiocinates for triumph in the latter-day business environment characterized by rapid market shifts, proliferation of technologies, cut-throat competition and obsolescence of products overnight. The ingredients for organizational success in such a dynamic milieu lie in advanced notion of economies of knowing which aggrandizes the importance of knowledge as the decisive business factor in the competitive battle among corporations. Besides, even this battle between industry players has ceased to remain categorical with the dawn of the new economy. The competitive landscape has undergone a transfiguration to become knowledge-based competition and at the time of the current revamp, organizational precedence lies not merely in the possession of superior knowledge but in harnessing it to build superior knowledge-based competencies, which in turn are the hallmark of the knowledge economy.

Against this backdrop, Knowledge-Based View emerged as a predominant paradigm to study firm competitiveness. The view propounds that differences in the performances of firms exist due to differences in the stock of

knowledge possessed by each firm as well as firm's individual capabilities in developing and utilising this stock of knowledge. The proponents of the view suggest that organizational capabilities and resources evolve through knowledge processes and this capability of organizations to learn faster than competitors is thought to be the only source of competitive advantage.

The reason for selecting Information Technology (IT) sector for the present study is that the cut-throat competition in such a high technology industry mandates the need for a novel paradigm to guide firms in gaining distinctive advantages. IT sector is the most knowledge-intensive sector and the companies which come under the purview of this sector hold an edge in developing such knowledge-based competencies in comparison to companies belonging to other sectors.

In addition, Multinational Corporations (MNCs) are more apt for studying such capabilities than firms with purely a domestic focus as the environment that such companies face is characterized by fierce global competition, uncertainty, complexity and rapid technological change

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(Teece, 2014). Moreover, the present literature on multinational firms does not explicitly address competitiveness related issues of such firms (Teece, 2014). Therefore, MNCs in IT sector form conceptually interesting and challenging units of analysis for the purpose of the present study.

Objectives

The main objectives of the study are as under:

- a) To study the role of Knowledge Management Process Capabilities in enhancing the Competitiveness of an organization.
- b) To study the effect of country-of-origin on the relationship between Knowledge Capabilities and Competitive Advantage.
- c) To study the level of deployment of Knowledge Capabilities in the organizations under study.
- d) To compare the strength of Knowledge Capabilities deployed by organizations under study in terms of their country-of-origin.
- e) To suggest strategies for enhancing Competitiveness of the organization.

I. Review of Literature

A Multinational Corporation (MNC) is an organization that designs strategy and runs operations in more than one country for generating income (Teece, 2014). Multinational companies which re-organize and refine their operations in accordance to changes in the global environment are more likely to achieve competitive advantage (Agbim & Idris, 2015).

Competitive advantage is the ability of a multinational company to surpass its global competitors in terms of superior products and services (Agbim & Idris, 2015). Competitiveness refers to the ability of a firm to enjoy higher market share, greater sales revenue and profit growth in comparison to competitors while offering superior products and services to customers (Kaur & Mehta, 2016a). It has been propounded that competitive advantage is achieved only by those organizations which successfully mobilize their strategic capabilities (Chahal & Bakshi, 2015).

Knowledge management and its related processes are considered as strategic capabilities which contributes to the reconfiguration of other organizational resources (Nguyen & Neck, 2008). Such Knowledge Capabilities are defined as the abilities of an organization to effectively acquire, convert, apply and protect knowledge (Gold, Malhotra & Segars, 2001). For the purpose of the present study Knowledge Management Process

Capabilities are classified into Knowledge Acquisition, Knowledge Combination and Knowledge Protection.

Knowledge Acquisition Capability involves gathering of knowledge from various sources and represents knowledge flows from outside of organizational boundaries into the internal stocks of a company (Gold et al., 2001; Nguyen & Neck, 2008; Nielsen, 2006). Such processes mainly deal with the accumulation of knowledge (Gold et al., 2001) and are characterized by generation of new knowledge about customers, suppliers, competitors as well as knowledge about new products, services and processes (Kaur & Mehta, 2016b; Nguyen & Neck, 2008).

Knowledge Combination Capability refers to the ability of the firm to convert and apply internal and external knowledge (Zheng, Zhang & Du, 2011). Such processes facilitate utility of company's existing stock of knowledge (Gold et al., 2001) and promote the search for new ways to exploit the integrated knowledge (Wang & Ahmed, 2004).

Knowledge Protection Capability refers to the ability of an organization to secure knowledge from inappropriate use and theft (Gold et al., 2001). Such processes are aimed towards maintaining the proprietary nature of a knowledge assets of an organization and include their legal protection through the means of trademarks, copyrights and patents (Kaur & Mehta, 2016a; Nguyen & Neck, 2008). Knowledge protection is epitomized in the actions taken by firms to restrict access to vital information and to increase imitation barriers by including characteristics like tacitness, complexity and specificity (Nguyen & Neck, 2008).

Hypotheses Development

Acquisition of knowledge provides a firm an insight of the competitors and thereby suggests ways to outperform them (Kimaiyo et al. 2015). In this way, Knowledge Acquisition can serve as a crucial competitive factor (Davari et al. 2015; Rahmani et al. 2013). On the other hand, organizations can discourage imitation by competitors through continuous combination and application of knowledge and these superior stocks and flows of knowledge are likely to result into sustained competitive advantage for an organization (Eisenhardt & Santos, 2002). Also, knowledge protection processes lead to rarity and inimitability of knowledge which in turn helps in generation and preservation of strategic advantage (Kimaiyo et al. 2015). Thus, knowledge processes are critical in enhancing organizational competitiveness (Kheng, 2008; Laframboise et al., 2009; Nguyen & Neck, 2008; Nieves & Haller, 2014; Paisittanand, Digman, & Lee, 2009; Wang & Ahmed,

2007; Zaied, Hussein & Hassan, 2012). Therefore, H1 has been postulated as: *H_{1a}: Knowledge Management Process Capabilities have a significant impact on firm's Competitive Advantage.*

In a broad sense literature has assumed that the impact of meta-level organizational capabilities like knowledge capabilities on competitive advantage is universally applicable (Schilke, 2014). Hence, the authors propose that the above relationship between such capabilities and competitiveness holds true irrespective of the country of origin of MNC. Thus it is proposed that: *H_{1b}: The country of origin of MNCs has no significant impact on the relationship between Knowledge Management Process Capabilities and Competitive Advantage.*

On the other hand, it has been stated that country of origin is one of the key factor that shapes experiences of a firm and consequently the capabilities it acquires (Madhok & Osegowitsch, 2000). The country of origin is also said to influence history, paths and positions of an organization which are the essence of capability building (Ambrosini & Bowman, 2009). It can be stated that the nature of Knowledge Capabilities is different in firms from emerging economies from that of firms belonging to developed countries (Ramachandran & Gunta, 2007). Thus, the following Hypothesis has been proposed: *H₂: There is a significant difference between Knowledge Management Process Capabilities of Indian and Foreign MNCs.*

Further, it is propounded that home country characteristics have an impact on firms as they essentially invest in resources which match the cultural demands of the local environment which thereby differentiates them from their foreign rivals (Madhok & Osegowitsch, 2000). It has been posited that country of origin has the potential for conferring a competitive advantage to the organization as it affects customers' perception and influences buying decisions in both domestic and foreign markets (Baker & Ballington, 2002). Moreover, a firm from a developing country faces "liability of origin" (Ramachandran & Gunta, 2007).

Given the scarcity of resources which firms from developing countries face, they are able to fulfil the condition of only possessing valuable resources at first and then these firms build on such resources to make them rare, inimitable and non-substitutable as well. This delay in achieving asymmetric resource positions can hinder the firms belonging to developing countries in their race for achieving competitiveness (Ramachandran & Gunta, 2007). Hence, it is proposed that: *H₃: There is*

a significant difference between Competitiveness of Indian and Foreign MNCs

II. Research Design & Methods

For the purpose of our study, four key performing MNCs in the Indian IT industry were selected as units of analysis viz. Accenture PLC, Cognizant Technology Solutions, Infosys Ltd and Wipro Ltd. While Infosys Ltd and Wipro Ltd are Indian origin multinationals, the country of origin of Accenture plc is Ireland and that of Cognizant Technology Solutions is United States of America. Four hundred employees from these four representative were surveyed using a structured questionnaire.

Measurement of Variables

All measurement items of variables are derived from the existing literature. The constructs of Knowledge Management Process Capabilities are adapted from the study of Gold et al. (2001), Liu and Deng (2015), Liu, Ghauri and Sinkovics (2010), Nguyen (2010), Nguyen and Neck (2008), Tseng and Lee (2014), Wu and Chen (2012) and Zaied (2012). The items to measure Competitive Advantage have been adapted from the study of Li and Liu (2014). The items were measured using a seven point Likert scale ranging from (1) 'strongly disagree' to (7) 'strongly agree'.

Validity and Reliability

After the data was entered into IBM SPSS 21.0 software, preliminary tests were conducted to examine the data for normality and outliers (Leech, Barrett & Morgan, 2005). A Shapiro-Wilk's test ($P > 0.05$) and a visual inspection of histograms, normal Q-Q plots and box plots assured the normality of data. In addition, Cronbach's alpha was applied to determine the reliability of the scales which yielded results (Table 1) within the acceptable range of 0.70 to 0.95 (Kaur & Mehta, 2016b; Tavakol & Dennick, 2011). Subsequently, basic requirements for performing exploratory factor analysis were checked. Kaiser-Meyer-Olkin (KMO) exceeded the minimum value of .70 and the Bartlett test of sphericity also turned out to be significant (Table 2).

Thereafter, the exploratory factor analysis using Principal Components Analysis was performed with Varimax rotation and criteria of eigenvalue ≥ 1 , factor loading ≥ 0.50 and total variance extracted ≥ 50 per cent (Kaur & Mehta, 2016b). Varimax (orthogonal) rotation was used with a purpose of extracting factors that are as uncorrelated as possible (Leech et al., 2005). Furthermore, only those items were retained that loaded highly on one factor to ensure discriminant validity of the

scale (Nguyen & Aoyama, 2014). The three factors extracted explained 69.483 per cent of variance collectively. The final factors extracted along with their factor loadings are given in Table 3. The factor analysis conducted on the scale of Competitive Advantage yielded Kaiser-Meyer-Olkin (KMO) value equal to 0.892 and a single component (Table 4) as expected which explained 70.526 per cent of variance.

III. Results & Analysis

A multiple regression analysis was performed using Enter method to test the first hypothesis (Table 5 and 6). It was found that Knowledge Management Process Capabilities explain a significant amount of the variance in the Competitive Advantage of a firm $\{F(3, 396) = 92.539, p < .01, R^2 = .412, Adjusted R^2 = .408\}$ The analysis shows that all the knowledge capabilities have a significant impact on the competitiveness of a firm (Table 7), with Knowledge Combination Capability having the maximum impact ($Beta = .437, t(396) = 7.649, p < .01$), followed by Knowledge Acquisition Capability ($Beta = .158, t(369) = 2.945, p < .01$) and Knowledge Protection Capability ($Beta = .133, t(369) = 2.875, p < .01$) respectively. To test whether the country of origin of MNCs has an impact on the relationship between Knowledge Capabilities and Competitive Advantage, General Linear Model method was applied (Table 8).

The results of the univariate analysis of variance proved that the main effects on Competitiveness were significant for both Knowledge Capabilities $\{F(71,279)=4.802, p < .0\}$ and company's country of origin $\{F(1,279)=10.615, p < .0\}$ while the interaction between Knowledge Capabilities and Company's Country of Origin was insignificant $\{F(48,279)=1.136, p=0.262\}$. This proves that country of origin of MNCs has no significant impact on the relationship between Knowledge Capabilities and Competitive Advantage. Thus, the positive impact of Knowledge Capabilities on Competitive Advantage is universally applicable irrespective of the country of origin of the firm. In addition, the preliminary analysis of data shows that the average level of knowledge capabilities deployment in foreign-origin MNCs is higher than that in Indian-origin MNCs (Table 9).

To ascertain whether there is a statistical significant difference between Indian and Foreign-origin MNCs, t-test was performed. Before examining the t-test information, the values for the Levene's test for equality of variances were analyzed to decide whether equal variances can be assumed or not. As the result of the Levene's test yielded p-values greater than 0.05 (Table 10), hence as a norm equal variances were assumed.

The results of the independent samples t-test did not reveal a statistically significant difference between Acquisition and Protection Capability deployment levels in Indian and Foreign-origin MNCs. But the a statistical difference in Combination Capability deployment levels is seen in Indian and Foreign-origin MNCs. The overall level of Knowledge Process Capabilities deployment showed a significant difference ($t = 2.246, df = 398, p < .05$) with Foreign-origin MNCs ($M = 5.702, SD = 0.896$) reported significantly higher levels of Innovative Capability deployment than did employees of Indian-origin MNCs ($M = 5.505, SD = 0.815$). Thus, it can be concluded that overall there is a significant difference between Knowledge Capabilities of Indian and Foreign MNCs. Also, as can be seen in Table 9 and 10 above, the results of the independent samples t-test revealed a statistically significant difference between competitive advantage in Indian and Foreign-origin MNCs ($t = 4.089, df = 398, p < .01$). The employees of Foreign-origin MNCs ($M = 5.632, SD = 0.986$) reported significantly higher levels of competitiveness than did employees of Indian-origin MNCs ($M = 5.207, SD = 1.014$).

Discussion and Suggestions

The results proved that knowledge capabilities have a significant impact on the competitiveness of a firm. But firms vary on the level of deployment of such capabilities. As a result while in Accenture, knowledge capabilities are explaining 69.0 per cent of variation in competitiveness, the percentage in 60.4 per cent for Cognizant, 39.3 per cent for Infosys and 28.1 per cent for Wipro (Table 11). Also companies have strengths in different capabilities which are contributing more to their competitiveness as compared to other capabilities. For example, the maximum contribution towards competitiveness in Accenture and Cognizant is of Protection Capability while in both Infosys and Wipro, Combination Capability is the greatest contributor towards competitiveness (Table 12).

Thus, all Knowledge Capabilities are of strategic importance to firms and efforts should be made to build and strengthen these capabilities. More specifically, the data suggests that Accenture and Cognizant must focus on strengthening their Acquisition Capability in order to enhance their competitiveness. Similarly, currently the Protection Capability of Wipro is negatively influencing its competitiveness. Hence, the company should concentrate on this area. Infosys, also must focus on further building and strengthening its Protection Capability in order to enhance the competitiveness of the company.

IV. Conclusions

The analysis shows that Knowledge Capabilities significantly impact competitiveness of a firm, with Combination Capability having the maximum impact, followed by Acquisition Capability and Protection Capability respectively. Moreover, this relationship was found to be true irrespective of the country of origin of MNC. Also, comparison of Indian MNCs and affiliates of Foreign MNCs in India highlighted that Indian MNCs do largely differ from their counterparts as far as the deployment of Knowledge Capabilities and competitiveness is concerned. A possible reason for lower level of capabilities in Indian MNCs can be impediments in the way of capability upgradation owing to knowledge asymmetries faced by emerging market firms in comparison to firms belonging to industrialized countries (Malik & Kotabe, 2009).

Indian MNCs need to focus on strengthening Knowledge Capabilities to match the level of Capabilities of Foreign-based MNCs as well as to increase the prospects of competitiveness. Government can play a crucial role in the process as government policies can help Indian MNCs overcome barriers in capability upgradation through setting priorities as well as developing and effectively implementing such policy programmes that accelerates the absorption of new technologies, resources and skills.

The present study has several implications. Knowledge which has emerged as the key resource promising enhanced competitiveness for a firm can become more useful to industry when its component parts and processes are thoroughly understood and brought to practice with the help of such studies. In spite of the increased significance of knowledge and its related processes in international firms, currently managers lack proper understanding regarding the best possible ways of leveraging knowledge as a resource (Foss & Pedersen, 2004). Therefore, better comprehension of knowledge processes and competences through such studies can aid in the significant enhancement of organizational competitiveness. As managers of multinational companies have to regularly make decisions about renewing existing stock of knowledge, knowledge management process capabilities are an important challenge for managers in their pursuit of competitive advantage.

Despite the contributions and implications, this study has several limitations and opens avenues for future research. The sample for the present study was based on four representative companies in IT sector. The study can be

extended by making the quantum of sample size broad. Moreover, the respondents of the present research were drawn from all levels of management based on the assumption that they would be well versed with knowledge process capabilities in their respective organizations. There can be a possibility that all the respondents may not be at par with respect to their understanding of such process capabilities. Thus, future studies can use qualitative methods of research like focus groups or observation to further validate the results. Additionally, knowledge infrastructure capabilities can also be introduced in the existing framework and the collective effect of process and infrastructure capabilities can be seen on competitiveness of an organization. Moreover, interrelationships among various knowledge processes can also be included in the ambit of research. Furthermore, a similar study could also be conducted in other knowledge-intensive sectors, such as healthcare, banking and insurance, so as to understand the differences and similarities in various aspects. In the present research, a regression analysis method was employed to study the relationship between variables, future researchers should apply structural equation model to further verify the model. By overcoming these limitations, results of the present study can be improved.

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Table 1: Cronbach's Alpha

Reliability Statistics	Cronbach's Alpha	Number of Items
Knowledge Acquisition Capability	0.866	3
Knowledge Combination Capability	0.944	11
Knowledge Protection Capability	0.903	5
Knowledge Process Capabilities	0.950	19
Competitive Advantage	0.916	6

Source: Author's own

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.949
Bartlett's Test of Sphericity	Approx. Chi-Square	5785.120
	Df	171
	Sig.	0.000

Source: Author's own

Table 3: Rotated Component Matrix

Component	1	2	3
CC1 - My company has processes for applying knowledge learned from experiences.	.790		
CC2 - My company has processes for applying knowledge learned from mistakes.	.762		
CC3 - My company has processes for transferring organizational knowledge to individuals.	.742		
CC4 - My company has processes for using knowledge in development of new products/services.	.741		
CC5 - My company has processes for integrating different sources and types of knowledge.	.736		
CC6 - My company has processes for organizing and storing knowledge.	.715		
CC7 - My company has processes for using knowledge to solve new problems.	.714		
CC8 - My company has processes for converting knowledge into the design of new products/services.	.702		
CC9 - My company has processes for converting competitive intelligence into plans of action.	.640		
CC10 - My Company uses feedback from previous projects to improve future projects.	.555		
CC11 - My Company has processes for exchanging knowledge with our business partners.	.505		
PP3 - My company has policies and procedures for protecting trade secrets.		.836	
PP2 - My company has processes to protect knowledge from theft from within the organization.		.814	
PP4 - In my company, knowledge that is not meant to be shared is clearly known.		.783	
PP1 - My company has processes to protect knowledge from inappropriate use inside the organization.		.777	
PP5 - My company clearly communicates the importance of protecting knowledge		.673	
AC1 - My Company has processes for acquiring knowledge about our customers.			.817
AC3 - My Company has processes for acquiring knowledge about our suppliers			.793
AC2 - My Company has processes for generating new knowledge from existing knowledge.			.737
Source: Author's own Notes: Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 5 iterations.			

Table 4: Component Matrix

Component	1
CA5 - Compared with our competitors, my company has a higher profit growth rate.	.879
CA4 - Compared with our competitors, my company has increasingly higher market share	.877
CA6 - Compared with our competitors, my company has a higher sales revenue growth rate	.855
CA3 - Compared with our competitors, my company has more profitable new customers	.822
CA1 - Compared with our competitors, my company has better product and service quality	.806
CA2 - Compared with our competitors, my company has more profitable old customers	.794
Source: Author's own Notes: Extraction Method: Principal Component Analysis. 1 components extracted.	

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.642 ^a	.412	.408	.78788
Source: Author's Own Notes: a. Predictors: (Constant), KPC				

Table 6: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	172.334	3	57.445	92.539	.000 ^b
	Residual	245.821	396	.621		
	Total	418.154	399			
Source: Author's Own						
Notes: a. Dependent Variable: CA						
b. Predictors: (Constant), KPC						

Table 7: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.126	.279		4.037	.000
	AC	.155	.052	.158	2.945	.003
	CC	.452	.059	.437	7.649	.000
	PC	.154	.054	.133	2.875	.004
Source: Author's own						
Notes: a. Dependent Variable: CA						

Table 8: Tests of between-subjects Effects

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	259.609 ^a	120	2.163	3.807	.000
Intercept	5101.292	1	5101.292	8977.011	.000
Company	6.032	1	6.032	10.615	.001
KPC	193.763	71	2.729	4.802	.000
Company * KPC	30.990	48	.646	1.136	.262
Error	158.545	279	.568		
Total	11931.444	400			
Corrected Total	418.154	399			
Source: Author's own					
Notes: Dependent Variable: CA					
a. R Squared = .621 (Adjusted R Squared = .458)					

Table 9: Group Statistics

Foreign = 1, Indian = 2		N	Mean	Std. Deviation	Std. Error Mean
AC	Foreign	148	5.6982	1.12978	.09287
	Indian	252	5.5251	.99613	.06275
CC	Foreign	148	5.7138	.98412	.08089
	Indian	252	5.4715	.98419	.06200
PC	Foreign	148	5.6878	.90116	.07408
	Indian	252	5.5643	.87633	.05520
KPC	Foreign	148	5.7027	.89691	.07373
	Indian	252	5.5058	.81517	.05135
CA	Foreign	148	5.6329	.98648	.08109
	Indian	252	5.2077	1.01433	.06390

Source: Author's own

Table 10: Independent Samples Test

Variable	Levene's Test for Equality of Variances		t-test for Equality of Means				
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
AC	2.429	.120	1.595	398	.111	0.173	0.108
CC	.059	.807	2.377	398	.018	0.242	0.102
PC	.933	.335	1.347	398	.179	0.124	0.092
KPC	1.709	.192	2.246	398	.025	0.197	0.088
CA	.317	.574	4.089	398	.000	0.425	0.104

Source: Author's own

Table 11: Model Summary & ANOVA

Accenture = 1, Cognizant = 2, Infosys = 3, Wipro = 4	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
Accenture	.838 ^a	.702	.690	.58347	56.606	0.000
Cognizant	.788 ^a	.621	.604	.57695	37.094	0.000
Infosys	.638 ^a	.406	.393	.79725	30.361	0.000
Wipro	.547 ^a	.300	.281	.85151	15.824	0.000

Source: Author's own
Notes: a. Predictors: (Constant), PC, AC, CC

Table 12: Coefficients

Accenture = 1, Cognizant = 2, Infosys = 3, Wipro = 4		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
Accenture	(Constant)	.277	.430		.644	.521
	AC	.119	.081	.144	1.470	.146
	CC	.206	.114	.196	1.800	.076
	PC	.636	.109	.573	5.839	.000
Cognizant	(Constant)	.501	.513		.977	.332
	AC	.006	.121	.006	.048	.962
	CC	.295	.131	.311	2.245	.028
	PC	.581	.105	.545	5.539	.000
Infosys	(Constant)	1.577	.437		3.605	.000
	AC	.084	.088	.089	.954	.342
	CC	.535	.097	.547	5.498	.000
	PC	.043	.085	.042	.507	.613
Wipro	(Constant)	2.422	.777		3.116	.002
	AC	.300	.110	.262	2.717	.008
	CC	.415	.111	.369	3.728	.000
	PC	-.202	.118	-.141	-1.713	.090

Source: Author's Own
Notes: a. Dependent Variable: CA

ROLE OF MICROFINANCE INSTITUTIONS ON THE EMPOWERMENT OF FEMALE BORROWERS: EVIDENCE FROM WEST BENGAL

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Empowerment becomes a necessity not mere a choice for growth and development. Microfinance institutions are continuously struggle to offer their services for those who are financially excluded, economically backward and not empowered, especially women. It is a forwarding step for better tomorrow. Empowerment can be defined by various dimensions. This paper is an attempt to focus the role of MFIs towards economic empowerment in Purulia district of West Bengal. It deals with primary data surveying with structured questionnaire and collected data of 200 borrowers. Applying ordered logistic regression, it has been observed that MFIs do act as a supportive role for economic empowerment of female beneficiaries of the selected district.

Keywords: Women Empowerment, Microfinance Institution.

Microfinance and related issues gains the most interest for the last two decades. It has got the highest buzz when Md. Yunus got Nobel Prize for his revolutionary Grameen Bank model. The term microfinance refers to the provision of financial services to low-income clients, including the self-employed. Generally, the purpose of the microfinance programmes is to correct market failure in delivering credit and non-credit services to the rural poor. Most microfinance programmes state that their primary goal is to alleviate rural poverty by delivering financial and non-financial services to the poorest households; especially to the women in those households. Among the various objectives of MFIs empowering women is one of the most vital one. Empowerment signifies increased participation in decision-making and it is this process through which people feel themselves to be capable of making decisions and the right to do so. Empowerment becomes a necessity not mere a choice for growth and development. It can be comprehended through various dimensions. In order to have a better world, United Nations announced Millennium Development Goals with eight specific goals to be precise to be achieved by 2015. Among the MDGs (Millennium development Goals), gender equality and women empowerment consider as the third goal. So the relevance of the issue can be easily understood. According to Kabeer (2005), empowerment is the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them. Women empowerment is an on-going multifaceted concept and defining itself is a challenging task. Moreover, it is not directly observable and difficult to measure.

This paper attempts to highlight the various factors which helped to determine the economic empowerment level of female borrowers taking references from the collected

data with reference to Purulia district. The scope of this paper is limited to the female borrowers who live in the district of Purulia.

I. Review of Literature

Literatures show the term empowerment in various ways such as a process of awareness, capacity building, greater participation, decision making power, control and to transformative action (Karl, 1995); used merely to communicate good intentions and to imply some unspecified recognition of the need for changes in the distribution of power (Rowlands, 1997); something which can be measured through agency approach (Kabeer, 1999; Nagaraja, 2013); a process by which those have been denied the ability to make strategic life choices acquire such ability including three dimensions: resources, agency and achievements which are inseparable in nature and considered as a tool of measuring empowerment (Kabeer, 1999). Nagaraja (2013) mainly focus on secondary data and empowerment was modified to include powers into four forms. He mentioned that there is variety of potential connections between women's empowerment and autonomy which leads to access to resources or material well-being. As per Claros and Zahidi (2005), women empowerment from 58 countries has been measured on five parameters with comparison to

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men considering World Economic Forum's executive opinion survey and found that countries that do not utilise on the full potential of one half of their societies are misallocating their human resources and other competitive potential. Another common way to measure women empowerment is to assess through economic development. Duflo (2012) refers in his paper that there is a close association between economic development and women empowerment. Both elements reinforce each other though it is not evident that it can bring equality in terms of gender in the society.

In order to empower women financial awareness and education is very crucial. According to Hung, et al (2012) it has been observed from the collected data from 12 countries that females are less financially literate than men. Now microfinance plays a role in the financial inclusion of the economy. A large number of financially excluded populations may be included in the organised money market through microfinance. Shankar (2013) addressed 103 MFI field officers and observed that microfinance can break the barriers of financial exclusion but in some limited areas only due to inadequate operating system, lack of flexibility and profitability etc. But on the other hand, there is a significant impact of SHG on empowerment (Swain, 2006; Rathirane and Semasinghe, 2015). According to Swain (2006), SHG influences household by using data collected from five states in India for 2000 and 2003 consisting of 20 focus group interviews. Similarly, Rathirane and Semasinghe (2015) observed that empowerment of women through SHGs in Sri Lanka involving 100 rural women respondents is substantial in skill development, courage, building confidence but there is no possibility in, sustainable rural development. Using various tools like factor analysis, multiple regression analysis three factors namely decision making, freedom to mobility and family support are seem to be positively associated with empowerment.

Shetty (2008) examines the role of microfinance in the inclusion of poor in Karnataka using data from 318 member households of 106 women SHGs comparing between pre-post microfinance scenario and reveals that microfinance plus services have positive correlation with the improvement in household and tried to bring out women specifically to fight against poverty.

Kandpal et al (2013), use primary data from 487 women of rural North India (Uttarakhand) using snowball sampling to show participation in Mahila Samakhya increases ownership of NREGS cards as well as a woman's ability to go out without permission. Women

participation rate in community development programme increases significantly by adding features like access to employment, adult education, mobility, political participation etc.

The microfinance sector in Andhra Pradesh has become the epicentre for several issues and forced government to formulate new regulatory policies (Lakshmi, et. al., 2013; Garikipati, 2008). Lakshmi, et al., (2013) investigates the impact of MFIs in pre-post joining phase in terms of socio-economic empowerment using probability proportionate to size (PPS) sampling from 750 respondents in ten selected mandals of Krishna district. It has been observed that location can make difference in the empowerment level especially in case of psychological and social empowerment. Whereas, Garikipati (2008) studied from two draught prone villages in Andhra Pradesh and found that women only act as a way of borrowing and use the money in the unproductive activities to overcome the weather shock happened in the villages.

Another study by Kabeer (2012) shows that regular waged work has the greatest potential along with paid work outside the domestic domain on women's lives. The paper suggests a research agenda that focus on constraints and choices that determine gendered patterns of labour market outcomes, both in terms of labour force participation as well as the segmented nature of the occupational structure.

Microfinance has an impact on empowering women (Swain, et al., 2014) especially in case of economic empowerment (Rashid, et al., 2015; Buvinic and Myra, 2016). Swain, et al (2014) use household survey data from five states in India and found that in the southern states of India empowerment of women takes place through economic factors along with greater autonomy in decision-making. Rashid, et al., (2015) considering primary data from ten MFIs and using multiple regression analysis and found that economic empowerment correlates with MFIs services. But the responded supported the fact that only participation could not guarantee empowerment but due to incorporation of advisory services, respondents could manage to have better empowerment level. Buvinic and Myra (2016) observe that same class of interventions has significantly different outcomes in terms of economic empowerment depending on the client. Similar kind of interventions (capital, skill training, job search assistance etc.) would have different impact on different age group. Moreover, social constraint is a vital issue to detect the empowerment level especially in case of adult female borrowers.

But there are criticisms about the role of microfinance in the empowerment process (Asim, 2009; Ashraf, et al. 2008). Asim (2009) finds that participation in microfinance activities may not always ensure empowerment but it may help in partial empowerment in the domains of household decisions. But according to Ashraf, et al. (2008) empowerment can be better judged by the female decision making power towards saving product in the family.

The above literatures explain the term empowerment along with the various dimensions like empowerment can be defined as a process of awareness and capacity building (Karl, 1995), a way to distribution of power (Rowlands, 1997), a process to make strategic life choices (Kabeer, 1999). This empowerment can be measured by economic development (Duflo, 2012) along with political, educational and health well being (Claros and Zahidi, 2005). For empowering women one need to be financially aware and educated (Hung, et al., 2012). MFIs play a vital role in financial inclusion and easily penetrate to unreachable areas. But reviewing of policy, operating model and philosophy is needed from time to time for better impact (Sankar, 2013). Empowerment level varies with the location and the type of respondents who access it (Ashraf et al., 2008; Laksmi et al., 2013; Buvinic and Myra; 2016). Whereas a lot of studies have been conducted around the world especially for Bangladesh and African countries (Rashid, et al, 2015), but in case of our country it has been limited to the Southern part only (Garikipati, 2008; Kandpal et al., 2013; Swain et al., 2014; Laksmi, et al., 2013). Literatures covering eastern zone is limited in number. Micro level studies like district or area basis would clearly help to draw the situation which may help to have a better picture for further effective functioning and policy making. There is a gap exists on face to face study specially covering the backward districts of our country where MFI penetration is utmost needed. Also in the light of new economic and banking policies retrospection on the current scenario is also needed. Taking these factors, this paper has been carried out with the objective to study the role of MFIs in the economic empowerment of the female borrowers in Purulia district.

II. Research Methodology

Considering the stated objective, we have followed a systematic research methodology. Here, the study is divided into two parts - discuss the design of primary survey and then specify the statistical tools and econometric model for data analysis in the light of the objectives of this paper.

Sampling Design

Purulia district has been subdivided into four subdivisions from where we have collected the questionnaire from in order to make the sample more representative. The eventual sampling was selected on the basis of multistage random sampling. At this stage a total of 240 borrowers (60 respondents from each subdivision) have been considered initially. Among them finally 200 borrowers (50 samples from each subdivision of bias free complete questionnaire) have been taken into consideration for further analysis. The primary data have been taken from the female borrowers living in the Purulia district, having BPL card, borrower (current or past, one time or repetitive) from any MFIs to select as the sample member.

Description of Data

In this study, data regarding the empowerment status of the poor female beneficiaries and the role of various determining factors as determinant of economic empowerment are taken into consideration which are: literacy level (Lit), occupation (Occ), age (Age), reason for borrowing (Borrow) of the respondents.

The literacy levels of the participants have been classified into four levels ranging from illiterate (Lit1), primary (Lit2), secondary (Lit3) and higher secondary (Lit4). Occupation has six levels: Occ1-salaried, Occ2-business, Occ3- agricultural labor, Occ4-housewife, Occ5- Daily labor and Occ 6-domestic help.

Age has three levels: Age1-18- 25 years old, Age2- 25-40 years old and Age3-above 40 years. Reason for borrowing has two elements: productive -1 and non-productive -0.

Here, the empowerment has been judged through economic dimension. The indicators for economic empowerment are: Economic empowerment – According to OECD (The Organisation for Economic Co-operation and Development), economic empowerment is the capacity of women and men to participate in, contribute to and benefit from growth processes in ways that recognise the value of their contributions, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth. Here the independent variables are own asset (ASST), controlling of resources (Control), self employment (Self), enhancing savings (Savings), access to bank/ post office (Acc), reason for borrowing (Borrow), procedure to access banking /post office services (Pro), poverty reduction (Pov), buying certain assets like Two wheelers, Furniture,

television (TV), Brick home, Sanitation, Gas etc. Moreover, financial contribution has been considered to be the dependent variable. In case of additional contribution three areas have been selected- education, health and family expenses. If the respondents additionally contribute in all the three areas it has been given weightage “2”, for contribution of any two field “1” and for contributing in one area weightage of “0” have been awarded.

Statistical and Econometric test used in the study

This study is considering primary data collected during January, 2014 to December, 2016. With a view to accomplish the pre-determined set of objective of the study we have used several statistical techniques such as Descriptive Statistics, t test etc. using SPSS and Stata Software for analyzing the data. Finally, the study used the econometric model like ordered logistic regression or ologit to identify the influencing factors of economic empowerment dimensions of the respondents.

III. Analysis and Findings

Conducting survey on a total of 200 respondents (borrowers only) the findings of various demographic factors are discussed below respectively: Table-1 shows that 18 per cent are illiterate, 57 percent are primary level educated, 22 percent are secondary level educated and only 3 percent are having higher secondary level education. Majority of the respondents are either having primary education or are illiterate which proves that MFIs really cover the educationally poor people. Reason may be the major respondents are comfortable with the simple procedure of MFIs lending, the educated respondents on the other hand may be having knowledge of other financial institutions and avail loan from those financial institutions in the time of their need. This status puts a thought on the social status of MFIs in respondent’s mind.

Among 200 participants, 9 per cent are salaried, 20 percent are in business, 21 percent are agricultural labor, 28 percent are housewives, 14 percent are non agricultural labor and only 8 percent are working as domestic help. The majority of the borrowers are housewives.

In this survey 17 percent respondents belong to the age group of 18-25 years, 71 percent belongs to 26-40 years old and 12 percent belongs to above 40 years of age. The data shows that participants in middle age group have the maximum participation. The reason may be the middle generation having added responsibility to income and

savings for family, has more acceptability of bank/post office; they already access the organized money market and may be having better financial awareness.

In table 4, 76 per cent respondents borrowed for productive purpose like business, education, asset building etc. 24 per cent participants borrowed for non productive purposes which covers marriage, family issues, social customs etc. The higher percentage of productive borrowing indicates the partial fulfilment of one the objectives of MFIS.

Further the study used t test to measure whether MFIs borrowing can make a difference in the expenditure level or not in the pre and post loan phase.

Here, we can conclude that there is difference in the expenditure level in the pre and post loan phase of the respondents as the t value is statistically significant at 1% level. It indicates that MFIs play a role in the increase in expenditure level and better lifestyle of the respondents due to increase in income level after MFIs participation. This situation indicates way to economic improvement of the respondents.

To find out the determinants of economic empowerment, 14 explanatory variables have been taken in the ordered logistic regression model. The result indicates that out of the total 14 variables 6 have significant influence on women economic empowerment. The significant explanatory variables are decision taking on controlling of resources, contribution to savings, reason for borrowing, purchasing certain economic assets: two wheelers, TV and setting up the sanitation system in household which are found to be significant at 1% level.

Odds ratios from the ordered logit model can be interpreted as the factor by which a unit increase in an independent variable will increase the odds of being in a higher empowerment category. In table 6.1, using the empowerment scale, the odds that one-unit increase in controlling of resources and contribution to savings will lead to 3.64 and 0.53 times greater of higher empowerment level of the respondent. Also the odds that one-unit increase in the reason for borrowing and contribute for purchasing asset like two-wheeler, TV and setting up sanitation system will lead to 0.76, 0.31 and 0.48 times of higher empowerment of the respondent.

From the table, we can interpret that borrowing from the MFIs help to modify lifestyle as well as contribute to the income generating activities among the respondents. But sometime family and social issues consider as priority, so

after taking credit from MFIs they use it to non-productive activities which hamper the objective of MFIs borrowings.

Summary of The Study

Government launched various schemes and programmes to enhance the MFI sector as well as female empowerment. This study is an initial attempt to understand the scenario in one of the district (Purulia) of West Bengal along with determining factors towards economic empowerment.

After analysing the selected 200 female borrowers, it has been seen that majority of the respondents are having a minimum education level. Borrowing from MFIs help women to be empowered in the household issues like controlling of resources and influence periodical savings. Majority of the respondents are housewives learn to contribute to savings for household. It also helps in build-up confidence towards employability and social mobility in future. The result of this study ensures that MFIs obviously help women to be more empowered but the area of empowerment is limited due to lack of financial awareness, poor education level, dominance of money lenders and perceived risk towards MFIs etc. For more effectiveness review on the operational policy, supervision, consumer protection etc. are very much needed.

IV. Conclusion

With comparison to the traditional financial institutions, MFIs positioned itself as more convenient one, actively contributing into the financial inclusion map of India. A qualitative feature like empowerment can be comprehended through the various outcomes associated with it. In this research paper, a limited area along with limited sample size has been considered. As we consider the impact of microfinance in women economic empowerment so along with the current survey one more survey on non borrowers may give a better picture about the influence of MFIs.

MFIs should formulate some provisions on creating awareness on effective and efficient use of credit for a better impact in the empowerment status in near future. A number of studies can be done in future to understand the scenario of MFIs in a better way covering a wide geographical space, comparative study on the level of empowerment in the rural and urban areas, sustainability of entrepreneurial firms due to micro credit etc.

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Table 1: Literacy Levels of Sample Persons

Status	Respondents	
	Numbers	Percentage
Lit1	36	18
Lit2	114	57
Lit3	44	22
Lit4	6	3
Total	200	100

Source: Calculated by Authors'

Table 3: Age distribution Pattern of the Respondents

Status	Respondents	
	Number	Percentage
Age1	34	17
Age2	142	71
Age3	24	12
Total	200	100

Source: Calculated by Authors'

Table 2: Occupation Patterns of the Respondents

Status	Respondents	
	Numbers	Percentage
Occ1	18	09
Occ2	40	20
Occ3	42	21
Occ4	56	28
Occ5	28	14
Occ6	16	8
Total	200	100

Source: Calculated by Authors'

Table 4: Reason for Borrowing from MFIs

Status	Respondents	
	Number	Percentage
Borrow1	152	76
Borrow0	48	24
Total	200	100

Source: Calculated by Authors'

**Table 5: Changes in the Expenditure Level in Pre and Post Loan Phase
One-Sample Test**

	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
expenditure	16.628	199	.000	.51627	.5535	.6325

Source: Calculated by Authors'

Table 6: Determinants of Economic Empowerment by MFIs

Contribution	Coef.	Std. Err.	Z	P>z
Asst	.6580317	.3002297	1.13	0.125
Control	1.292339	.2809129	2.34	0.024
Self	.5787953	.3459571	1.78	0.082
Savings	.8176577	.4796945	1.62	0.008
Acc	-1.13738	.5028489	1.48	0.703
Borrow	.8953042	.2823921	1.28	0.048
Pro	.68405741	.3302567	1.26	0.262
Pov	1.487106	.3131822	1.92	0.065
Two Wheeler	.4112175	.1558593	2.05	0.006
Furniture	-.6397132	.532129	1.93	0.709
Tv	.8465934	.1356052	1.33	0.032
Brickhome	.2017445	.7398942	1.43	0.155
Sanitation	.7461764	.9753769	1.57	0.011
Gas	.3947402	.8526386	1.38	0.879

Source: Calculated by Authors'

Table 6.1: Odds Ratio for the Determinants of Economic Empowerment by MFIs.

Contribution	Odds Ratio	Std. Err.	Z	P> z
Asst	2.34808	.9046521	1.13	0.125
Control	3.641295	.9434232	2.34	0.024
Self	1.783888	1.9232791	1.78	0.082
Savings	.533755	.7321459	1.62	0.008
Acc	.320658	.7329802	1.48	0.703
Borrow	2.567276	.2052444	1.28	0.048
Pro	2.95339	.8845722	1.26	0.262
Pov	2.576847	.8139754	1.92	0.065
Two Wheeler	.7693526	.3902183	2.05	0.006
Furniture	.2461343	.6497211	1.93	0.709
Tv	.3139642	.5773212	1.33	0.032
Brickhome	4.424275	.8286741	1.43	0.155
Sanitation	.4802019	.5204086	1.57	0.011
Gas	.2896079	.6733154	1.38	0.879

Source: Calculated by Authors

ONLINE SHOPPING PREFERENCES OF CONSUMERS-THE WEB EXPERIENCE AND PURCHASE PATTERN

Savneet Kaur*

Consumer behaviour analysis is the study of individuals or groups with regards to their process of selecting, procuring and using the products and services and the way they perceive the value they get out of them. The aim of this study is to understand the online purchase pattern and post purchase level of satisfaction of two consumer groups from two different regions of the state of Punjab. There are millions of people online at the same time and they all are potential consumers for the online marketers. Thus, it is important for the organizations to understand what are the needs and wants of their potential customers. Different people might have different utility from the same product. These differences can be seen more specifically when considered between two different sets of consumers. The study was conducted among the rural and urban consumers in Punjab and the data was collected with the help of structured questionnaire from a sample of 300 online shoppers. Collected data was analyzed with the help of Chi-square test and t-test. The results suggested that there exists significant difference among the two sets of consumers with respect to their online purchase pattern; but post purchase level of satisfaction remains same for both.

Keywords: Consumer behaviour, Online purchase pattern, Post purchase behaviour, Online shopping, Rural and urban consumers in Punjab.

Purchase pattern indicates how a consumer purchases the goods or services and how consumers are highly susceptible to change. Researchers and marketers often try to study the buying pattern and its relation with geographical, demographic and psychological characteristics of the consumers. Comprehensive surveys are conducted in order to understand the buying patterns of the consumers. Typical questions asked to understand the buying pattern of the consumer are about the products, brands, quantity and quality of the products and services purchased; persons influencing the purchase decisions; reasons for buying from a particular place; frequency of purchase; etc. Information collected through answers to these questions along with demographic and socio-economic information could provide valuable insights for understanding the buying pattern of the consumers for making marketing strategies.

Similarly, online purchase pattern of the consumers can be studied by asking certain questions about the purchasing preferences, preferred websites, reasons for making online shopping, etc. Before committing to making an online purchase, an online user like an offline consumer will go through need recognition, information search, alternative evaluation, steps to make the purchase and post-purchase evaluation. It the results are positive then the consumer will make online purchases. Some of these stages will take place offline such as need recognition, alternative evaluation and post-purchase evaluation. In some cases, even the purchase will take place offline (Singh, 2001). After the purchase is

complete, the consumer reaches a stage called post purchase stage.

Post-purchase behavior is the stage in buyer decision making process when a consumer will take additional action, based purely on their satisfaction or dissatisfaction. The level of satisfaction or dissatisfaction of a consumer is directly related to the pre-purchase expectation and post-purchase performance of the product in their hands. If the product performance matches their expectations then it leads to post purchase satisfaction among them; whereas, if the products' performance does not match their expectation, then it will lead to dissatisfaction or cognitive dissonance. The study of post purchase behavior includes elements like consumer expectations from the product, actual performance of the product, the comparison between expectations and product performance, confirmation or disconfirmation of expectations and the size and direction of the discrepancy score (whether satisfied or not) to determine consumer satisfaction. The consumers were tested on being loyal to a brand and speaking well about the product and the website if satisfied, discontinue purchase and speaking ill about the brand and the website if not satisfied, impact of the advertisement on the product performance and consumer decision, etc. with following objective in mind.

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I. Review of Literature

Li *et al* (1999) conducted a study “The impact of perceived channel utilities, shopping orientations and demographics on the consumer’s online buying behaviour” to test a model of consumer online buying behavior which stated that consumer online buying behavior is affected by demographics, channel knowledge, perceived channel utilities and shopping orientations. Data was collected using simple random sampling through an online survey of 999 U.S. internet users and was cross-validated with other similar national surveys before being used to test the model. Collected data was analysed using factor analysis, one-way ANOVA, correlation analysis. Multiple stepwise regression was used to see how the variables are combined to affect a consumer's online buying behavior. The study concluded that education, convenience orientation, experience orientation, channel knowledge, perceived distribution utility and perceived accessibility are robust predictors of online buying status of Internet users. The study suggested that channel utility scales may need to be re-phrased for measuring features such as information customization and degree of interactivity which are not typical for catalogs and retail stores but are typical for the web.

Lee *et al.* (2000) in their study “The determinants of perceived service quality and its relationship with satisfaction” found that satisfaction is determined by the perceived quality and not vice versa. Customers make final choices regarding purchase of the products or services with different goals in mind. The data was collected from 421 respondents through personal interviews in Korea as per researchers’ convenience. The collected data was analysed using multiple regression analysis. It was suggested that service managers should place emphasis on performance perceived by customers rather than the difference between perceived performance and prior expectation.

Hansen (2006) in his study “Determinants of consumers repeat online buying of groceries” developed and empirically tested a model for understanding the factors that determine repeat buying behaviour of already experienced online grocery consumers. Data was collected from 198 Danish/Swedish online grocery consumers and correlation and factor analysis were used as statistical tools. The obtained results suggested that consumer’s attitude towards online grocery buying is positively affected by offline physical effort and negatively affected by offline shopping enjoyment. It was found that a high Internet grocery risk is not a barrier for consumers who already have a positive attitude towards

online grocery buying. The results also indicated that consumers may hesitate from repeat online buying if they are faced with high online complexity. It was suggested that in future research the list of potential influencing factors on consumer online grocery behaviour should be expanded and personal characteristics should be included.

Lin (2008) conducted a research to study the post-purchase behaviour of consumers in the top four largest cities of Taiwan who invest in financial products via banks. Stratified random sampling technique was used for the survey and 274 valid questionnaires were received back. The SEM model was used for data verification. It was found that the financial support of family members has the highest influence on the decision of consumers. The highest risk factor considered by the consumers is the fear of being provided incorrect product information by the service providers. The external response and internal response are most decisive for consumers to take actions after they have made a purchase.

Gupta *et al* (2010) conducted an empirical study titled “Facilitating global e-commerce: A comparison of consumer’s willingness to disclose personal information online in the U.S. and in India” on 809 consumers in the U.S. and India to investigate their online information disclosing behavior and their intentions to take and execute protective measures during online interactions. The results of the study suggest that there were significant differences between American and Indian consumers with regards to their willingness to disclose personal information and their actions for privacy and security protection. It was found that Indian consumers were more willing to disclose potentially sensitive personal information whereas U.S. consumers engage in higher passive privacy protection actions compared to Indians. Thus it was concluded that cultural differences influence consumers’ willingness to disclose personal information and their online privacy protection behavior. Thus it was suggested that companies should consider cultural differences when conducting global e-commerce research. The data for the study was analysed with the help of factor analysis and correlation.

Kishor (2012) in his comparative study on consumer behaviour towards the purchase of consumer durable products between rural and urban consumers in Guntur district of Andhra Pradesh collected a data of 300 each from rural and urban areas i.e. total 600 respondents as per researchers’ convenience. The data was analysed using mean, median, Chi-square test and cross tables. Post purchase behaviour of the rural and urban consumers was compared and it was concluded that there is no

significant difference between rural and urban area consumers in post purchase behavior in Guntur District.

Rakesh and Khare (2012) for their study “Impact of promotions and value consciousness in online shopping behaviour in India” collected data from a sample of 311 from five towns of Northern India: New Delhi, Gurgaon, Noida, Ghaziabad and Meerut over a period of 5 months. This data was analysed with the help of ANOVA and multiple regression analysis. The Results indicate that Indian consumers are not value conscious and their attitude towards online shopping websites is more influenced by deals and discounts which are offered online. Online shopping behaviour is affected by consumers’ access to the Internet and people who do not have access to the Internet may not be aware about discounts offered by online retailers. Study suggested that factors such as education and income can provide understanding about consumers’ internet-savvy behaviour which was not covered by the authors.

Sahney *et al* (2013) in their study collected a sample of 327 users of online railway reservation facilities to find out the critical online trust-creating factors which influence the online buying decision of consumers and to establish their causal impact. It was found that critical online trust based constructs have a significant impact on the intention of the buyers of booking/purchasing railway tickets online in India. An analysis of demographic profile established that the critical consumer trust-based attributes to online buying intention shows no significant differences for gender whereas for age groups some of the attributes were found significant and others were not. A series of multiple regression analyses were conducted to determine the causal impacts of critical consumer trust parameters on online reservation of railway tickets by users in the Indian context.

Thamizhvanan and Xavier (2013) in their study established that impulse purchase orientation, prior online purchase experience and online trust significantly impact the customer purchase intention. Males have been found to be more inclined towards online shopping than females. The results of the study were based on 95 valid responses received from the online survey and the data was analysed using regression analysis, factor analysis and ANOVA. Scholars suggested that a bigger and more representative sample which includes respondents from all walks of life would have been appropriate though the internet savvy students contribute the major share of online buyers.

An in depth literature review was undertaken in order to understand the online purchase behaviour in an

individual. On the basis of literature review it was found that the previous studies have attempted to study the purchase pattern of Indian consumers’. A comparative study among the rural and urban consumers regarding the online purchase behaviour has not been found in context to an Indian state like Punjab. To assist in filling this gap, the present study examines the online purchase pattern of the consumers in Punjab. The research also tries to investigate post purchase level of satisfaction among the rural and urban regions of Punjab.

Objectives of the study

- To compare the online purchasing pattern of the rural and urban consumers in Punjab.
- To explore and compare the post purchase level of satisfaction amongst the rural and urban consumers in Punjab.

Hypothesis of the study

H₀: There is no significant difference between the online purchase pattern of the rural and urban consumers in Punjab.

H₁: There is a significant difference between the online purchase pattern of the rural and urban consumers in Punjab.

II. Research Design & Methods

For the purpose of the present study, an exploratory and comparative research has been used and data was collected from the defined sample. The study intends to explore and compare the online purchase pattern of the rural and urban consumers in Punjab.

Sample

The data was collected from three rural areas (Khanpur, Kainaur, Bhelopur) and three urban areas (Ludhiana, Rupnagar and SAS Nagar) located in Punjab. These places have been selected randomly while considering the convenience for the collection of the data.

Data Collection

The data for the study was collected through a structured questionnaire using direct survey method. The questionnaire was divided in two parts. Part one consisted of twenty-four statements regarding online purchase pattern taken out of previous studies. Part two comprised of eleven statements regarding the post purchase behaviour of the consumers. All the questions in the second part were on a five point Likert scale ranging from 1=strongly disagree to 5=strongly agree. A total of 300 questionnaires were collected out of which 150 were from rural areas and 150 from urban areas.

Cronbach's alpha method was used to check reliability of the data. The value of alpha varies from 0 to 1 and satisfactory value is considered to be more than 0.6 for the scale to be reliable (Cronbach, 1951). Cronbach's alpha was used as a measure of reliability for the present research. In order to produce consistent results, the measurement of Cronbach's alpha was done repeatedly to understand the extent of the statistical tool. This measurement is done by determining the association between the scores obtained from different administration of the scales. If this association is high, the scale yields consistent result and is said to be reliable. The estimated reliability value for our scale of post purchase behaviour came out to be 0.789 for 11 statements. If this value is compared with the standard value alpha of 0.6 given by Cronbach (1951), it is found that the scales used for data analysis are reliable.

III. Analysis and Findings

Chi-square test for independence has been used to study the purchase pattern of the consumers since it is applied when we have two categorical variables from a single population. It is used to determine whether there is a significant association between the two variables. A small chi-square statistic indicates that the null hypothesis is correct and that the two variables are independent of each other (Gaur and Gaur, 2006). This test is applied here to compare and see if there exists statistical significant association between the rural and urban consumers in Punjab with regards to online purchase pattern. Frequency distribution has also been used to interpret the questions with multiple answers. Chi-square analysis has been conducted at 5% and 1% level of significance. For comparing the post purchase level of satisfaction among the rural and urban consumers in Punjab, independent sample t-test has been applied to see if there is significant difference between the rural and urban online consumers with regards to their post purchase behaviour; since it determines whether there is a statistically significant difference between the means of two related groups (Malhotra, 2001).

Table I exhibits the results of chi-square test which was used to study the online purchase pattern of the rural and urban consumers in Punjab. Question wise interpretation is given below:

Most Visited Websites by the Respondents

Table II exhibits the multiple responses by the respondents for e-shopping sites visited or being planned to be visited with respect to the region of consumers. It

can be seen that most visited website by the rural respondents is flipkart.com and by the urban respondents is amazon.in followed by amazon by rural and flipkart by urban respondents. Myntra and snapdeal are also popular among both rural and urban respondents. The least visited websites by both rural and urban respondents are found to be futurebazaar.com and indiashopping.com respectively. It can be concluded that both rural and urban respondents have different choices when it comes to pick up a website to make online purchases.

Table III exhibits the most purchased online product category out of the five product categories chosen for the study. The most purchased online product category by the rural respondents has been found to be apparels and accessories followed by e-tickets, home furnishing, electronics and books. Similarly, the most purchased online product category by the urban respondents is also apparels and accessories followed by e-tickets, books electronics and home furnishings. These categories are further divided into the products falling under them. The online purchase preferences for each of the products falling under each category have been discussed further in the coming sections.

Table IV exhibits the multiple responses by the respondents for products preferred to be bought online under books category. 40.6% of the respondents out of which 30.8% rural and 50.4% urban respondents prefer to buy books or novels, 14.2% of the respondents out of which 16.4% rural and 12% urban respondents prefer to buy magazines, 11.2% of the respondents out of which 12.8% rural and 9.6% urban respondents prefer to buy comics or story books. Though the purchase preference order is same for both rural and urban consumers but percentage of rural consumers buying different categories of books are quite less in comparison to urban consumers. This may be due to less literacy rate in rural areas and less interest in reading.

Table V depicts that 40% of the total respondents, 39.6% rural and 40.4% urban respondents prefer to buy electronic gadgets, 9.8% of the total respondents, 9.6% rural and 10% urban respondents prefer to buy CD/videos, 11.2% of the total respondents, 12% rural and 10.4% urban respondents prefer to buy computer hardware, 8.6% of the total respondents, 8.8% rural and 8.4% urban respondents prefer to buy computer software, 20.6% of the total respondents, 19.2% rural and 22% urban respondents prefer to buy electronic home appliances, 40.4% of the total respondents, 36% rural and 44.8% urban respondents prefer to buy mobile phones. Thus, most preferred online electronic items by the rural consumers are electronic gadgets followed by mobile

phones and electronic home appliances whereas, urban consumers prefer to buy mobile phones the most followed by electronic gadgets and electronic home appliances. So, the online purchase preferences with respect to electronic category are different for rural and urban consumers in Punjab.

Table VI depicts 58.4% of rural, 77.6% of urban and a total of 68% respondents prefer to buy clothing, 48.8% of rural, 58.4% of urban and a total of 53.6% respondents prefer to buy shoes, 22% of rural, 20% of urban and a total of 21% respondents prefer to buy fashion jewelry, 18.8% of rural, 26% of urban and a total of 22.4% respondents prefer to buy belts or purses, 18.8% of rural, 26% of urban and a total of 22.4% respondents prefer to buy cosmetics. Thus, most preferred online products from apparels and accessories categories for both rural and urban categories are clothes followed by shoes, belts and purses. Least preferred online products from apparels and accessories categories for rural consumers are cosmetics and for urban consumers is fashion jewelry. Though the preferences of both rural and urban consumers are same but there is a huge difference between the two with regards to the percentage of people preferring a particular product. Also, least preferred products are different for both. It can be concluded that the consumer preferences with respect to online purchase of products from apparels and accessories category are different.

Table VII shows 43.8% of the respondents out of which 46% rural and 41.6% urban respondents prefer to buy railway tickets, 24% of the respondents out of which 16.8% rural and 31.2% urban respondents prefer to buy airline tickets, 26% of the respondents out of which 25.6% rural and 26.4% urban respondents prefer to buy hotel bookings, 52.8% of the respondents out of which 50% rural and 55.6% urban respondents prefer to buy movie tickets, 11.4% of the respondents out of which 9.6% rural and 13.2% urban respondents prefer to buy car rentals. Most preferred type of e-ticket by the rural respondents are movie tickets followed by railway tickets, hotel bookings, airline tickets and car rentals whereas, urban respondents mostly purchase movie tickets followed by railway tickets, airline tickets, hotel bookings and car rentals. Thus, the most preferred products remain same with both rural and urban respondents. But the percentage of rural consumers buying movie tickets and airline tickets is less than that of urban consumers whereas, percentage of rural consumers buying railway tickets is more than the urban respondents. It can be concluded that online purchase preferences of rural and urban consumers are same with respect to e-tickets.

Table VIII depicts that 11.4% of the respondents out of which 13.2% of rural and 9.6% of urban prefer to buy

furniture, 23.6% of the total respondents, 18.4% rural and 28.8% urban respondents prefer to buy decorative items, 17% of the total respondents, 17.2% rural and 16.8% urban respondents prefer to buy kids items or toys, 30.4% of the respondents out of which 35.2% of the rural and 25.6% of urban respondents prefer to buy home tools and products. Most purchase online products out of home furnishing category by the rural consumers are home tools and products followed by decorative items, kid's items or toys and furniture whereas, urban consumers mostly prefer to purchase decorative items followed by home tools, kid's items and furniture. Thus, it can be concluded that online purchase preferences of rural and urban consumers with respect to home furnishing category are different though least preferred products by both remains same.

IV. Conclusion

It was found that rural online consumers differ from urban online consumers with respect to time period of usage of internet, ability to use internet, time spent on web surfing, time of last online purchase, frequency of visiting websites for special offers and discounts, getting carried away by heavy discounts, brands purchased online, satisfaction with online shopping experience, visit to store to see the product before purchasing online, place of accessing internet, device being used to access internet, websites visited, etc. Also there are certain similarities between the rural and urban online consumers purchase pattern including awareness about internet shopping websites, time of first online purchase, online impulse purchasing, certain categories of products purchased online and preferred payment options.

Thus, from the above findings, it can be concluded that there is significant difference between the purchasing pattern of rural and urban consumers in Punjab. Therefore, we are rejecting the null hypothesis H_0 , that is, there is no significant difference between the online purchase pattern of the rural and urban consumers in Punjab and accept the alternate hypothesis, H_1 . The researchers hope that the outcomes of this study might be of significant importance to e-trailers, online consumers and other researchers in business to consumer (B2C) e-commerce. Marketers can formulate strategies to attract consumers by keeping in mind their needs and preferences; in turn the consumers will benefit by way of getting better products and services. Other researchers can use this study as a base to further study the online consumer behaviour. However, it should be kept in mind that consumer behaviour might change with time so the necessary changes should be made to the marketing strategies by the companies.

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Table I: Findings of Chi-square test

Variables	Chi-square	Df	p-value	Findings
Time period of usage of internet	27.213	4	.001**	Rural and urban consumers have significant difference with respect to the time period of usage of internet
Ability to use internet	18.759	4	.001**	Rural and urban consumers have significant difference with respect to the ability to use internet
Time spent on web surfing	10.655	4	.031**	Rural and urban consumers have significant difference with respect to the time spent on web surfing
Awareness about internet shopping websites	2.394	1	.122	Rural and urban consumers do not differ regarding the awareness about internet shopping websites
Time of first online purchase	7.341	4	.119	Rural and urban consumers do not differ with respect to their time of first online purchase
Time of last online purchase	21.893	4	.000**	Rural and urban consumers have significant difference with respect to the time of their last online purchase
Frequency of visiting websites for special offers and discounts	34.317	4	.000**	Rural and urban consumers have significant difference with respect to their frequency of visiting websites for special offers and discounts
Getting carried away by heavy discounts	6.756	2	.034*	Rural and urban consumers have significant difference with respect to getting carried away by heavy discounts
Impulse purchasing	3.751	4	.441	Rural and urban consumers do not differ with respect to make impulse online purchase
Brands purchased online	28.053	1	.000**	Rural and urban consumers have significant difference with respect to the brands purchased online
Satisfaction with online shopping experience	9.129	2	.010**	Rural and urban consumers have significant difference with respect to their satisfaction with online shopping experience
Visit to store to see the product before purchasing online	10.25	2	.006**	Rural and urban consumers have significant difference with respect to visiting a store to see the product before purchasing online

Table II: Multiple response frequency table for the e-shopping websites visited or planning to visit

		Region		Total
		Rural	Urban	
E-shopping sites visited by you or planning to visit	e-bay.com	60	62	122
		24.0%	24.8%	24.4%
	myntra.com	121	142	263
		48.4%	56.8%	52.6%
	snapdeal.com	119	141	260
		47.6%	56.4%	52.0%
	homeshop18.com	74	51	125
		29.6%	20.4%	25.0%
	flipkart.com	161	175	336
		64.4%	70.0%	67.2%
	askmebazar.com	28	30	58
		11.2%	12.0%	11.6%
	fashionandyou.com	13	38	51
		5.2%	15.2%	10.2%
futurebazaar.com	7	16	23	
	2.8%	6.4%	4.6%	
indiashopping.com	11	17	28	
	4.4%	6.8%	5.6%	
jabong.com	66	108	174	
	26.4%	43.2%	34.8%	
amazon.in	154	183	337	
	61.6%	73.2%	67.4%	
any other	11	32	43	
	4.4%	12.8%	8.6%	

Table III: Multiple responses frequency table for products preferred to be purchased online.

What products do you prefer to purchase online?	Product Category	Region	
		Rural	Urban
	Books	20%	24%
	Electronics	20.87%	22.67%
	Apparels and Accessories	32.24%	42.96%
	E-tickets	29.6%	33.6%
	Home Furnishing	21%	20.2%

Table IV: Multiple responses frequency table for products preferred to be purchased online from the 'Books' category.

		Region		Total
		Rural	Urban	
Books	Books/Novels	77	126	203
		30.8%	50.4%	40.6%
	Magazines	41	30	71
		16.4%	12.0%	14.2%
Comics/Story Books	32	24	56	
	12.8%	9.6%	11.2%	
Total average		20%	24%	

Table V: Multiple responses frequency table for products preferred to purchase online from the 'Electronics' category.

		Region		Total
		Rural	Urban	
Electronics	Electronic Gadgets	99	101	200
		39.6%	40.4%	40.0%
	CD/Videos	24	25	49
		9.6%	10.0%	9.8%
	Computer Hardware	30	26	56
		12.0%	10.4%	11.2%
	Computer Software	22	21	43
		8.8%	8.4%	8.6%
	Electronic Home Appliances	48	55	103
		19.2%	22.0%	20.6%
	Mobile Phones	90	112	202
		36.0%	44.8%	40.4%
Total average		20.87%	22.67%	

Table VI: Multiple responses frequency table for products preferred to purchase online from 'Apparels and Accessories' category.

		Region		Total	
		Rural	Urban		
Apparels and Accessories	Clothing	146	194	340	
		58.4%	77.6%	68.0%	
	Shoes	122	146	268	
		48.8%	58.4%	53.6%	
	Fashion Jewelry	55	50	105	
		22.0%	20.0%	21.0%	
	Belts/Purses	58	82	140	
		23.2%	32.8%	28.0%	
	Cosmetics	47	65	112	
		18.8%	26.0%	22.4%	
	Total average		34.24%	42.96	

Table VII: Multiple responses frequency table for products preferred to be purchased online from 'E-tickets' category.

		Region		Total
		Rural	Urban	
E-tickets	Railways Tickets	115	104	219
		46%	41.6%	43.8%
	Airline Tickets	42	78	120
		16.8%	31.2%	24%
	Hotel Bookings	64	66	130
		25.6%	26.4%	26.0%
	Movie tickets	125	139	264
		50.0%	55.6%	52.8%
	Car rentals	24	33	57
		9.6%	13.2%	11.4%
Total average		29.6%	33.6%	

Table VIII: Multiple responses frequency table for products preferred to be purchased online from 'Home Furnishing' category.

		Region		Total	
		Rural	Urban		
Home Furnishings	Furniture	33	24	57	
		13.2%	9.6%	11.4%	
	Decorative Items	46	72	118	
		18.4%	28.8%	23.6%	
	Kids items/toys	43	42	85	
		17.2%	16.8%	17.0%	
	Home tools and products	88	64	152	
		35.2%	25.6%	30.4%	
	Total average		21%	20.2%	

FINANCIAL LITERACY AMONG PEOPLE OF DELHI: AN EMPIRICAL ANALYSIS

Timcy Sachdeva *

Financial markets have developed substantially in the context of long-term reforms directed at increasing market efficiency and consumer choice, with consequential benefits for individuals and the wider economy. The study reviews the literature on gender differences in financial literacy to better understand the attitude and knowledge of consumers. The study focuses on the financial knowledge, financial attitude and financial behaviour of the people in Delhi. The results indicate that demographic profile plays a significant role in financial literacy of the people. Age, experience and occupation of people have impact on the financial literacy level of people in Delhi.

Key words: Financial Literacy. Gender Gap. Financial Awareness. Financial Knowledge. Financial Attitude.

Financial markets have developed substantially in the context of long-term reforms directed at increasing market efficiency and consumer choice, with consequential benefits for individuals and the wider economy. Financial inclusion cannot be achieved without financial literacy in the economy. Despite all the measures, banks and financial institutions are yet fighting to fulfill the financial inclusion dream. The main lacuna is due to the lack or spread of awareness. The literature shows gender differences in financial literacy. The increasing liberalization in social status of women has definitely shown positive change in condition of women in India. The need for financial literacy has become increasingly significant with the deregulation of financial markets and the easier access to credit, the ready issue of credit cards and the rapid growth in marketing financial products. Both women and men need to be sufficiently financially literate to effectively participate in economic activities and to take appropriate financial decisions for themselves and their families, but women often have less financial knowledge and lower access to formal financial products than men. Women therefore have specific and additional financial literacy needs.

Gender equality in terms of economic and financial opportunities is becoming increasingly relevant at both national and international level. Women are facing increasing financial responsibility, while at the same time, the consumer financial world is evolving at an extraordinary pace. These trends make an imperative that we better understand the evolving nature of gender-based inequities across our current socio-economic systems and intentionally examine those areas that are most essential in accelerating the narrowing of these gaps. Women are shown to be relatively less financially skilled than men along several dimensions.

Government of India has recognized the importance of spreading financial literacy to intensify efforts to channelize domestic savings to investments. However, increasing range and complexity of products has made it very difficult for an ordinary person to take an informed decision. Financial literacy develops confidence, knowledge and skills to manage financial products and services enabling them to have more control of their present and future circumstances. Financial literacy also helps in protecting society and individuals against exploitative financial schemes and exorbitant interest rate charged by money lenders. It is expected that financial education can lead to multiplier effects in the economy. A well-educated household would resort to regular savings, which in turn would lead to investment in right channels and income generation. Thus, the financial well-being of individuals will in turn increase the welfare of the society. In complementary work on financial literacy Lusardi and Tufano (2009) found that low levels of financial resulted into an inability to understand basic financial concepts and poor judgment in borrowing decisions and retirement planning and hence poor financial management. Bagwell (2000) and Garman et al. (1999) found that greater absenteeism was associated with poor financial management. Thus, awareness empowers investors, allowing them to be judicious while handling their money. Therefore, the need of the hour is for stakeholders to come together to propagate financial education.

In the light need for financial literacy, it is imperative to gain better understanding of the demographics of the people. Although there is a considerable amount literature discussing financial literacy issues in the

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context of awareness, product knowledge and investment, few of the recent studies in Indian context have made an attempt to measure the predictors and their reasons for lack of knowledge. In this paper an attempt is made to bridge the gap that exists in financial industry particularly in reference to financial literacy. The paper explores the relationship between demographic variables and financial literacy level of people.

I. Review of Literature

Cole et al. (2008) measured the level and predictors of financial literacy, and its relationship to demand for financial services in India and Indonesia. They found strong relationships between financial literacy and financial behavior. Survey data from Indonesia and India demonstrates that financial literacy is an important correlate of household financial behavior and household well-being. Lusardi & Mitchell (2009) in their study found that low levels of financial literacy resulted into an inability to understand basic financial concepts and poor judgment in borrowing decisions and retirement planning and hence poor financial management.

Taylor (2010) identified the key determinants of financial literacy. Using panel data models, he found that the key determinants to financial literacy are age, health, household size and structure, housing tenure, and the employment status of the individual and other household members. Older men and women in full-time work with an employed spouse have the most financial capability although many of these characteristics have significant impact on financial capability, but results suggest that age, and employment status has the largest impacts. Sethupathi (2011) assess the knowledge of rural households of Tamil Nadu to be very much limited to the traditionally known savings and investment avenues like bank saving, holding insurance policy, investment in equities, gold or in land/building. The study shows that the knowledge of sample populations on the modern and market sophisticated investment avenues is very much limited. The rural households gave primarily importance to the safety of the principal money they invest before selecting savings/investment avenue. The study reveals mixed investors' perceptions towards feasibility of financial services offered by various agencies in rural areas and it has been concluded that minimum deposit facilities or no-frill account is a more popular mode of financial inclusion among the rural masses.

Almenberg & Soderbergh (2011) examined the relationship between financial literacy and retirement

planning of Swedish adults. They found significant differences in financial literacy between planners and non-planners. Financial literacy levels were found lower among older people, women and those with low education or earnings. Klapper and Panos (2011) investigated the impact of financial literacy on the retirement saving in Russia. They found that higher literacy is positively related to retirement planning and investing in private pension funds.

D'Silva et al. (2012) explored the level of financial literacy among females in city of Mumbai. They found that most of the females in India do possess certain kind of financial security, but they are still financially illiterate. Further analysis indicates in India, there are very few realistic examples where women actually participate in decision making process in the family. Still majority of females are highly ignorant about different investment opportunities in the market. Bahl (2012) studied the investment behavior among the working women in Punjab. The study analyzed that how much women are aware about the investment benefits and whether they invest their money or not, and if invested, how much money is invested by them. The study shows that 78 percent of working women have invested their money, 18 percent of women have invested in shares and stocks and 30 percent invested their money into insurance plans.

In another study conducted by Bijli (2012) on money management practices of women who are members of self-help group (SFG) and are users of micro-credit through an MFI called Grameen Koota in Karnataka. The findings revealed limited knowledge of women regarding value for savings, cash flow management, capital formation and account keeping. Nash (2012) found that financial literacy in India is on the positive side now. But the negative side of these is that nearly 98 percent of Indian citizens still do not have a demat account. The country where 48 percent of the population still lives on day to day earnings cannot dream of savings and life insurance.

Mohanarajani and Mathivanan (2013) in their study analyzed the gap between financial literacy and saving/investment behavior among the working women in Coimbatore city. The finding of the study shows that women have expressed high degree of awareness i.e. financial literacy towards traditional saving/investment avenues. Further, women have restricted their investments in gold/silver, rather than focusing on investment in real estates, virtual real estates and arts and passions. Bhushan and Yajulu (2013) in their study determine the financial literacy level of salaried

individuals based on various demographic and socio-economic factors. Findings of the study suggest that overall financial literacy level of respondents is not very high. Financial literacy level gets affected by gender, education, income, nature of employment and place of work whereas it does not get affected by age and geographic region. Kumar and Anees (2013) studied that the financial market has been dramatically changing after liberalization and has been offering several opportunities not only for investor but also for the corporate. The study considered into account the different dimensions of financial literacy and education in India.

Subha and Priya (2014) find the factors affecting the financial literacy. The study revealed that financial literacy is influenced by six factors, they are managing debit and credit, confidence and attitudes, skills, personality, knowledge and understanding and future financial planning and the study proved that the financial literacy is the powerful predictor of demand for financial consultancy services.

Objectives of The Study

The objectives of the study are:

- (i) To study the relationship between financial literacy and demographic variables.
- (ii) To highlight the various managerial implications, including a need for complementarity of strategies for awareness of financial literacy.

II. Research Design & Methods

Financial inclusion is the buzz word today. There are several ways in which power center in Delhi and the regulators are trying to achieve this goal. Industry is also playing its role in achieving the mission. While there are regulatory and business issues in attaining this objective, financial awareness is a critical element in meeting this goal, that needs serious attention. Therefore, these inclusions make it an appropriate setting for investigation of financial literacy among women in Delhi. The personal interview was conducted for which a questionnaire was prepared to inquire about their awareness and knowledge of financial products. The research was undertaken to access the level of financial literacy among the people of Delhi. The interest was to study the attitude, knowledge as well as capture behavior relating to topics such as money management, planning for short and longer term financial goals, awareness and choice of financial products and the relationship between different socio demographic variables and financial literacy of people of Delhi.

A total of 103 respondents participated in the study conducted in Delhi. The study is based on convenience sampling. ANOVA was used for data analysis. The tool used for data analysis was SPSS (Statistical Packages for Social Sciences) version 21.

III. Analysis, Discussion & Findings

The data of demographic profile was weighted on gender and occupation. Financial literacy level of 103 respondents is subject to a sampling error at the 95 percent level of confidence. Cronbach's alpha was used to assess the construct reliability of the scale. As shown in Table 1, α coefficient value 0.773 is above the common threshold value (0.70) recommended by George and Mallery (2003). Therefore, α value shows good reliability.

Ho1: There is no significant difference in the financial literacy across different age group.

Table 2 depicts results of descriptive statistics of age of the respondents. It shows that 35 respondents belong to 18-25 years of age group with the mean 95.23 and standard deviation 12.192. In the age group of 26-35 years, 47 respondents participated in the survey with mean of 103.40 and standard deviation 10.830. In the survey 12 respondents belongs to 36-45 years of age group whose mean was 103.08 and standard deviation 9.414. 5 respondents belong to 46-60 years of age group with mean 103.60 and standard deviation 0.894. Only 4 respondents belong to above 60 years of age group whose mean was 88.50 and standard deviation 2.887. The table no. 3 indicates the test of homogeneity of variance with p value 0.33 at 5 per cent significance level. Therefore, the assumption of equal variance stands rejected.

Table 4 indicates the calculated value of f statistics to be 4.384. Additionally, it indicates that the significance value (0.003) is less than the usual threshold value of 0.05. This suggests that there is significant difference between the age and the financial literacy level of people in Delhi.

Ho2: There is no significant difference in the financial literacy across different occupation. Table 5 depicts the descriptive statistics with respect to occupation of the respondents. In the sample 31 respondents were students with mean of 95.61 and standard deviation 10.950. Working people comprised of 60 respondents with mean value of 102.20 and standard deviation 11.776. Out of the sample of 103, 9 respondents were from business category whose mean was 100.2 and

standard deviation was 4.868. Only 2 respondents were housewife and their mean was 91.00 and 1 respondent belong to other category with mean of 122.00. The test of homogeneity of variance indicates p value of 0.168 at 5 per cent level of significance is more than the 0.05. Therefore, equal variance is not assumed (Refer table 6). Based on the results of table 7, it shows that F statistic to be 3.139 and p value at 0.018, which is less than the 0.05 at the 5% significance level, therefore, there is a significant difference between the financial literacy level and the respondent's occupation.

IV. Conclusion

The study shows that the people in Delhi are aware about the common financial products in the market like credit cards, real estate, pension funds but lacks in the knowledge and the awareness level regarding other financial products like shares, bonds, insurance, debentures, loans etc. The study shows that there is significant difference between the age and the financial literacy level of people in Delhi. The study also finds that there is significant difference between the education and the financial literacy level of people in Delhi. This suggests that the occupation, age and experience of the people affects their ability to take financial decisions and their awareness towards the financial products. The reason for this can be the housewife's showing less level of financial literacy and on the other hand people engaged in service, profession or business shown good financial literacy level.

Recommendation and Scope for Further Study

Financial literacy covers the wide aspects of the finance discipline. In India educating people majorly women means educating her family, children and in turn the society in which she lives. Thus, creating right and appropriate strategic knowledge on finance, its handling techniques and its related risk can empower women's skills on saving /investments behavior. At School and College level special training program regarding financial services and products should be organized which will enhance the awareness and knowledge level of students especially women. It is suggested that banks, financial agencies, stock consultants and insurance companies to conduct regular seminar, programs, TV talk shows, debates and expert review on safe and possible investment with their surplus money, parameters of the investment instruments, decision making parameters, degree of risk taking capability, management of debt practices, means and methods by which women investors can avoid financial mistakes. Studies can be undertaken focusing on saving &

investment pattern of women in different cities of India. Since sustaining domestic saving is the primary mode of the today's Indian government so such a study will help government in formation of suitable policies.

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Table 1: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.773	.767	29

Table 2: Descriptive Statistics of Age of Respondents

	N	Mean	Std. Deviation
1	35	95.23	12.192
2	47	103.40	10.830
3	12	103.08	9.414
4	5	103.60	.894
5	4	88.50	2.887
Total	103	100.02	11.505

Table 3: Test of Homogeneity of Variances

Levene Statistic	df1	df2	Sig.
2.742	4	98	.033

Table 4: ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	2049.354	4	512.338	4.384	.003
Within Groups	11452.607	98	116.863		
Total	13501.961	102			

Table 5: Descriptive Statistics of Occupation of Respondents

	N	Mean	Std. Deviation
1	31	95.61	10.950
2	60	102.20	11.776
3	9	100.22	4.868
4	2	91.00	.000
5	1	122.00	.
Total	103	100.02	11.505

Table 6: Test of Homogeneity of Variances

Levene Statistic	df1	df2	Sig.
1.717 ^a	3	98	.168

Table 7: ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1533.451	4	383.363	3.139	.018
Within Groups	11968.510	98	122.128		
Total	13501.961	102			

EMOTIONAL INTELLIGENCE AS A MEDIATOR BETWEEN LEADERSHIP STYLES AND LEADERSHIP EFFECTIVENESS: A THEORETICAL FRAMEWORK

Urvashi Sharma* Anisha**

The importance of emotional intelligence as a measure for identifying potentially effective leaders and as a tool for developing effective leadership style is undisputed. The aim of the present paper is to develop a conceptual model that brings together theories, studies and researches on emotional intelligence, leadership styles and leadership effectiveness. The study focuses on the primary relationship between leadership styles and leadership effectiveness and draws on the role of emotional intelligence as a mediator of this relationship. The theoretical framework is formulated based on extant literature with the hope of stimulating more systematic research efforts in future. Additionally, testable propositions are formulated and implications for practice are discussed.

Key Words: Leadership Styles, Leadership Effectiveness, Emotional Intelligence

No doubt emotional intelligence is rarer than book smarts, but my experience says it is actually more important in the making of a leader. You just can't ignore it. - *Jack Welch*

In recent years, emotional intelligence (EI) has become a concept of widespread appeal to psychological research. With the publication of the influential book *Emotional Intelligence*, many business leaders agreed with the basic idea that success is strongly influenced by a range of personal qualities such as self-control, perseverance, and skill in getting along with others (Goleman, 1995).

Salovey and Mayer (1990) coined the term "emotional intelligence" for the first time. Their theory predominantly combines ideas from areas of intellect and emotions. Since the original conceptualization of the term emotional intelligence, two models have emerged. The *ability model* conceptualizes EI in a manner similar to cognitive intelligence. EI is assumed to be correlated with measures of IQ, to develop overtime and to be measurable with performance

based tests (Ciarrochi *et al.*, 2000). EI is defined to include a range of abilities that involves perceiving and reasoning with information that emerges from moods and feelings. In contrast, *mixed models* of EI includes both competency-based models (Goleman, 1995) and non-cognitive models (Bar-On, 1997). The mixed model defines emotional intelligence in terms of traits, social behaviors and competencies. These models tend to overlap with traditional models of personality and utilise self-reports as a primary mode of assessment. The

summarized version of all the three models of emotional intelligence is given in figure 1 in the appendix.

One of the most applied construct with which emotional intelligence has been associated with is that of leadership. The literature on leadership has produced numerous theories outlining the characteristics of most effective leader and the most effective leadership style. During the last decade, interpersonal skills have emerged as very integral to effective leadership. Traditionally, leaders were seen to plan, inspect and control the overall running of an organisation. However, in today's more service oriented industries, new leadership roles include motivating and inspiring others, fostering positive attitudes at work, and creating a sense of contribution with and among employees. As a result, research has been focussing its attention on the underlying attributes of leaders who can successfully perform these contemporary leadership roles.

Objectives

The specific objectives that the paper aims to achieve are as under:

- To review literature examining relationships between

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leadership styles, leadership effectiveness and emotional intelligence.

- To test the relationship between leadership style and effectiveness by taking emotional intelligence as a mediator.

I. Review of Literature

A. Leadership Style and Leadership Effectiveness: In the past leadership studies were focussed on trait and situational approaches. However, current developments in the leadership studies have focussed on the complementary transformational/ transactional leadership model as a framework to examine leadership with other constructs.

Burns (1978) advanced the concepts of transformational and transactional leadership. He explained transformational leadership as a process which raises the motivations and needs of followers and promote substantial change in individuals, groups and organisations. Transactional leadership on the other hand, focuses on exchanges (mutual support, reward for performance and bilateral exchanges) to address the current needs of subordinates. Bass (1985) further developed this paradigm by integrating both transformational and transactional leadership style and suggesting that both these styles may be linked to the accomplishment of desired goals and objectives. He defined transformational leader as one who increases the confidence of individuals or groups, arouses awareness and interest in the organisation and attempts to move the concerns of followers towards achievement and growth instead of existence. Transactional leader prefers a leader-member exchange relationship, thereby fulfilling the needs of the members in return for their performance meeting basic expectations.

Bass and Avolio (1997) developed the five dimensions of transformational leadership namely, idealized influence (behavior), idealized influence (attribute), inspirational motivation, individualized consideration, and intellectual stimulation. Transformational leadership augments follower's performance, involvement, commitment and loyalty. In contrast, transactional leadership includes contingent rewards, management by exception (active) and management by exception (passive). There is also a third style of leadership known as laissez-faire leadership or "do nothing" style of leadership (Yammarino *et al.*, 1993). These leaders are absent when needed, fail to follow up on member's requests for assistance and avoid accepting responsibilities (Bass 1997). The three styles of

leadership and their impact on effectiveness of a leader is depicted in figure 2 (see appendix).

Generally, a transformational leadership style is considered to be more effective as compared to transactional leadership style, as transformational leaders are found to promote greater organisational performance (Lowe and Kroeck, 1996). These leaders seek new opportunities, new ways of working and prefer effectiveness to efficiency. To the contrary, laissez faire leadership style creates a negative relationship between leadership and member performance. Transformational leaders demonstrate self-confidence, self-acceptance and internal locus of control. They appear to be less emotional and more behavioural when dealing with stress and conflict (Avolio & Bass, 1997). They appear to be better adjusted with a strong sense of responsibility and clear goals than transactional leaders. Hence, a review of organisational research studies has consistently found that transformational leadership is more effective and satisfying than transactional leaders.

B. Leadership Styles and Emotional Intelligence: Past researchers suggest that emotional intelligence is linked to transformational leadership style (Barling *et al.* 2000; Palmer *et al.* 2001; Gardner and Stough, 2002). Palmer *et al.* (2001) evaluated the link between EI and leadership style on a sample of 43 managers and found inspirational motivation and individualised consideration to be significantly correlated with the ability to monitor and manage emotions.

Similarly, Barling *et al.* (2000) conducted an exploratory study to examine the relationship between transformational/transactional leadership paradigm and EI. The results showed that three aspects of transformational leadership, namely, inspirational motivation, idealized influence, and individualised consideration were associated with EI. In contrast, laissez-faire management, and active and passive management by exception components of transactional leadership were not found to be associated with emotional intelligence. Later in a study conducted by Gardner and Stough (2002), results showed that the ability to perceive and understand emotions accounted for the majority of the variance in transformational leadership as compared to other personality measures. Leaders who considered themselves more transformational reported that they possessed the ability to identify their own emotional states and feelings, and express those feelings to others; to understand the emotions of others in the workplace; to manage positive/negative emotions in themselves; and to effectively control their emotional states.

A review of studies focussing on a multiple model of intelligence (Atwater & Yammarino, 1993; Howell & Avolio, 1993) that examined the relationship between emotional intelligence and leadership styles found evidence of strong correlations between traits of emotional intelligence and transformational leadership, less for social intelligence and least for cognitive intelligence.

C. Emotional Intelligence and Leadership

Effectiveness: Leadership effectiveness is described an act of a leader which involves influencing and guiding others to achieve the desired goals (Vroom and Jago, 2007). EI is a vital factor in an individual's ability to be socially effective and is viewed as a key determinant of effective leadership (George, 2000). Goleman (2001) argued that leaders with high EI possess the capabilities to understand the feelings of their followers and to manage their own emotions for mutual trust and thereby, contribute significantly to organisational success.

According to Hogan *et al.*, (1994), emotionally stable leaders are self-confident, calm, composed, unruffled, undisturbed and not excessively emotional. These traits were found to be associated with effective leaders. Salovey and Mayor (1990) reiterated that EI helps in prioritizing the demands by directing attention to the most pressing concerns and diverting the less significant issues.

To be effective leaders, Yukl and Van Fleet (1992) explained that individuals must be proven in terms of their emotions. They further described that these kinds of individuals are less self-centered, high in openness (accepting criticism), less predisposed to mood change and upsurge in emotions, and possess significant amount of self-control. Based on plethora of leadership approaches, theories and empirical findings, following elements described in figure 3 have been found associated with effective leadership (Conger & Kanungo, 1998; Locke, 1991; Yukl, 1998).

George (2000) considered how emotional intelligence might help leaders to carry out the activities as mentioned in figure 3 in the appendix and thus contribute to leader effectiveness. She suggested that emotional intelligence has an important role to play in leadership effectiveness and proposed that the ability to understand and manage emotions in oneself as well as in others theoretically contributes to effectiveness of leaders. George argued that leaders high on emotional intelligence have the ability to solve problems, address issues and opportunities facing organisation and use positive emotions to envision major improvements in the overall functioning of the

organisation. She also suggested that emotional intelligence enhances a leader's ability to accurately appraise how their followers feel and to use that information to influence their subordinates' emotions making them more receptive and supportive of the organisational goals.

Dulewicz and Higgs (1999) looked at leadership effectiveness from the viewpoint of progression within hierarchy of an organisation and found that EI explained a greater proportion of an individuals' job advancement rather than cognitive intelligence or personality traits. In summary, the available research supports the proposition that EI is linked to indices of leadership style and leadership effectiveness.

Research Gap

Many studies have been conducted in the past using different conceptualisations of EI and leadership styles. The review of existing literature gives a combination of findings of relationship between EI and leadership style and between EI and leadership effectiveness. Few studies have found significant positive relationship between these variables. However, research on the role of emotional intelligence as a mediator between leadership style and leadership effectiveness is still very limited and requires further validation that substantiates the need to conduct this research.

II. Research Design & Methods

Model

Based on the extensive review of literature, a research framework has been critically developed to demonstrate the relationships pertaining to the study with leadership styles as the independent variable; leadership effectiveness as the dependent variable and emotional intelligence as the mediating variable as depicted in figure 4 (see appendix).

As already established, leadership styles impact the effectiveness of a leader to be able to influence his followers towards the achievement of organisational goals. Several researchers have investigated the effects of transactional and transformational leadership. Generally, transformational leaders are expected to achieve higher levels of success in the workplace than transactional leaders and laissez-faire leaders (Bass, 1997). It was also observed that transformational leaders produced better financial results and were promoted more often than transactional leaders. Transformational leadership predicted higher employee ratings of effectiveness and satisfaction (Hater and Bass, 1988); higher group

performance (Keller, 1995); and leader effectiveness, subordinates' satisfaction with the leader and subordinate extra efforts (Seltzer and Bass, 1990).

Bass (1990b) proposed that transformational leader must possess multiple kinds of intelligence and most importantly, social and emotional intelligence that enhances a leader's ability to inspire employees and build relationships. They appear to be less emotional and more behavioural when dealing with situations of conflict and stress. Higher levels of emotional intelligence predispose a leader to use transformational style of leadership.

While focussing their efforts on characteristics of effective leaders, researchers like Goleman (1998c) found that most of the effective leaders are alike in that they all have a high degree of emotional intelligence. Emotional intelligence becomes increasingly important at the highest levels of the hierarchy, where differences in technical skills are negligible (Goleman, 1998c).

It can be concluded based on literature that the relationship between leadership styles and leadership effectiveness can be explained by emotional intelligence. Thus, leaders who display high levels of EI (i.e. ability to perceive, use, understand and manage emotions) are more likely to display transformational leadership behaviors which in turn is a more effective leadership style.

Humphrey (2002) defined leadership as an emotional process whereby leaders attempt to evoke emotions in followers, recognise their emotional states and then seek to manage their emotions accordingly. Thus, whether a particular leadership style will lead to effective leadership or not depends on and is explained by the level of emotional intelligence of the leaders. The leadership style which makes maximum use of emotion-laden skills is expected to be most effective.

Figure 5 shows the summarised version of the relationships between emotional intelligence, leadership styles, and leadership effectiveness. Based on review of literature, it can be argued that a person who has the ability to appraise, perceive and express emotions accurately, to use emotions in enhancing his cognitive thought processes, to understand the nuances of emotions and emotional knowledge and finally, the ability to regulate and to manage emotions can be said as an emotionally intelligent individual.

Leaders who exhibit high levels of emotional intelligence are more likely to display transformational leadership behaviours than those who exhibit low level of emotional

intelligence. And, a review of organisational research studies has consistently found transformational leadership as a highly effective leadership style because it results in highest levels of performance outcomes and team performance.

III. Analysis, Discussion & Findings

Implications

Understanding precisely how emotional intelligence relates to effective leadership and leadership styles may have various implications for leadership search firms and human resource practitioners, particularly in the field of selection and leadership development. Specifically, various aspects of EI that have been identified as underlying attributes may provide additional criteria for identifying and selecting effective leaders and adopt an effective style of leadership. For example, in area of recruitment and selection practices for organisations, a measure of potential candidates' emotional intelligence could help in the selection of those who are better able to manage high pressure and high stress interactions to reduce the likelihood of workplace conflict and burnout.

Moreover, research on emotional intelligence and effective leadership may help identify new sets of emotion-based skills that could be used in training and development programs aimed at enhancing leadership effectiveness and thereby improving organisational climates and performance.

The study specifically points out that leadership style which involves use of emotion-laden skills to influence followers will lead to greater leadership effectiveness. Thus, if emotional intelligence can be enhanced through training, it could improve organisational member interactions, organisational member welfare, and contributions, and therefore, provide a fertile avenue towards the achievement of better organisational performance. If training is made available to all employees and not just those who currently holds leadership positions, the pool of potential leadership candidates in the organisation can be expanded.

Scope for Further Studies

Based on the review of literature, some testable propositions have been formulated. Clearly, what is needed now is empirical research which tests the ideas that have been proposed in this paper. The hypothesis has been formulated as below:

H1: There is a significant relationship between leadership styles and leadership effectiveness.

H2: There is a significant positive relationship between emotional intelligence and transformational leadership style.

H3: There is a significant positive relationship between emotional intelligence and leadership effectiveness.

H4: Emotional intelligence acts as a mediator between leadership style and leadership effectiveness.

Given the complexities of the issues involved, both quantitative and qualitative methodologies can be used to explore the ways in which emotional intelligence may contribute to and interact with the relationship between leadership style and leadership effectiveness as theorized in this paper. Meaningful quantitative investigations can be done in both field and laboratory settings as well as with the use of management simulations. Also, there are several measures of emotional intelligence that have been developed and can be used to measure the emotional intelligence of the participants.

Moreover, the impact of emotional intelligence on leadership effectiveness and leadership styles has not been studied in Indian context. It will be captivating to see the influence of emotional intelligence on Indian leaders with a very different culture, values and traditions.

IV. Conclusion

The emotional intelligence paradigm is comparatively new and its transposition into management theory produces some exciting areas for future studies, especially within the realms of leadership development. By possessing emotional intelligence abilities and competencies and using them as a basis of organisational leadership, it is proposed that these leaders will be much more effective.

The present analysis suggests that emotions and emotional knowledge are worthy of consideration in the leadership domain. The study was designed to examine the role of emotional intelligence as a mediator between leadership styles and leadership effectiveness in an organisation. The study might expand the existing pool of knowledge in the area of leadership encompassing leadership style as an independent variable, leadership effectiveness as dependent variable and emotional intelligence as a mediating variable. The posited relationships between emotional intelligence, leadership styles and effectiveness are clearly speculative. These relationships need empirical testing. Moreover, several factors like organisational culture influencing

effectiveness, gender influence on leadership styles, job commitment on leadership effectiveness which might have an impact on the research variables have been excluded. Nevertheless, it is expected that ideas presented in this paper will provide future researchers with framework upon which further theoretical and empirical work can be built upon to better understand the requirements of outstanding leadership.

All in all, investigating how leader's abilities in the emotion domain or their emotional intelligence contribute to their effectiveness certainly seems to be worthy of future empirical research and theorizing. Hopefully, current analysis has provided researchers with some guidance in this regard.

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Models of Emotional Intelligence		
<i>Salovey and Mayor’s ability based model</i>	<i>Bar On’s non-cognitive model</i>	<i>Goleman’s competency based model</i>
<ul style="list-style-type: none"> • Perceiving emotions • Using emotions • Understanding emotions • Managing emotions 	<ul style="list-style-type: none"> • Intrapersonal • Interpersonal • Adaptability • Stress management • General mood 	<ul style="list-style-type: none"> • Self-awareness • Social awareness • Self-management • Relationship management

Figure 1: Models of Emotional Intelligence

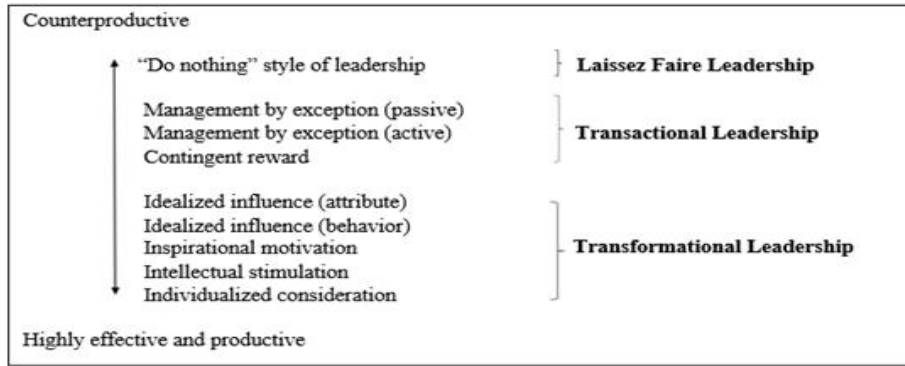


Figure 2: Relationship between leadership style and leadership effectiveness.

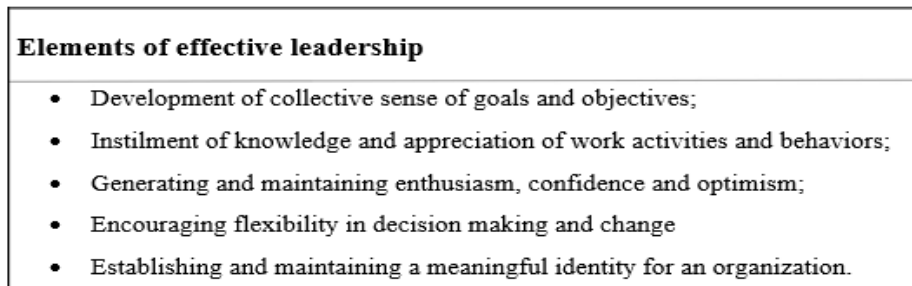


Figure 3: Elements of effective leadership

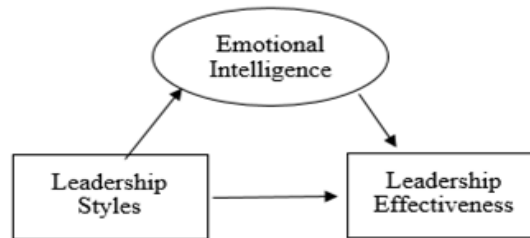


Figure 4: Emotional Intelligence as a Mediator between Leadership Styles and Leadership Effectiveness

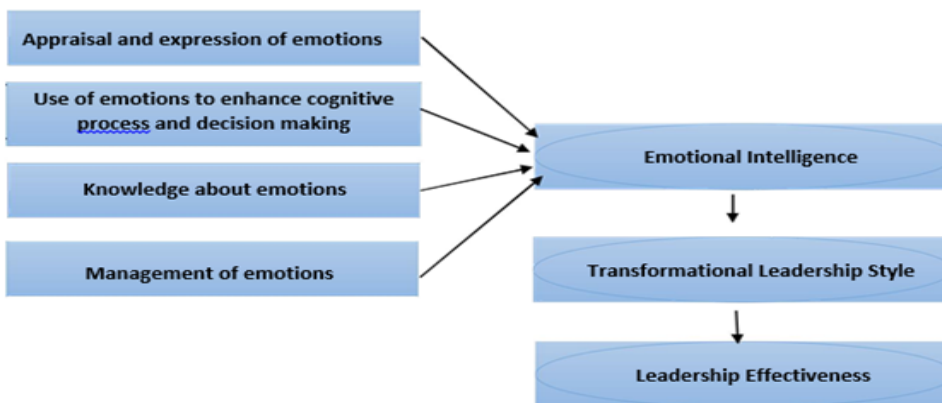


Figure 5: Relationship between emotional intelligence, leadership style and leadership effectiveness

STUDY OF AWARENESS OF MICRO-INSURANCE POLICIES: COMPARATIVE ANALYSIS OF TWO VILLAGES

Timira Shukla*

Financial inclusion is the new paradigm of growth to mitigate poverty from the country and achieve inclusive growth. Micro insurance can make an important contribution by reducing people's financial vulnerability and poverty via economic development. Many attempts have been initiated by successive governments towards financial inclusion of the poor particularly in rural areas. The awareness of insurance per se and its use is abysmally low in rural areas. This is despite the various initiatives taken by banks, co-operatives followed by priority sector lending, introduction of regional rural banks, microfinance, creation of NABARD and finally Pradhan- Mantri Jan-Dhan Yojana. In India micro-insurance has been largely supply-driven; the outcome therefore is far below expectations. This has resulted in a wide chasm and jeopardized economic and social development. Micro insurance is the provision of insurance services to low-income people. For the purposes of this study an insurance product is deemed to be a micro insurance product if the providers either targeted or sold the product to low-income people. The study is an attempt to find out about the awareness of micro-insurance in two villages of the state of Uttar Pradesh and identify the purposes for using micro-insurance plans. The study is exploratory in nature.

Key words: Rural, Micro-insurance, Awareness, Financial Inclusion

Micro-insurance (MI) is a part of micro-finance and an important risk management tool for the low-income households which are more vulnerable to shocks and risks as compared to middle or high-income groups. It essentially comprises of risk-pooling products involving modest premium and benefit package. It is an important enabler of financial inclusion for people at the bottom of the pyramid and is aimed at safeguarding the poor from negative shocks and their consequences. When exposed to financial shocks, poor households may be forced to make harsh choices, such as reducing food consumption, withdrawing children from school, or depleting productive assets to cover the expenses related to the risk event. It was always believed that poor are too poor to be able to afford any kind of insurance; which lead to exclusion of a vast majority (about two-thirds) of population from any risk cover. However, in recent years the concept gained impetus partially due to microfinance activity and IRDA mandate which stipulates that all insurance companies are obliged to cover the rural sector. India is one of the foremost countries in the world to have introduced micro insurance regulation.

Earlier, in India, the micro insurance initiative was on a bank-driven basis. The assets (mainly dairy animals, sheep and goat) created under the poverty alleviation programs by the banks were insured and the lives of the beneficiaries were covered by Government of India under a group insurance policy. As most of the non life insurance companies had master policy with the banks at the apex level, the claim servicing was not given

attention in the field, which resulted in inordinate delay in settlement of claims and a negative image was created about the insurance companies among the poor. But the future augurs well in view of the recent innovations in product design, distribution and delivery mechanism of the micro-insurance products.

Micro- Insurance Products

Micro insurance, like any other regular insurance is offered for a wide variety of risks. They can be broadly classified into health risks and property risks. The most common micro insurance products based on ease of administration is given in the figure below:

The life micro-insurance products as in life products provide life cover to the policy holder and family in event of death and disability. Health micro-insurance plans usually cover direct medical costs covering a predetermined list of risks or health services. Crop micro insurance is an agricultural insurance product which covers crops against perils. Livestock micro insurance is an agricultural insurance which covers loss of livestock owned by the policy holder. The retirement provision is a form of asset micro insurance; for low-income group insurance for a hut, irrigation pump, a handloom or a bullock cart would have considerable economic significance.

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The various delivery mechanisms include adopted include Provider Model, NGOs, Community-based Model, Partner-Agent Model and Full-Service Model. As insurance is a different business from microfinance the required management skills are different. It is important that all micro insurance activities must conform to insurance principles as enunciated by IRDA. It is important that the demand for risk protection in the context of low-income households should come from customers and not suppliers. The current understanding of the specific insurance needs in this area is very limited as very little research is undertaken to understand the needs of this specific target market in India. There is huge untapped potential as risk mitigation is a felt need even for low-income households.

I. Review of Literature

As elucidated micro-insurance (MI) is gaining ground and the country has seen various innovations in this growing area. Very few studies have been undertaken with empirical investigation to probe the real reasons for poor penetration of MI products.

P Mahanta, Gitanjali Panad, Sreekumar (2016) in their study on MI have said that increased awareness and penetration of MI positively impacts social bottom line as well as financial bottom line. "Vinit Kumar (2015) in his study titled 'Pradhan Mantri Jan Dhan Yojana (PMJDY): Financial Inclusion and Inclusive Growth in India' has highlighted how this scheme has been able to address the issues related to financial and social exclusion and how insurance coverage can be accelerated. Kirti Singh and Vijay Kumar Gangal (2015) have said that MI is a panacea for India and there are many gaps in the MI products and delivery mechanism which need to be addressed at a micro-level in a country as diverse as India. SK Agarwalla, SK Barua et al (2015) in the in study on Financial Literacy among Working Young in Urban India have highlighted the importance of socio-demographic characteristics and family-type on financial literacy. Ratna Kishore (2013), Sushil Kumar, Niray Mishra and Seema Varshney (2012) Malick, Selvam and Nazar Abdul (2011) have in their respective studies highlighted the challenges of MI in India and articulated the need for developing MI market for India as it is largely untapped.

NP Mohapatra, and Sri Pankaj Kumar (2013) in their tenure with NABARD have highlighted the unsuitability of the banking sector in delivering MI and money remittances. Basanat Sahu (2011) in his extensive primary field survey of women micro-credit clients has pointed out that at least one quarter of the population

surveyed from randomly selected from 23 centers in 11 development blocks in three districts of two states (Trichy and Madurai in Tamil Nadu and Sambalpur in Orissa) had reported adverse conditions which impacted their economic and financial condition leading to huge loss.

The findings of study undertaken by Syed Abdul Hamid Jennifer Roberts & Paul Mosley (2010) amongst rural household of Bangladesh show that micro health insurance has a beneficial impact on food sufficiency and therefore health. Gunita Chandhok (2009) has indicated in her study that the MI models if implemented effectively by insurers can address the urgent needs of the BPL (below poverty line) population. Kamesh Goyel (2009) in his study has advocated lowering costs to increase penetration of MI. Gopinath (2009) and Venkata Raman Rao (2008) have also asserted that income, gender and literacy levels also impact MI in the rural areas.

Rationale of the Study

It can be deduced from the literature review that the challenges to increase MI penetration are many but not insurmountable. As per the latest census data (2011), the state of Uttar Pradesh has over 1 lac villages with a total rural population of 155 million of which 18 million are marginal workers (11.6%), 18 million agriculture labour (11.6%) and 13 million in household work and others (8.5%). These figures though not recent represent a huge untapped market.

For the empirical study the two villages of Dasna and Masoori in western Uttar Pradesh were selected. Dasna Dehat located in Ghaziabad district, has a total 6883 families residing in the village as per census 2011 data. In 2011, literacy rate of Dasna Dehat village was 71.87 % compared to 67.68 % of Uttar Pradesh. Masoori is a large village located in Meerut district with total 989 families residing in village with literacy rate of 77.01 %. The main purpose of the study is to identify the variables that affect awareness of MI products in the villages.

II. Research Design & Methods

The study is exploratory in nature; 50 respondents have been selected from each village viz. Dasna and Masoori. The method of convenience sampling has been used as the main purpose is to find the reasons for awareness or lack of it for MI products. The data has been collected in May 2016 by using a personally-administered questionnaire. The descriptive statistics have been calculated and results have been analysed by using the technique of one-way ANOVA (Analysis of Variance).

III. Analysis, Discussion & Findings

The summary measures are displayed in Table 1. It can be observed that despite the fact that both the villages in proximity to National Capital Region the awareness levels of insurance and micro insurance are abysmally low. The figures 2a and 2b give a view of which particular MI policy has been availed by the villagers. It can be observed despite poor penetration levels those who have availed MI policy in Dasna the maximum has opted for life insurance and in Masoorie for health insurance schemes. In both villages asset insurance is the least preferred product. It can also be seen that family and friends constitute an important reference group indicating that it is important to reach out to them to spread awareness. It can be noted that despite push by the government the agents are not able to reach out to those who need MI.

The reasons for not availing MI were categorized into different variables and aggregate analysis using one-way ANOVA was carried out. The findings are displayed in tables 3a and 3b. The hypothesis is as under:

H_0 – The variances are equal across all variables (for not availing MI)

H_a – The variances are unequal across all variables (for not availing MI)

It can be seen from the table that the significance value for each variable is less than .05 (at 95% level confidence). Therefore, the null hypothesis is rejected and it can be concluded that the reasons for not availing MI are not the same. When the variances are not equal across groups, the results of the ANOVA are questionable. The Welch and Brown-Forsythe statistics are alternatives to the usual F test in such a case. As the sample size increases, these distributions of these statistics converge to an F distribution. Small significance values (<.05) indicate group differences. As the sample size is small, robust tests of equality of means is done and the results are displayed in Table 4. It can be observed that there are group differences as asymptotic significance is less than .05 in each case.

When the variances are not equal across groups, the results of the ANOVA Table are questionable. The Welch and Brown-Forsythe statistics are alternatives to the usual F test in such a case. As the sample size increases, these distributions of these statistics converge to an F distribution. Sig indicates the significance level of the F-test. Small significance values (<.05) indicate group differences. From above table we can say that there are group differences as asymptotic significance is less than .05 in each case.

IV. Conclusion

It can be concluded from the above study that ignorance and lack of information is a major stumbling block for MI. There are many misgivings pertaining to MI; dissemination of information and distribution is a mirage. The agents appointed by government need to be more customer-oriented as needs and purpose for MI may vary from village to village. The empirical study gives an insight into the problems that need to be addressed to improve MI awareness and penetration. The study cannot be generalized as the sample size is small.

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Figure 1: Source: Socio-Economic Imprint (Arora and Poonam, 2009)

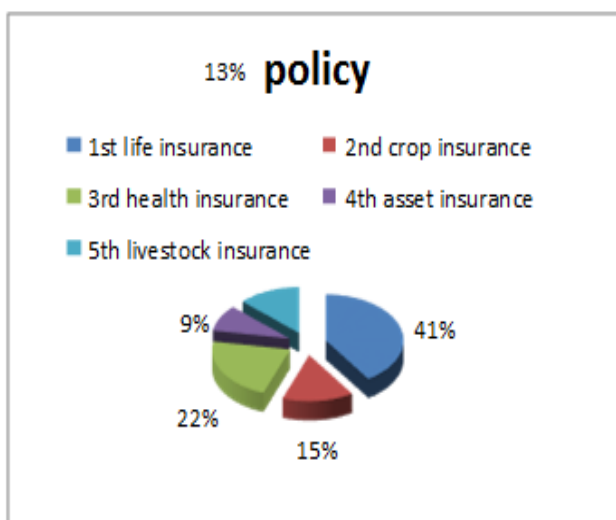


Figure 2a: Dasna Village

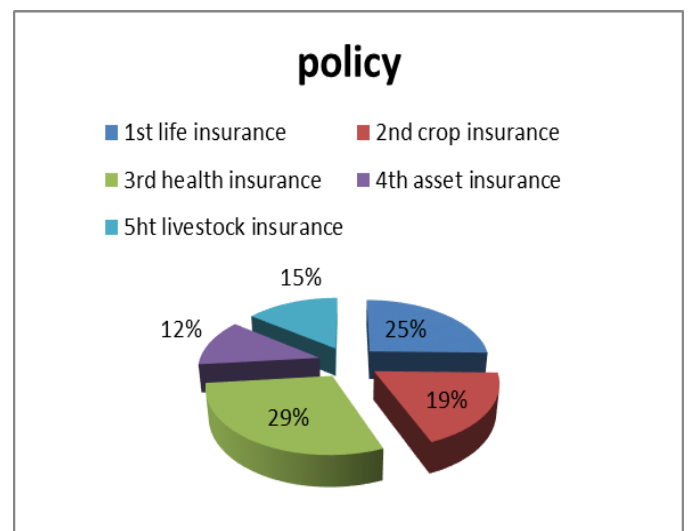


Figure 2b: Masoorie Village

Table 1: Profile of Respondents

Variable	Village	Summary Measure	
Occupation	Dasna	Service -8% Farmer -55%	Self-employed-25% Others- 12%
	Masoorie	Service -22% Farmer -47%	Self-employed-17% Others- 14%
Awareness of Insurance	Dasna	Yes-33%	No-67%
	Masoorie	Yes-37%	No-63%
Awareness of Microinsurance	Dasna	Yes-22%	No-78%
	Masoorie	Yes-27%	No-73%
Government supports MI	Dasna	Yes-07%	No-93%
	Masoorie	Yes-12%	No-88%
Availed MI	Dasna	Yes-11%	No-89%
	Masoorie	Yes-21%	No-79%
Influencers for MI	Dasna	Family -23% Agents – 15%	Friends-30% Others -32%
	Masoorie	Family -31% Agents – 22%	Friends-18% Others -29%

Table 2: Anova

		Sum of Squares	Df	Mean Square	F	Sig.
Not having awareness	Between Groups	1.234	1	1.234	3.354	.03
	Within Groups	24.900	98	.254		
	Total	26.134	99			
Affordability	Between Groups	3.231	1	3.231	5.358	.01
	Within Groups	24.660	98	.252		
	Total	27.891	99			
Did not feel like purchasing it	Between Groups	.956	1	.956	2.373	.04
	Within Groups	23.646	98	.252		
	Total	24.602	99			
No proper channel	Between Groups	3.113	1	3.113	5.159	.01
	Within Groups	24.600	98	.251		
	Total	27.713	99			
No proper information about product	Between Groups	3.321	1	3.321	5.960	.01
	Within Groups	24.500	98	.250		
	Total	27.821	99			
No proper agent	Between Groups	2.213	1	2.213	4.521	.02
	Within Groups	23.200	98	.237		
	Total	25.413	99			

Table 3: Robust Tests of Equality of Means

		Statistic(a)	df1	df2	Sig.
Not having awareness	Welch	.798	1	95.999	.04
	Brown-Forsythe	1.460	1	96.785	.03
Affordability	Welch	2.875	1	98.987	.01
	Brown-Forsythe	2.676	1	98.876	.01
Not feel like purchasing it	Welch	2.186	1	97.974	.02
	Brown-Forsythe	.776	1	95.745	.04
No proper channel	Welch	2.096	1	97.654	.02
	Brown-Forsythe	1.234	1	96.564	.03
No proper information about product	Welch	2.543	1	98.782	.01
	Brown-Forsythe	.876	1	95.456	.04
No proper agent	Welch	2.023	1	97.487	.02
	Brown-Forsythe	.997	1	95.323	.04

a. Asymptotically F distributed.

FOCUS: PRODUCTIVE LEADERSHIP IN ACTION

Author: Ashley M. Martin

Publisher: WTL Press, Houston, Texas

ISBN: 978-0990770145

Year of Publication: 2017 (2nd Edition)

Price: \$12.95

Jyoti Kukreja*

'If life is what you make it, then making it better begins here'
In a world of constant distractions, we all need help to find our focus. From the moment we wake up to the last minute we lie on the bed, we are bombarded with information. With very little time to concentrate and explore, our performance curves take a downward bent. The power of leadership in action demands constant focus. The concept aim is set to change unanimously the life of every reader. Using revolutionary time management techniques, the book brought to light how to supercharge your mind, power and focus on what matters the most. Increased confidence, reduced stress, enhanced skills and thinking capacity, clarity of vision of oneself are some of the notable outcomes of this book. This is a masterpiece of writing that deliberates on how to be more effective and efficient. Each page brings across and highlights a new insight and an analytical view of individual scenario in a highly practical perspective.

We all have multitude aspirations with subsequent varied task demands that hovers around us and if mismanaged can panic and stress a person, followed by a team, effecting the leader of that team that further percolates into the department and havoc the organizational processes. Creativity is considered a panacea to an over stressful work life. It is prosperity and happiness which is most important and this thoughtful book unfolds this to the core. The incessant calls, emails, meetings that buzz and blur concentration build a conundrum between urgent and important. If priority is not exercised these tasks harbinger mess and squeeze out peace and happiness from life.

Ranking tasks and people to their relevance requires an art and a science that very few of us possess and sadly but true that quite a few of us deploy more so when we are on our work desks. A common phenomenon is that emails keep pouring in the inbox, phones keep on ringing, people who hate to wait for a meeting make you impatient, network connections usually slow down just when the requirements are more than acute. These chronic time derailleurs cannot be eliminated but with constant practice could be managed. Common problems when not treated well generate depression, anxiety, impatience and frustration. The significance of this book is more prominent especially in today's time where everything is more than

essential and just needs to be immediately served. The book is designed into three segments with chapters that are knitted into each other making it a smooth and a premium quality fabric that must be donned to develop and enhance professionals. This masterpiece of writing begins with Steve Jobs, CEO and Co-founder Apple cited as an example. Despite his family background, he built on a successful career with focus, passion, determination and integrity. Part I of the book describes the basics of brain neurons and their response to management of internal and external distractions. Positive affirmations can realign mind to focus on the planned targets. External distractions as people and environment together impact behavioral changes and if not managed well can deviate from the plans.

Focus has been described as an acronym Fixed On Course Until Successful. Part II dwells upon Focus factors such as balance of beauty and self-care. The need to identify sweet spots with knowing capacity and stamina and a conviction not to crack either is a guidance coming up from the author. Double A factor that is approach and attitude impacts to a very large extent the quality and pace of task completion. Additionally, proactive focus practices have been highlighted as reducing electronics to multitasking and using checklists. This book is about finding your focus and to sustain it. The book deliberates on the principles of self-management and personal development. While 80% of the results emanates from 20% dicing grand goals into digestible chunks is more than essential. The book is an intelligent discourse with the reader. A very careful and thought-provoking writing from the author had been highlighted in one of the early chapters of the book: if 20% of arguments cause 80% of strain in relationships then it's only 20% that is the need of the hour and if managed well, 80 % of life would be better.

Overall, this is an insightful piece of writing and is a commendable job by the author. A must read for casual readers and budding managers.

* **Assistant Professor, Jagannath International Management School, Kalkaji, New Delhi**

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This radio is being run by the students and is providing an opportunity to develop programmes for community broadcast. The radio station is used by the college as laboratory for training students specializing in radio broadcast and they work in close coordination with community representatives and leaders. At present the radio broadcasts daily for eight hours with original programme of four hours in morning which is repeated in the afternoon. The students are encouraged to explore the needs of the society, thereafter, they conceive, design and broadcast their own programmes in a real life environment.

{ **Nurturing talent** **Re-defining excellence** **Setting new standards...** }



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