

Motivational Pattern for Entrepreneurship Among Engineering Management & Pharmacy Students: A Comparative Case Study

S.A. Vasantha Kumara

Strategies to Improve Sales of Handloom Products with Special Reference to Pauducherry

Prem Kumar, M. Sadika Sultana, Dr. Mohan K. Pillai

A Study on Organizational Climate with Special Reference to Engineering Industries in Coimbatore

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Challenges for Indian Economy during Global Recession

Prof. V. P. Gupta, Dr. Vandana Raghava

Case Study Method: For Training and Case-Writing

Dr. Ajay Kr. Rathore, Dr. Ashvine Kumar

Overview

Takaful

Dr Usha Arora, Neeru Gupta



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(Approved by AICTE, Ministry of HRD, Govt. of India and affiliated to GGS Indraprastha University, Delhi)

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From The Editor's Desk

I take this opportunity to thank all contributors and readers for making *Tecnia Journal of Management Studies* an astounding success. The interest of authors in sending their research-based articles for publication and overwhelming response received from the readers is duly acknowledged. I owe my heartfelt gratitude to all the management institutes for sending us their journals on mutual exchange basis, and their support to serve you better.

We are happy to launch the eighth issue of our academic journal. The present issue incorporates the following articles:

- ❖ Motivational pattern for entrepreneurship among engineering management & Pharmacy students; A comparative case study.
- ❖ Strategies to Improve Sales of Handloom Products with Special Reference to Puducherry
- ❖ A Study on Organizational Climate with Special Reference to Engineering Industries in Coimbatore
- ❖ From Competencies to Organizational Performance – An Empirical Study
- ❖ Motivation and Managerial Behavior: A Study of Managers in Banks
- ❖ Strategic Marketing for Higher Education
- ❖ Challenges for Indian Economy during Global Recession
- ❖ Case Study Method: *For Training and Case-Writing*
- ❖ Takaful : *An Overview*

My thanks to the authors S.A.Vasantha Kumara, Mr. Prem Kumar, M. Sadika Sultana, Dr. Mohan K. Pillai, Dr. K. Karthikeyan, S. Sakthivel, Dr. N. Kathirvel, Prof. V. P. Gupta, Dr. Vandana Raghava, Dr. Ajay Kr. Rathore, Dr. Ashvine Kumar, Dr. Usha Arora, Neeru Gupta, Dr. Ajay Pratap Singh, who have sent their manuscripts in time and extended their co-operation particularly in following the American Psychological Association (APA) Style Manual in the references.

I extend my sincere thanks to our Chairman Sh. R. K. Gupta, who has always been a guiding light and prime inspiration to publish this journal. I am grateful to Dr. A.K. Srivastava, Director, for his continuous support to bring out the Journal in a proper form. I also appreciate Editorial Committee Members for their assistance, help, advice and suggestion in shaping up the Journal. My sincere thanks to our distinguished reviewers and all team members of Tecnia family for their untiring efforts and support in bringing out this bi-annual Journal.

I am sure the issue will generate immense interest among corporate practitioners, policy-makers, academicians and students.

Dr. Nirmal Singh
Editor

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EDITORIAL

The year 2009 has been really an eventful year in the history of the nation which saw the industry combating the shadows of global slowdown. A year full of challenges, which kick-started with the Vibrant Gujarat summit, was also a blessing in disguise in some cases especially with pharma companies returning homewards to Gujarat or brain drain from the reputed institutes like IITs and IIMs being contained for the time being.

While acquisitions and mergers gained some momentum in the latter half of 2009, some of the special economic zone projects were hit. Companies responded with more innovative solutions while waking up to newer challenges. Problems in land acquisitions continue to remain although the process has been far more peaceful in Gujarat as compared to other states. This can be gauged from the fact that the first Nano by Tata Motors at Sanand got ready this year. All in all a year full of excitement. The following is a brief account of important economic happenings in the year 2009.

Economy wins slowdown battle; loses against prices

India achieved the distinction of being the second fastest growing economy amid the global recession in 2009, but the joy was marred by the decade's sharpest rise in food prices to the chagrin of common man. For a country that continued to lose on its exports throughout the year that has gone by, economy achieved a remarkable growth of about seven per cent (during April- September 2009) on the back of focused government stimulus in tandem with well articulated interest rate-cum-monetary policy of RBI.

But it is a paradox of sorts that price line that dipped from a 13-year high into negative zone at one point during the year climbed sharply again, with food touching more than a decade's high of 20 per cent

From the growth focus, the government had to concentrate on fighting the natural disaster ranging from drought to floods in different parts of the

country that led to shortages of food grains and fruit and vegetable and the resultant spurt in their prices caused a political storm. To add to this roller coaster, developments in the economy, including in the share market, the general elections in May that helped Congress led UPA to retain power, lent further color.

In the New Year, fear of rising inflation will continue to influence the economic policies, whether it is monetary review to be announced by the RBI on January 29 or the Budget to be unveiled by Finance Minister Pranab Mukherjee towards the end of February.

Powered by strong doses of three stimulus packages, the Indian economy did well, only next to China in terms of growth. Despite widespread drought and devastating floods in parts of the country, the economy during 2009-10 is estimated to expand by 8 per cent, up from 6.7 per cent in the previous fiscal. India's growth during 2008-09 dipped from 9 per cent on account of the impact of the global financial crisis

Stimulus, green shoots and exit policy will continue to remain the buzzwords as the government in the coming year will move forward to withdraw the extraordinary steps it took to fight the impact of global meltdown, domestic drought and spiraling food prices. The focus of economic planners during the initial months of 2009 was to continue the stimulus to tide over the impact of financial crisis triggered by collapse of America's iconic banker Lehman Brothers in September 2008.

Not waiting for the election results, Mukherjee, while presenting an interim budget in February 2009 provided the third stimulus package to the industry to by announcing tax cuts and raising public expenditure. These stimulus packages, backed by easing of monetary policy by the Reserve Bank, yielded some results which economists described as "green shoots". As the green shoots appeared, the economy started looking up and in the second quarter (July-September 2009-10)

recorded a high growth rate of 7.9 per cent, much more than anticipated by any analyst or think tank.

The impact, however, was not so visible on the external front as exports continued to remain in the negative zone for most part of the year. This has been on account of slow recovery in the external market. Now with the US economy during the quarter (July- September) recording a growth of 2.2 per cent, though less than the initial estimate of 3.5 per cent, Indian exports too may look up in future.

After a gap of 13 months, exports in November registered a growth of 18 per cent and rise might continue with the global economy gradually shedding the recession, described as worst since the Second World War. Buoyed by the performance in the second quarter, the Planning Commission and the Prime Minister's Economic Advisory Committee (PMEAC) have talked about revising their growth projections once the data for the second quarter was made public. Both these organizations had projected 6.5 per cent growth rate for the current fiscal.

Fiscal deficit rises by 73% till Nov

The fiscal deficit rose by 73 per cent to Rs 3.06 lakh crore in the first eight months of the fiscal against Rs 1.77 lakh crore a year ago, as the government cut taxes and stepped up expenditure to stimulate the economy hit by the global financial crisis. At this level, fiscal deficit has already touched 76.4 per cent of the Budgeted estimate at Rs 4.01 lakh crore for the entire fiscal.

At this level, fiscal deficit has already touched 76.4 per cent of the Budgeted estimate at Rs 4.01 lakh crore for the entire fiscal. To spur economic activity, the government initiated massive spending programmes and slashed duties from December last year. This has, in fact led, to revision of fiscal deficit from the estimated 2.5 per cent of GDP last year to 6 per cent this fiscal. The Centre's expenditure stood at Rs 6.21 lakh crore, while receipts were just Rs 3.15 lakh crore till November, leading to fiscal deficit of over Rs 3 lakh crore.

Meanwhile, the revenue deficit, which is the excess of revenue expenditure like those in salaries over revenue income, rose to Rs 2.58 lakh crore till November, an increase of 82 per cent over the last year's corresponding revenue deficit of Rs 1.41 lakh crore. The revenue deficit was 91.2 per cent of the annual Budget estimate of Rs 2.83 lakh crore for 2009-10.

'Education, healthcare, FMCG to grow at healthy rates in 2010'

Education, healthcare and FMCG sectors will grow at healthy rates in 2010, while capital goods, banking and real estate will continue to struggle next year, industry body Assocham has said. "...Expansion in healthcare sector will continue to multiply due to growing consciousness among masses for receiving best services."

Similarly, FMCG sector would also grow as none will stop eating and using fast moving consumer goods products, it said. It said that since the Indian economy is growing at a desired rate of about 7 per cent, it will also have direct bearings on education and health. "...Recessionary trends will start fizzling out in the next few months and will push up growth of education and healthcare," it added.

On the growth of capital goods segment, it said increasing imports would keep the sector largely at a disadvantage stage in 2010. It further said that credit off-take is unlikely to pick up in banking sector until it moderates lending rates as per the anticipation of industry and masses in general. Similarly, the real estate sector will not pick up on expected lines until affordable housing is ensured.

Air India board meets on turnaround plan

The Air India board decided to initiate a series of major steps to cut costs and enhance savings as it gets ready to receive the first tranche of government's equity infusion worth Rs 800 crore.

The board reviewed the progress being made by the national carrier in implementing a series of cost reduction measures as part of a monthly review, official sources said, adding the board is likely to take "major decisions" when it meets Air India, which recorded a loss of Rs 5,548 crore in 2008-09 compared to Rs 2,226.16 crore in 2007-08, is focusing on cutting costs by Rs 1,500 crore and increasing revenues by Rs 1,200 crore as per its turnaround plan.

The airline's turnaround plan has been broadly divided into 0-9 months, 9-18 months and 18-36 months and has been segregated under operational efficiency, product improvement, organization building and financial restructuring.

MTNL puts overseas acquisition on hold, keen to partner BSNL

State-run MTNL has put its overseas acquisitions plans on the backburner for the time being as it decides to focus on improving its market share in Delhi and Mumbai—the only places where it operates.

"Right now we don't have any plans...I am concentrating on my in-house business more...We are doing very well in Nepal and Mauritius, which are going to fetch good revenues. It is not that we have all together stopped. For some time we are not very active," MTNL CMD RSP Sinha told.

However, the NYSE listed company has expressed its desire to partner its big brother PSU BSNL in their overseas acquisition, especially in the emerging markets. The PSU has a mobile subscriber base of 44 lakh and is eyeing 50 lakh before the fiscal end. MTNL shares were trading at Rs 73.85, down 0.94 per cent.

Sensex to enter silver jubilee year

The BSE sensex, the barometer of stock market, is all set to enter its silver jubilee year. The 30 scrip index was launched by the Bombay Stock Exchange on January 2, 1986 with 1978/79 as the base year. It had closed that day at 549.43. A booklet on the sensex released by the Exchange giving reasons for compiling the index had said, "the absence of an index number of equity prices to reflect the general trend of the market was felt for a long time by investors and also by newspapers who do not compile their own index numbers. With this end in view, the exchange started compiling and publishing a sensitive index number of share prices from January 2, 1986."

Referring to the base year, the exchange said it was due to stability of shares prices and its proximity to the current period (launch date) prompted it to choose 1978/79 as the base year. It was earlier called as 'sensitive index' but later some analysts started referring to it as 'sensex' and it has become popular by that name. The sensex which will be entering the 25th year on January 2, 2010 has come a long way and so also the Indian market and the economy. The composition of the index has undergone change many times. Only 11 of the original 30 companies continue to be part of the sensex.

Aviation sector to turn the corner in 2010:

After the downturn witnessed by airlines last year, Civil Aviation Minister Praful Patel today said the "rebound" in airtraffic in the last few months could lead to restoration of stability in 2010. "Specially since October, there has been a rebound in air traffic figures. I hope things will stabilize next year," Patel told.

Observing that 2009 was "a tumultuous and eventful year for civil aviation worldwide," he said, "We can draw satisfaction that the worst is over and once again flying will be a preferred choice for travelers". Domestic air traffic figures showed slight signs of improvement at the fag end of 2009 even as the combined losses of all airlines was recorded at over Rs 8,000 crore. The major dip in passenger traffic caused by the economic recession and dampened business travel, started looking up in the last two three months of 2009, but the yields continued to remain low.

Barring only two carriers — IndiGo and Paramount — all scheduled airlines continued to post huge losses. Led by Air India, which was estimated to suffer a loss of about Rs 5,000 crore in 2008-09, Kingfisher Airlines posted a loss of Rs 1,602 crore, Jet Airways- JetLite combine Rs 1,032 crore, SpiceJet Rs 352.50 crore and GoAir Rs 22.5 crore.

Domestic auto sales grow 49% in December

Domestic passenger vehicle sales for December 2009 grew 49 per cent to 119,930 units. This is the second highest sales notched by the auto industry in the current financial year, with November sales being the highest at 66.54 per cent.

Passenger vehicle sales have seen a double-digit growth rate since July 2009. The country's largest manufacturer of passenger vehicles, Maruti Suzuki, sold 84,804 units in December 2009 — 51 per cent higher than the sales posted in December 2008. Domestic sales last month stood at 71,000 units, which is a rise of 36.5 per cent against the same month in 2008. "Excise duty cuts, attractive vehicle loans made possible by PSU banks and improving sentiments have helped the whole industry to post good sales numbers for December 2009," says Shashank Srivastava, chief general manager (marketing) at Maruti Suzuki.

US cos to hire more employees next year: Survey

With the economic recession easing its grip, a survey shows American companies are planning to hire more employees in the New Year with IT and financial sector leading the pack.

According to an HR consultancy Career Builder's study, about 20 per cent of employers plan to increase their number of full-time employees in 2010, up against 14 per cent last year. While, only 9 per cent said they plan to cut head count next year, down from 16 per cent in 2009. "Although 20 per cent of employers plan to add head count in 2010,

compared to 14 per cent last year, they still remain cautious in regards to their hiring. We're headed in the right direction but should not expect to see actual job growth until at least Q2 in 2010," Career Builder CEO Matt Ferguson said. As per the survey, hiring is expected to increase in information technology, financial services, professional and business services and sales areas in the coming year.

2010 is surely going to be equally stimulating.

Dr. Nirmal Singh
Editor

MOTIVATIONAL PATTERN FOR ENTREPRENEURSHIP AMONG ENGINEERING MANAGEMENT & PHARMACY STUDENTS: A COMPARATIVE CASE STUDY

S.A. Vasantha Kumara*

Abstract: Questions as to why some people become entrepreneurs have interested researchers from many years. Motivational factors constitute the inner urge present in an individual, which continuously demand from him to do something new and something unique as also to perform better than others.

David McClelland's acquired needs theory assumes that three types of needs are acquired over time and are result of life experiences. These needs are: Need for Achievement, Need for power, Need for affiliation. Although all these three needs are simultaneously acting on individual, yet one of these tends to be dominant. David McClelland identified that achievement motivation is strongest in the case of entrepreneurs.

This paper is an empirical case study on motivation pattern for entrepreneurship among students. Final year students of Pharmacy and students of engineering (IEM) disciplines at Dayananda Sagar Institutions campus were administered with a test for identifying Achievement, power and affiliation motivation. Factor, validity and Reliability analysis on the research instrument determined composite reliability and cronbach alpha. Using correlation coefficients, parametric tests (ANOVA) and Non-parametric tests (chi-square test of Relationships); it was observed by this study that the gender, branch, father's occupation and academic credits of students seem to have little influence on their motivational pattern. These findings help Entrepreneurship trainer-motivators in their AMT (Achievement motivation training)

Introduction

Small businesses make an important contribution to the success of a country's economy. They are major creators of jobs, they innovate, and they spot and exploit new opportunities. Owing to population explosion, universities are bringing out large number of graduates in all faculties. While developments in emerging areas of S & T have created employment in large numbers, much of the areas still remain unexploited for business ventures

Researchers have begun to critically address the processes surrounding venture creation, small

business development, innovation, creativity, and intrapreneurship—entrepreneurship within large organizations. Of particular interest to practitioners has been the means through which entrepreneurship is cultivated and its historically uneven distribution throughout demographic segments of society. Specifically, questions as to why some college-educated professionals choose entrepreneurial careers and others do not remain largely unanswered.

Motivational factors constitute the inner urge present in an individual, which continuously demand from him to do something new and

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something unique as also to perform better than others.

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The present study compares the test scores on motivational pattern among final year undergraduate students of engineering and pharmacy disciplines. This study employs a scale to measure motivational pattern among students.

Background of Research

Entrepreneurship is important because it leads to increased economic efficiencies, brings innovation to market, creates new jobs, and sustains employment levels (Shane & Venkataraman, 2000). However, despite decades of research, scholars currently have only a limited understanding of the factors and decision processes that lead an individual to become an entrepreneur (Markman, Balkin, & Baron, 2002). Venture capitalists have traditionally placed more emphasis on the personal characteristics of entrepreneurs than on other factors in assessing new ventures (Shepherd, 1999). Moreover, recent research has confirmed that, in the business start-up process, human resources are more important than environmental factors (Rotefoss and Kolvereid, 2005). It is well established that young people whose families own their own businesses are more likely to intend to start their own business (Krueger, 1993). An understanding of the factors that influence and shape individuals' intentions to start a business is important if governments are successfully to develop policies and programmes to encourage entrepreneurship and an entrepreneurial culture.

Literature Survey

Early research into the factors that influence individuals' entrepreneurial activities focused on personality traits such as the need for achievement (McClelland, 1961), locus of control, risk-taking propensity (Brockhaus, 1980) and tolerance of

ambiguity (Schere, 1982). Herron and Sapienza (1992, p. 49) stated, "Because motivation plays an important part in the creation of new organizations, theories of organizational creation that fail to address this notion are incomplete". Kuratko (1997) reported that the lack of empirical research into entrepreneurial motivation was still evident.

McClelland (1961), who argued that a high need for achievement was a personality trait common to entrepreneurs, a great deal of research has focused on characteristics of entrepreneurs (Churchill and Lewis, 1986; Shaver and Scott, 1991). In spite of the large number of studies examining personality traits of entrepreneurs (Churchill and Lewis, 1986; Timmons, 1999), results are still mixed and inconclusive (Herron and Sapienza, 1992; Shaver and Scott, 1991).

Influence of demographics

L. Louw, S.M. van Eeden, J.K. Bosch, D.J.L. Venter (2003) have studied Entrepreneurial traits of undergraduate students at selected South African tertiary institutions. Fiona Wilson, Jill Kickul, Deborah Marlino, (2007) have studied Gender, Entrepreneurial Self-Efficacy, and Entrepreneurial Career Intentions and its implications for Entrepreneurship Education.

Indian context

Dr. M.K. Sridhar, (2003) has conducted a study on Entrepreneurship awareness among student and non-student youth of Bangalore and Dharwad districts of Karnataka. Narendra C. Bhandari, (2006) has worked on Intention for Entrepreneurship among Students in India. Naresh Singh and Ashish Mitra (2007) have studied Career Aspirations of Management Students with Special Reference to Entrepreneurship as Career.

Research Objectives

In the Indian context, little research has been carried in establishing relationship between demographic details of prospective entrepreneurs and their motivation for entrepreneurial career. Specific objectives of this study are:

- To compare and contrast motivational pattern among under graduate students belonging to engineering management & pharmacy disciplines.

- To examine the influence of demographic details of the students on their motivational pattern.

Methodology

'The most probable source of future entrepreneurs is the youth of a country. They are the product of the society and reflect the prevalent attitudes' (Scott & Twomey, 1988; Veciana, Aponte, & Urbano, 2005). Therefore it was decided to study the youth studying in colleges. This was also more practical as students in colleges are more accessible and with the help of colleagues in other colleges similar testing environment could be assured (Thomas & Mueller, 2000).

Final year students of Pharmacy and students from BE (Industrial Engineering & Management) belonging to different batches (year of completion) at Dayananda Sagar institutions campus, Bangalore, have been chosen for study.

Table 1: Sampling

Discipline	Sample Size
BE (07 Batch)	17 students
BE (08 Batch)	13 students
BE (09 Batch)	20 students
B. Pharma	22 students
Total	72 students

Motivational Pattern Constructs

- Need for Achievement (ACH), desire to accomplish something with their own efforts.
- Need for power (POW), the need to dominate and influence others or control the use of physical objects and actions of others.
- Need for affiliation (AFF), need to establish and maintain friendly and warm relations with others.

15 statements with a five point Likert scale (SD - Strongly disagree, D - Disagree, N - No comment, A - Agree, SA - Strongly agree) measured ACH, POW and AFF

Table 2: Research instrument
(Source: Stephen P Robbins)

Item No.	Statements of Indicators	Construct
ACHQ1	I try very hard to improve on my past performance at work.	Achievement
ACHQ4	I enjoy a difficult challenge.	
ACHQ7	I want to know how I am progressing as I complete tasks.	
ACHQ10	I enjoy setting and achieving realistic goals.	
ACHQ13	I enjoy the satisfaction of completing a difficult task.	
POWQ2	I enjoy competition and winning.	Power
POWQ5	I enjoy being in-charge.	
POWQ8	I confront people who do things I disagree with.	
POWQ11	I enjoy setting and influencing other people to get my way.	
POWQ14	I often gain to more control over the events around me.	
AFFQ3	I often find myself talking to those around me about non-work matters.	Affiliation
AFFQ6	I want to be liked by others.	
AFFQ9	I tend to build close relationships with co-workers/ subordinates.	
AFFQ12	I enjoy belonging to groups and organizations.	
AFFQ15	I enjoy working with others more than working alone.	

Research Propositions

In the previous studies of the author, there has been non-influence of demographics on entrepreneurial soft skills among students (Vasantha Kumara & C Sahasranam 2008, 2009)

The test scores on motivational pattern are independent of the demographic details of the students (Gender, discipline, batch, degree marks and father/guardian's occupation). The correlation coefficient between academic marks and their test scores on motivational pattern are poor.

Validity & Reliability Analysis

Reliability is the consistency of our measurement, or the degree to which an instrument measures the

same way each time it is used under the same condition with the same subjects. In short, it is the repeatability of our measurement. Cronbach alpha is a measure of internal consistency reliability. Validity is the strength of our conclusions, inferences or propositions.

Using Visual PLS software, all the above items and constructs were factor analyzed. Composite reliability, Average variance extracted (AVE) and Cronbach Alpha were determined for each construct. The whole instrument measured a composite reliability of 0.667 and a Cronbach Alpha of 0.448.

Table 3: Validity & Reliability analysis of all indicators of the constructs

Construct	Composite Reliability	Ave	Cronbach Alpha
Achievement	0.681042	0.32204	0.44027
Power	0.608453	0.283364	0.29459
Affiliation	0.656692	0.355994	0.440687

Table 4: Validity & reliability analysis for selected indicators of the constructs

Construct	Selected Items	Composite Reliability	Ave	Cronbach Alpha
Achievement	ACHQ 7, ACHQ 10, ACHQ 13	0.757033	0.512888	0.511726
Power	POWQ 2, POWQ 5, POWQ 11	0.706132	0.445803	0.356936
Affiliation	AFFQ 6, AFFQ 9, AFFQ 12, AFFQ 15	0.759564	0.442133	0.573602

The above tables indicate that cronbach alpha for each construct improves for selected items of indicators. The composite reliability has been above 0.7 and Average variance extracted (AVE) being above 0.4 for all the three constructs.

Table 5: Factor loadings, residuals and weights

CONSTRUCTS	INDICATOR	MEAN	STDEV	LOADING	RESIDUAL	WEIGHT
ACHIEVEMENT	ACHQ7	4.323944	0.692297	0.7263	0.4725	0.472
	ACHQ10	4.267606	0.809899	0.6023	0.6372	0.3915
	ACHQ13	4.464789	0.733504	0.8052	0.3516	0.5233
POWER	POWQ2	4.225352	0.759646	0.6522	0.5746	0.4877
	POWQ5	3.816901	1.01854	0.7254	0.4737	0.5424
	POWQ11	3.366197	1.289955	0.6211	0.6142	0.4644
AFFILIATION	AFFQ3	3.887324	1.22532	0.6148	0.622	0.3476
	AFFQ9	4.140845	0.945603	0.6442	0.5851	0.3642
	AFFQ12	3.816901	1.125165	0.7208	0.4804	0.4076
	AFFQ15	3.760563	1.200771	0.6753	0.544	0.3818

The factor loadings have been above 0.6 for the selected indicators of the constructs.

Table 6: Correlation coefficients of the latent variables to determine construct validity.

CONSTRUCTS	ACHIEVEMENT	POWER	AFFILIATION
ACHIEVEMENT	1		
POWER	0.453	1	
AFFILIATION	0.239	-0.011	1

Table 7: Descriptive statistics

DISCIPLINE	SAMPLE SIZE	ACHIEVEMENT		POWER		AFFILIATION	
		Mean	Var	Mean	Var	Mean	Var
BE (07 BATCH)	17	21.58824	3.1625	19.11765	8.229167	19.47059	8.795833
BE (08 BATCH)	13	21.30769	4.897436	17.84615	5.974359	19.53846	4.269231
BE (09 BATCH)	20	20.75	2.302632	17.25	9.355263	18.85	11.08158
B.Pharma	22	21.27273	6.398268	17.68182	3.560606	17.90909	12.18182
TOTAL/OVERALL	72	21.20833	4.139085	17.93056	6.938772	18.83333	9.605634

Descriptive statistics indicate average scores on achievement motivation have been more among students.

Parametric & Non-parametric Tests

Parametric tests assume that the population is normal. Non-parametric tests are distribution free tests. The P-value, which directly depends on a given sample, attempts to provide a measure of the strength of the results of a test, in contrast to a simple reject or

do not reject. If the null hypothesis is true and the chance of random variation is the only reason for sample differences, then the P-value is a quantitative measure to feed into the decision making process as evidence. A p-value is a measure of how much evidence you have against the null hypothesis. The smaller the p-value, the more evidence you have.

Sample size: Female = 24, Male=48, Total = 72

Table 8: ANOVA, Null Hypothesis H1A: Mean scores on motivational pattern of male and female students are almost the same

CONSTRUCTS	ACHIEVEMENT		POWER		AFFILIATION	
TEST SCORES	MEAN	VAR	MEAN	VAR	MEAN	VAR
FEMALE	20.958	6.7373	16.916	6.6014	19.0833	5.297
MALE	21.3333	2.9078	18.437	6.4640	18.7083	11.87
VARIATION BETWEEN	2.2536014			37.015056		2.25
VARIATION WITHIN	4.1660643			6.5091457		9.7103
F-STATISTIC	0.5409426			5.6866227		0.2317127
P-VALUE	0.46499			0.0203		0.63225
Evidence against Ho	Little		Moderate		Little	

Table 9: Chi-square test for relationships, Null Hypothesis H1B: Test scores on motivational pattern are independent of the male and female students

CONSTRUCTS	ACHIEVEMENT		POWER		AFFILIATION	
TEST SCORES	5-19	20-25	5-19	20-25	5-19	20-25
FEMALE	5	19	21	3	13	11
MALE	5	43	32	16	26	22
CHI-SQUARE	1.4516129			3.5749751		0
CORRELATION	0.140580			0.2174941		0
P-VALUE	0.228			0.059		1
Evidence against Ho	Little		Suggestive		Little	

Table 10: Test on correlation coefficients, Null Hypothesis H2A: Correlation coefficient between degree marks and their scores on achievement, power and affiliation is zero. Sample size = 39

CONSTRUCTS	ACHIEVEMENT	POWER	AFFILIATION
CORRELATION	0.1794268	-0.1358491	-0.0088696
TEST STATISTIC	1.08834	-0.82016	-0.05322
P-VALUE	0.13822	0.20606	0.47878
Evidence against Ho	No real	No real	No real

Sample size: Degree marks less than 60% = 18, 60% and above = 21, Total = 39

Table 11: ANOVA, Null Hypothesis H2B: Mean scores on motivational pattern of students whose degree marks are less than and greater than 60% are almost the same.

CONSTRUCTS	ACHIEVEMENT		POWER		AFFILIATION	
TEST SCORES	MEAN	VAR	MEAN	VAR	MEAN	VAR
LESS 60%	21.1111	3.7516	18.444	6.2614	18.9444	7.702
GREATER THAN 60%	21.8095	4.7619	18.190	7.7619	19.3809	6.747
VARIATION BETWEEN	4.7275448		0.6253089		1.8466972	
VARIATION WITHIN	4.2977081		7.0724811		7.1857838	
F-STATISTIC	1.1000153		0.0884144		0.2569931	
P-VALUE	0.30156		0.76836		0.6157	
Evidence against Ho	Little		Little		Little	

Table 12: Chi-square test for relationships, Null hypothesis H2C: Test scores on motivational pattern are independent of the Students whose degree marks (up to their previous year of study) are greater or lesser than 60%

CONSTRUCTS	ACHIEVEMENT		POWER		AFFILIATION	
TEST SCORES	5-19	20-25	5-19	20-25	5-19	20-25
LESS THAN 60%	4	14	12	6	9	9
60% AND ABOVE	2	19	14	7	10	11
CHI-SQUARE	1.2005772		0		0.02199248	
CORRELATION	0.17281399		0		0.02374009	
P-VALUE	0.273		1		0.882	
Evidence against Ho	Little		Little		Little	

Sample size: Father/guardian occupation in Service = 29, Business = 30, Total = 59

Table 13: ANOVA, Null Hypothesis H3A: Mean scores on motivational pattern of students whose father/guardian's occupation is service or business are almost the same.

CONSTRUCTS	ACHIEVEMENT		POWER		AFFILIATION	
TEST SCORES	MEAN	VAR	MEAN	VAR	MEAN	VAR
IN SERVICE	21.5517	3.4704	18.310	5.9359	19.4827	7.901
IN BUSINESS	21.4666	3.4988	17.9	6.6448	18.9	8.3
VARIATION BETWEEN	0.0894601		2.4787627		5.0067658	
VARIATION WITHIN	3.4872082		6.2965684		8.104	
F-STATISTIC	0.0256538		0.3936688		0.6178141	
P-VALUE	0.8739		0.53338		0.43561	
Evidence against Ho	Little		Little		Little	

Table 14: Chi-square test for relationships, Null Hypothesis H3B: The test scores on motivational pattern are independent of students' father/guardian's occupation.

CONSTRUCTS	ACHIEVEMENT		POWER		AFFILIATION	
TEST SCORES	5-19	20-25	5-19	20-25	5-19	20-25
IN SERVICE	2	27	20	9	13	16
IN BUSINESS	3	27	23	7	17	13
CHI-SQUARE	0.18310344			0.44248028		0.82696657
CORRELATION	0.05562235			0.08627768		0.11756972
P-VALUE	0.669			0.506		0.363
Evidence against Ho	Little			Little		Little

Sample size: Pharmacy students= 22, Engineering students = 50, Total=72

Table 15: ANOVA, Null Hypothesis H4A: Mean scores on motivational pattern of Pharmacy and engineering students are almost the same.

CONSTRUCTS	ACHIEVEMENT		POWER		AFFILIATION	
TEST SCORES	MEAN	VAR	MEAN	VAR	MEAN	VAR
PHARMACY	21.272	6.3982	17.681	3.5606	17.9090	12.18
ENGINEERING	21.18	3.2526	18.04	8.4881	19.24	8.145
VARIATION BETWEEN	0.1293111			1.9690153		27.0655153
VARIATION WITHIN	4.19628			7.00985		9.3555
F-STATISTIC	0.0308157			0.2808926		2.8930057
P-VALUE	0.86165			0.59829		0.0939
Evidence against Ho	Little			Little		Suggestive

Table 16: Chi-square test for relationships, Null Hypothesis H4B: Test scores on motivational pattern are independent of the Students of engineering and Pharmacy disciplines

CONSTRUCTS	ACHIEVEMENT		POWER		AFFILIATION	
TEST SCORES	5-19	20-25	5-19	20-25	5-19	20-25
PHARMACY	4	18	18	4	16	6
ENGINEERING	6	44	35	15	23	27
CHI-SQUARE	0.48816422			1.09849237		4.3959821
CORRELATION	0.08206338			0.12258697		0.2398792
P-VALUE	0.485			0.295		0.036
Evidence against Ho	Little			Little		Moderate

Sample size: Engineering students belonging to IEM07 batch=17, IEM08 batch=13, IEM09 batch= 20, Total = 50

Table 17: ANOVA, Null Hypothesis H5A: Mean scores on motivational pattern of students belonging to different batches are almost the same.

CONSTRUCTS	ACHIEVEMENT		POWER		AFFILIATION	
TEST SCORES	MEAN	VAR	MEAN	VAR	MEAN	VAR
IEM07 BATCH	21.5882	3.1625	19.117	8.2291	19.4705	8.795
IEM08 BATCH	21.3076	4.8974	17.846	5.9743	19.5384	4.269
IEM09 BATCH	20.75	2.3026	17.25	9.3552	18.85	11.08
VARIATION BETWEEN	3.3711629		16.3450288		2.5513837	
VARIATION WITHIN	3.257834		8.1086383		8.5631489	
F-STATISTIC	1.0347866		2.0157551		0.2979492	
P-VALUE	0.36375		0.14507		0.74423	
Evidence against Ho	Little		Little		Little	

Table 18: Chi-square test for relationships, Null Hypothesis H5B: Test scores on motivational pattern are independent of the Students of different batches of Industrial engineering & Management branch.

CONSTRUCTS	ACHIEVEMENT		POWER		AFFILIATION	
TEST SCORES	5-20	21-25	5-20	21-25	5-20	21-25
IEM07 BATCH	8	9	11	6	9	8
IEM08 BATCH	6	7	11	2	9	4
IEM09 BATCH	10	10	17	3	14	6
CHI-SQUARE	0.0558359		2.6534928		1.3692496	
CORRELATION	0.0333987		0.2244891		0.16326372	
P-VALUE	0.972		0.265		0.504	
Evidence against Ho	Little		Little		Little	

Except in two cases, both parametric and non-parametric tests show that there has been little evidence against the stated null hypotheses and thus the test scores on achievement, power and affiliation motivation are independent of their demographic details of students.

Summary of Findings & Discussion

Validity & Reliability analysis: The whole instrument measured a composite reliability of 0.667 and a Cronbach Alpha of 0.448. Cronbach alpha for each construct improves for selected items of indicators. The composite reliability has been above 0.7 and Average variance extracted (AVE) being above

0.4 for all the three constructs. Composite reliability above the 0.70 threshold and an extracted variance above the 0.50 threshold are recommended by Hair et al. (1998). The factor loadings have been above 0.6 for the selected indicators of the constructs.

Descriptive statistics indicate average scores on achievement motivation to be more among students. This is an encouraging finding as per David McClelland's studies that achievement motivation is more among entrepreneurs.

The Correlation coefficient between degree marks and their scores on achievement, power and affiliation were found to be weak. In 1979 Brockhaus and Nord carried out a comparative study of the educational

levels of entrepreneurs and managers, and found that the managers had more than two years of extra education compared to the entrepreneurs. Bolton and Thompson (2000, p 19) conclude from this that '... entrepreneurs themselves do not generally rate education as having been an important factor for them'.

Except two cases, both parametric and non-parametric tests show that there has been little evidence against the stated null hypotheses. Thus the demographic details of students have little influence on test scores on achievement, power and affiliation motivation.

Conclusion

This paper has first demonstrated validity and reliability analysis of the research instrument with the help of Visual PLS software. Further, the influence of demographic details on motivational pattern has been studied by hypotheses testing. Parametric methods have been presented and the results have been verified by non-parametric tests.

We started with David McClelland's theory on motivation and the importance of Achievement motivation for entrepreneurship. It was observed by this pilot test that the gender, branch, father's occupation and academic credits of students seem to have little influence on their motivational pattern for entrepreneurship. Large sample tests for students belonging to different disciplines throw more light on these findings. This should be an eye opener for Entrepreneurship trainers/ motivators for their Achievement Motivation Training (AMT). Continuous student research as a soil testing exercise well planned training program as sowing the right seed, along with conducive creative & innovation eco system reap rich harvest in entrepreneurship culture.

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STRATEGIES TO IMPROVE SALES OF HANDLOOM PRODUCTS WITH SPECIAL REFERENCE TO PONDICHERRY

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Abstract: *From the very beginning Handloom products held a stable position in Indian economy which provided economically sound living standard as well as employment to the rural and semi urban Indian inhabitants especially. The year 1991 marked the emergence of different names in this arena which led to a tough marketing of handloom products in exports and an easy way to get into the domestic markets. There is a large customer base in India, where it becomes necessary to take immediate steps to tap the domestic market as well as exports. While the market is very competitive at the low end of the value chain, firms are not taking advantage of the large domestic market in generating economies of scale to deliver cost advantage in export markets.*

This study was primarily aimed at understanding the local market and secondly to develop a marketing strategy for Handloom exporters in Puducherry. The respondents were customers & exporters in Puducherry state. The data collection was carried out for a period of two months. The sample size of retail customers and exporters were 80 & 9 respectively. Statistic tools such as simple percentage, chi-square analysis, and time series were employed.

The study revealed that number of the exporters depends upon domestic market. Retailing was found to be the best way to promote their products in domestic market. It also revealed that domestic market occupies 30% of total business and a number of exporters are dependent on domestic market in this financial downturn. Based upon the results a few strategies were suggested to improve the sales of handloom products.

Introduction

The superiority and popularity of the cloth produced in India is well-known for centuries which needs no reiteration. The production of cloth for local consumption, which was the mode long prevalent in rural India, underwent some change with the opening up of sea trade routes and the consequent expansion of export trade in the seventeenth and eighteenth centuries. Certain changes in the organization of marketing ensued, the most noteworthy being the emergence of an intermediary

class of trader-financiers mediating between the producer and the market.

The history of textiles in India dates back to the use of mordant dyes and printing blocks around 3000 BC. The diversity of fibers found in India, intricate weaving on its state-of-art manual looms and its organic dyes attracted buyers from all over the world for centuries.

Today, the textile and apparel sector employs 35.0 mn people and is the second largest employer which

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generates one-fifth of the total export earnings and contributes 4 per cent to the GDP thereby making it the largest industrial sector of the country. This textile economy is worth US \$37 billion and its share of the global market is about 5.90 per cent. The sector aspires to grow its revenue to US \$85bn, its export value to US \$50bn and employment to 12 million by the year 2010.

It is estimated that there exist 65,000 garment units in the organized sector, of which about 88 per cent are for woven cloth while the remaining are for knits. However, only 30–40 units are large in size (as a result of long years of reservation of non-exporting garment units for the small scale sectors – a regulation that was removed recently). While these firms are spread all over the country, there are clusters emerging in the National Capital Region (NCR), Mumbai, Bangalore, Tirupur/Coimbatore, and Ludhiana employing about 3.5 million people.

According to an estimate, the total value of production in the garment sector is around Rs.1,050–1,100 billion of which about 81 per cent comes from the domestic market.

Handloom production in 2003-04 was around 5493 mn.sq.meters of which about 82 per cent was using cotton fiber. Handloom production is mostly rural (employing about 10 million, mostly, household weavers) and revolves around master-weavers who provide designs, raw material and often the loom.

In 2005, there were 425,792 registered power loom units that produced 26,947 million. Sq. meters of cloth and employed about 4,757,383 workers. Weaving sector is predominantly small scale, has on an average 4.5 power looms per unit yet suffers from outdated technology, and incurs high co-ordination costs. Knits have been more successful especially in export channels.

The state policy with reference to the traditional industries seems to revolve round the needs to nurture and enhance their employment potential. In addition to agriculture, weaving of cotton fabrics has been the major vocation and secondary occupation of the rural population in India. It has always been functioning as a cottage industry and till today nothing much has been done to change this pattern of its existence.

The Indian heritage

In the world of handlooms, there are Madras checks from Tamil Nadu, ikats from Andhra and

Orissa, tie and dye from Gujarat and Rajasthan, brocades from Banaras, jacquards from Uttar Pradesh. Dacai from West Bengal, and phulkari from Punjab. Yet, despite this regional distinction there has been a great deal of technical and stylistic exchange. The states of Kashmir and Karnataka are known for their mulberry silk. India is the only country in the world producing all four commercially known silks - mulberry, tasser (tussore), eri and muga.

Handloom in Indian economy

As an economic activity, the handloom sector occupies a place second only to agriculture in providing livelihood to the people. It is estimated that handloom industry provides employment to 65 lakh workforce directly and indirectly and there are about 35 lakh looms spread all over India.

The production of handloom fabrics is estimated to be approximately 6188 million sq. meters. during 2005-06 and the contribution of handloom to the total cloth/textile production, comprising Handloom, Mill and Power loom sectors during the year 2007-08 was estimated to be about 20%.

During 2007-08 (up to October, 2007), the handlooms sector produced 4001 million sq. metres (Provisional) of cloth, up by 7.5% over the corresponding period of 2006-07. As per the joint census of Handlooms and Power looms 1995-96, 65.51 lakh persons are engaged in weaving and associated activities in the handloom sector.

Current scenario

Indian handloom continues to be craft oriented, even though it was circumscribed by a limited choice of processing and technology. The Indian handloom industry mainly exports fabrics, bed spreads and covers, quilts, shams, pillow covers, curtains, towels, table linen, cushions and pads, tapestries and upholsteries, carpets, etc, the whole lot needed in making a house a home.

Looking back, the story of the Indian handlooms in the last fifty years is one of patient nurturing of an industry which touches upon the livelihood of millions of Indians. Little efforts were given to develop the Indian handloom sector during the first half of the present century. The handloom weavers were pitted against modern textile mills. Their ingenuity and skill contributed to their success in preserving the long tradition of excellence of Indian handlooms.

Table 1: Showing Assistance for Handloom by Central Government Central Assistance for Establishment of Enforcement Machinery

Sl. No.	Name of the State	Year wise Amount released (Rs. in Lakhs)				
		2003-04	2004-05	2005-06	2006-07	2007-08 (till 31.12.07)
1.	Andhra Pradesh	—	—	14.58	11.09	—
2.	West Bengal	18.89	—	19.66	—	11.58
3.	Gujarat	39.25	19.19	34.18	—	—
4.	Rajasthan	10.11	23.41	4.19	—	—
5.	Madhya Pradesh	5.99	7.20	6.23	—	—
6.	Haryana	7.68	5.60	—	—	28.00
7.	Tamil Nadu	38.07	64.60	41.16	78.91	23.75
Total Exp.		120.00	120.00	120.00	90.00	63.33
Budget		120.00	120.00	120.00	90.00	150.00

Source: Handloom Export Promotion Council

In today's date Indian handlooms are going global in a big way and have found support in the designer community. Handlooms represent not just an industry but the cultural heritage of India. It needs to chart out a road map for itself. Designers can play a major role in promoting handlooms. The Indian handloom industry has not been able to utilize domestic resources to cope up with the changing lifestyles and aspirations. A rich and resilient media of ethnic expression, Indian handloom is given its due respect by the government too. National awards are given every year to master weavers in recognition of their excellence and contribution. An expression which deserves to be respected and preserved, Indian handlooms today finds place in the national and traditional design vocabularies of the world.

Asian Competitors

Five decades back, India was one among the top most textile exporters in the world. If we take a look of global exports of handloom textiles, China, Pakistan & Bangladesh have come up with increased participation in global export of handloom products.

We can take an instance of silk which is being produced in Banaras, India from a long back and they are in exports as well. But the situation is different now. Imports from China are growing with each passing

year and the prices at which they are shipped in to India cannot be matched by the local manufacturers, whether it is raw silk, yarn or fabric. India had imposed an anti-dumping duty on import of raw silk, but Chinese raw silk started finding its way in to Indian markets, via Nepal and Bangladesh which have free trade treaties with India.

Reason behind Pakistan handloom Industry rise was that before 2005, the exports of handloom products were exempt from quota restriction in the USA and EU, and to avoid quota barriers, the exporters of similar products, manufactured on power loom, misrepresented their export as handloom export. Multan is the main centre for Handloom Industry in Pakistan

Bangladesh Handloom Board (BHB) was established in 1977 as a Statutory Public Sector Organization. Handloom sector in Bangladesh consists of more than 0.183 million handloom units with 0.505 million handlooms and about 1 million handloom weavers of which about 50% are female worker. These centers are engaged in providing technical, financial, advisory and extension services to the handloom weavers.

Considering the inherent strengths of this industry in terms of a strong raw material base, skilled

manpower and low wage costs, this industry has immense potential in the globalised textile economy. Indian handloom producers are facing a lot of competition in terms of low cost production, supply chain management and free trade with these three Asian countries.

According to report given by CII and Ernst & Young (2007), competition from other low cost countries like China, Bangladesh, Vietnam and Turkey are posing serious threats to the industry. Research indicates that Sri Lanka, Vietnam and Bangladesh quote prices that are 20 per cent lower than Indian rates. In recent times, relentless ascent of the rupee has resulted in smaller orders, lower prices and deep uncertainty for exporters.

Study Area

A society was established in 1957 and was originally known as Model Weavers Coop. Society. It was later converted as the Puduherry State Weavers' Cooperative Society Ltd., No. P.57 and is now popularly called as, "PONTEX."

The handloom tradition in Puduherry is kept alive by a small class of devoted handloom weavers who weave the handloom fabrics. This timeless art is marketed through PONTEX 20 showrooms and today it is a 20 crores society.

PONTEX is one of the few profitable Apex Weavers Coop. Society in the country today. Behind its success there are 3,800 handloom weavers, 120 dedicated staff, 13 Primary Weavers Coop. Societies and the support of the Government of Puducherry.

Need for the Study

In the current scenario of globalised economy market is shrinking day by day. It is very important for an export organization to maintain a good marketing mix of domestic market and overseas markets. If we see the current downturn of economy only domestic market has come to save exporters. Since India has a large consumer market exporters can focus on domestic market as well as overseas markets. Though it is one of the biggest revenue earners, it has to be admitted that it is a very poorly studied industry. The study is an effort towards the same.

Objectives

1. To understand the market for handloom products with special reference to Puducherry.

2. To develop different marketing strategies for domestic and overseas markets for handloom products from Puducherry.
3. To identify means to promote handloom products in Domestic as well as International Markets.
4. To forecast the market potential with respect to handloom products.

Review of Literature

There are two schools of thought concerning the traditional industries in India. One school regards them as an "atavistic survival of pre-industrial economic organisational structure," which is an anachronism in the present era.

The other school, more charitable and in tune with the dignity of the artisans of this trade, regards them "as the repositories of a heritage of skilled craftsmanship." Both these perspectives are evident in respect of the handloom industry in our country.

Rajeshwari (2009) has reported that proper supply chain solution is necessary for handloom industry. She further emphasized on patent rights, marketing strategies, infrastructure and supply of yarn. In order to meet the changed competitive conditions due to globalization and liberalization of the economy, there is an urgent need for upgrading the technology levels currently prevailing in the weaving segment. This calls for the preparation and implementation of proper action plan in which all the stake-holders i.e., the government, the weavers and the other interest groups get fully involved. In order to prepare an effective perspective plan, an attempt has been made to understand the supply chain problems of Handloom sector, so that solutions may be given.

Paul (2009) has reported that merchandising and marketing have been recognised as being central to the growth and development of the handloom sector. Domestic marketing is important for providing linkages between the producer and the consumer, which is made through organizing exhibitions, fairs, craft melas, setting up of marketing complexes & urban haats, publicity, awareness programmes etc. under marketing promotion of the scheme.

Kawlra (1999) has reported that weavers have so far been defined in terms of two divergent perspectives. On the one hand, there is the orientalist representation of India as a museum within which weavers are bearers of "traditions of craftsmanship.

"On the other hand, the modernist project for economic uplift, through technical and organisational reform, sees them as "skilled labour" that can be tapped for its potential in nation building. In either case, the regeneration of society through hard-work *via* key institutional interventions like the small factory, co-operative society, technical school and design centre - have disassociated weavers from the community context of their work both in theory and in practice.

The procurement of bulk goods by retailers in cities from middle level producers in towns, or of collection of warps by middle level organisers once they have been woven into saris from weavers, or the disbursement of a new warp to weave a fresh batch of saris by the middle level organiser to the weaver in his home - are characterised by a system of rotating credit where the promise of payment is tied-in with the promise of a fresh order. Retailers at the city level do not like to keep stock for longer than 60 to 90 days as the shelf life of silk saris is limited, not only because of wear and tear, but also because of rapidly changing fashions. Retailers, therefore, constantly need to renew their stock.

Soundarapandian (2002) has reported that the weaving industry must develop collective market orientation. It should respond to the changing requirements of the market and provide required linkage support to the individual weaver's societies, as it is not possible for the ordinary weaver to study the market trend and adopt it in his production unit. He has advocated for the branding of the handloom product for better marketing prospects. The industry depends mostly upon the traditional buyers belonging to lower income groups for the purpose of marketing. The market outlet needs to be extended to cover the consumers belonging to upper income strata. This may entail product innovations to suit the preferences of upper income strata.

In order to understand the domestic and overseas markets with respect to handloom products, a thorough literature review was carried out and it was found that there exists a gap in research as far as the subject of study is concerned. Therefore, it was felt that an advancement of knowledge is needed in this particular sector of the market, which can contribute to renewal strategies and improve the domestic & overseas market hence the study.

Sujata and Dibyendu (2005) have reported that the essential precondition for growth of an industry, however small, is the demand for its products, which

in turn is contingent on the behaviour of three types of market: local, national and export. While local demand for rural-industry products is insufficient because of the low purchasing power of the rural masses, demand in the national and export markets is expanding; the markets for products and raw materials have widened. Markets are expanding because of the aesthetic appreciation of the products and cheap labour costs.

Meenakshisundaram (1951) has reported that handloom industry operate in an environment of competition and subsidy. In this context handloom exports made significant progress for its ethnicity, intricate designs and delicacy. For the sustenance of handloom exports and to meet the international standards, the handloom exporting units should undertake standardization, quality control of the products and reducing the cost of manufacture of the handloom goods through improving the efficiency of operations. To ensure quality of handloom products the weavers and other staff engaged in production activities may be given training on quality management. In this regard, national and state level handloom promotional organizations can arrange for appropriate quality management training programmes to the handloom exporters.

Samar verma (2000) has suggested that drift to a low-wage world is visible in textiles and clothing industry. Indian textile industry, with its low labour cost advantages, is likely to gain in the initial period, albeit mostly in price-sensitive product lines. China, Indonesia and Thailand are readjusting and restructuring their textile industries, so main growth centers of traditional textiles will shift to Pakistan, Bangladesh and Sri Lanka. However, with an increase in wage rates, which may be only in the medium to long run, competitive advantage based on labour cost, will evanesce. Besides, with low labour costs, India can achieve only low value-realisation on exports. He also argued for Shrinking world, "one world, one mega market", Post-consumerism concept for handloom industry. According to him handloom industry should carve out a *niche* through the unique artistry and craftsmanship, which can be expressed in a fabric only Manually.

Research Methodology

The type of research design used in this study is descriptive in nature. Descriptive research includes surveys and fact-findings enquiries of different kinds.

The sampling technique used is simple random sampling. Here the samples are chosen randomly from the population. Samples were picked randomly in the shop at peak hours of shopping.

Data for this study is obtained from Primary & Secondary sources. Secondary sources include records, internet and discussion with company officials. The primary data was collected through observation and a retailer's survey. The defined segment was retail outlets in Puducherry. Data collected by direct interaction with the customers to know their opinion about product. Primary data also collected through response of exporters. Data analysis of responses from exporters has been done with help of percentage analysis. Secondary data includes those data which are collected for some purpose or other than the problem at hand. The data is also collected from Internet, reports from the organization, Handloom Export Promotion Council (HEPC) portal.

Desk research (collection, shifting and interpretation of published data) and Questionnaire Method was used as data collection instrument in this study. The questionnaire was pre tested with 25 respondents and adequate changes were carried out based upon the responses.

Scope of the Study

Further research can be done for retail strategy to capture domestic market share. There is immense potential for future research in different areas like promotional techniques, market segmentation, retail outlet strategy, pricing strategies for exports specially.

Statistical Analysis

The data obtained from the respondents was analysed using SPSS software Package. The tools chosen for the analysis were:

1. Percentage Analysis
2. Garrett Ranking Technique
3. Chi-square test.
4. Time series Analysis.

Limitations

The study suffers from the following limitations:

1. The study was restricted solely to Handloom products.

2. The number of response for the questionnaire was less from exporters.
3. It was tough to attend customers in shop floor due to language barrier since most of the tourists speak French.
4. The area was limited to Puducherry.
5. There were time & cost constraints.
6. The results are applicable only to the particular industry.
7. The results are prepared keeping in mind the Puducherry region only

Results

Swot Analysis

In order to take all advantages and to eliminate handloom producer's weaknesses, it is necessary to use SWOT analysis. It enables the analysis to estimate and the combination of internal factors with the information from external sources on the market and in a business environment i.e. to realize strengths, weaknesses, opportunities and threats.

Strength

- Support of cooperative background.
- Firm government support.
- Large no. of weavers.
- Eco friendly manufacturing.

Weakness

- Bureaucratic problems.
- Old pattern of looms.
- Low share in domestic market.
- Limited variety of products.

Opportunity

- Domestic market like Puducherry, Chennai and the neighboring areas.
- Market in government sectors like Railways, Schools, Hospitals and Hotels etc.
- Production of more variety of Handloom products.
- Promotion to foreign markets such as France and other Asian countries.

Threats

- Competition in domestic market from other low cost countries like Bangladesh, China, and Pakistan.
- In domestic market it has competitors from nearby states such as Tamil Nadu, Andhra Pradesh etc.
- During periods of recession it may lose its market share to strong competitors.

Gap Analysis

With the help of Ansoffs matrix and the response received from the Exporters here is GAP model of PONFAB through which it can fill the gap between current position and desired position.

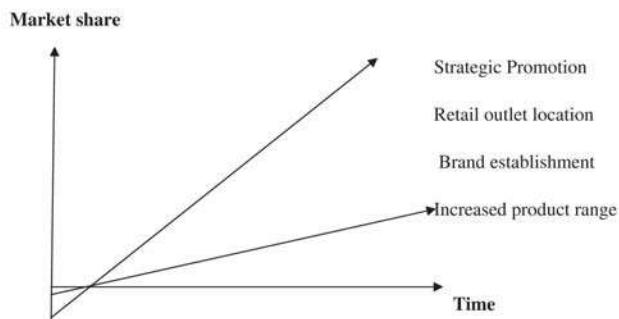


Figure 1: GAP Analysis solution

There are four factors taking help of which the gap can be filled and a desired position can be achieved. The four factors are:-

- Increased product range
- Brand establishment
- Retail outlet location
- Strategic promotion

Percentage Analysis

Opinion Profile of Marketers

In order to understand the general market condition, opinion was sought from the marketers. Percentage analysis was done for the responses received from exporters. The results of the same are presented in the table given below:

Table 2: Responses from Marketers

Attributes	Percentage
Quantum of product offered for Domestic market	30 %
Exports to Overseas market	70%
As domestic market strategy how many of them have Retail outlet	55%
Domestic market preference (due to changing economic conditions)	67%

From the above table, it can be seen that the exporters offer about 30% of the products for domestic consumption and 70% was allocated for export. The table shows that 55% of the marketers have retail outlets in the southern region especially Puducherry. The study also revealed that 67% of the marketers prefer domestic market due to changing economic conditions and change in demand.

Opinion Profile of Customers

The influence of customer behaviour is key to the sales and demand of any product. Awareness about the product, retailer strategies such as discounts, and other offers are certain attributes that affect customer preference for the products. Keeping this concept in mind, and in order to understand the purchase dynamics, the respondents were asked to give their opinion about the handloom products. The results of the same are presented in the following table:

Table 3: Responses from customers

Attributes	Percentage
Age of the customers (above 31)	42%
Male	80%
Customers belonging to Puducherry (Nativity)	60%
Annual income of the customers (50,000 – 1,00,000)	40%
Customers' preference for handloom products.	85%
Mode of purchase (sale or discount).	40%
Customers come to know about product in retail outlet.	45%

From the above table, it can be seen that a large proportion (42%) of the customers were in the age group of above 31 years. A vast majority of the customers were male. The table also shows that 60% of the customers were natives of Puducherry. A large proportion of the customers fall under the income group of 50,000 to 1,00,000. There is a heartening large percentage of customers who prefer handloom products amounting to 85%. The table also shows that discount sales were being offered which 40% of the customers prefer. Awareness of the customers comes from the retailer sources which worked out to 45%.

Need for Brand Image

Chi-square test was employed to understand the association between the demographic factors such as age, gender etc of the customer and the need for brand image for Handloom products from Puducherry. The hypotheses that were tested are listed as given below:

Ho₍₁₎: There is no significant association between age and need of brand image for Handloom products.

H1₍₁₎: There is significant association between age and need of brand image for Handloom products.

Ho₍₂₎: There is no significant association between gender and need of brand image for Handloom products

H1₍₂₎: There is significant association between gender and need of brand image for Handloom products

Ho₍₃₎: There is no significant association between income and need of brand image for Handloom products

H1₍₃₎: There is significant association between income and need of brand image for Handloom products

Ho₍₄₎: There is no significant association between nativity and need of brand image for Handloom products

H1₍₄₎: There is significant association between nativity and need of brand image for Handloom products

In order to understand the association between the demographic factors and the need for brand image, chi-square test was carried and the results are presented in the table given below:

Table 4: Demographic Factors and Need for Brand Image

CHI-Square Test

Factor	Calculated value	Tabulated value	Degree of freedom	Remarks
Age	26.80	7.81	3	Significant at 5% level
Gender	20.80	3.81	1	Significant at 5% level
Income	16	7.81	3	Significant at 5% level
Nativity	3.2	3.81	1	Not Significant at 5% & 1% level

From the above table it can be seen that the calculated value for factors such as Age, Gender, and Income level was greater than the table value and the association was found to be significant at the 5% level. Hence, the null hypothesis was rejected and the alternative hypothesis was accepted. But as far as nativity factor was concerned it was found that the calculated value was less than tabulated value and there is no significant association between Nativity and the need for brand image both at the 5% and 1% levels. Hence, null hypothesis was accepted and the alternative hypothesis was rejected.

Therefore it can be concluded that there is significant association between the demographic factors such as Age, Gender, and Income level and "Need for brand image", and no significant association between Nativity and "Need for brand image".

Time Series Analysis

Time series analysis was carried out to forecast sales of Handloom products for year 2010. The results of the analysis are shown in the table given below (Table-5).

Table 5: Time Series Analysis

Year	Sales (Y) Rs. in lakh	X = year -2005	XY	X ²
2002	203	-3	-609	9
2003	209	-2	-418	4
2004	354	-1	-354	1
2005	498	0	0	0
2006	400	1	400	1
2007	362	2	724	4
2008	520	3	1560	9
Total	2546	0	1303	28

$$Y_{2010} = 363.71 + 46.53 (5) = 363.71 + 232.65 = 596.36$$

From the above table, it can be inferred that the projection for sales for the year 2010 was found out to be **Rs.596.36 lakh**.

Garett Ranking Technique

The Garrett Ranking Technique was employed to rank the identified promotional methods in order to increase the market share of the handloom products from Puducherry and the results of the respondents' opinion on the chosen attributes and the scores obtained are presented in the table given below (Table-6).

Table 6: Garett Ranking Test

Attributes	No. of Responses	Garett Score	Rank
Price reduction	20	20,000	II
Quality improvement	17	17,000	III
Offers	3	300	V
Advertisement	4	400	IV
Availability and variety of products	36	36,000	I

Sample size = 80

From the table given above, it can be seen that "Availability and variety of products" was ranked as the first ranking measure to be undertaken with

immediate effect with a Garrett score of 36,000 points followed by "Price Reduction" at the second position with a Garrett score of 20,000 points. The attribute "Quality improvement" was chosen to be the third ranking attribute with a Garrett score of 17,000 points. The fourth and fifth ranking attributes were "Advertisement" and "Offers" with Garrett scores of 400 and 300 points respectively.

Findings

1. The Time series analysis revealed the sales projection for the year 2010 to be **Rs.596.36 lakh**.
2. The study shows that 70 % of Handloom products were exported and 30 % were sold in the domestic markets.
3. The customers gave the opinion that retail outlet is the best strategy for domestic market.
4. Most of the exporters are dependent on domestic market in the current financial crunch.
5. The study revealed that thirty-two percent of the customers are above 31 age and next to them are above 25 and below 31 age.
6. The study shows that 80% percent of the customers are male who visit the retail outlet.
7. The study revealed that 60% of the total customers belong to Puducherry and 40% of the customers income class was Rs. 50,000 to 1,00,000 annually.
8. Among total customer traffic 85 % of them like to use Handloom Products.
9. Most of the customers visit retail outlet on sale or discount followed by festivals and national occasions.
10. It was found that thirty-six percent of the customers came to know about the products through retail outlet.
11. The study suggested that fifty-three percent of the customers think brand name is necessary for Handloom Products.

Suggestions

1. It is suggested that more retail outlet in Puducherry and places around Puducherry should be initiated to obtain increased domestic market share.
2. There is immense market potential in government sectors like Railways, Schools, Hospitals and

Hotels. Business tie ups with public sector can be planned.

3. There should be production of more variety of Handloom products
4. Exporters need a brand establishment programme through proper sales promotion and salesmanship in domestic market.
5. Exporters should float advertisement about its product, brand name through different affordable media like newspaper, street shows, and radio channels at both domestic and international level. This will create awareness among the customer and bring in more revenue.
6. For overseas markets exporter should introduce new designs of looms which will help to increase market share and profit both.
7. Opening up of new showrooms at overseas markets will help in getting new customers.
8. As evidenced from the SWOT Analysis for handloom exporters with respect to the domestic market and export market, it should capture the opportunities with help of firm government support and can increase market share in domestic and overseas markets.
9. Since most of the customers were male, there is a possibility that the products catering to the female population is less and this segment of the market has to be attracted with more variety and female specific products like sarees etc.
10. The exporters should concentrate on the childrens market as well especially for customers from abroad. Doing so requires enhancement of quality of the product.
11. Market penetration strategies need to be developed to enter into the nearby states like Tamilnadu, Kerala etc.
12. The floating tourist population should also be attracted with the right strategies like exhibitions, quality improvement and value addition.

Discussion

In the current scenario of globalization where market is shrinking day by day, it is very important for an export organization to maintain a good marketing mix of domestic market and overseas markets. If we see the current downturn of economy

only domestic market has come to save exporters. Since India has a large consumer market exporters can focus on domestic market as well as overseas markets. Indian Handloom sector has assistance of Handloom Export Promotion Council (HEPC) which is a statutory body constituted under The Ministry of Textiles, Government of India to promote the exports of all handloom products. Exporters look forward to market their products in national and international fairs organised by HEPC being held in Germany, Hungry, Brazil, Hong Kong, Mumbai & New Delhi (India) etc.

Conclusion

The Handloom Industry is the most ancient Cottage Industry of India. Research & Development is an essential ingredient for any Industry to keep pace with the fast changing developments on account of the increasing global interest in Indian Handlooms.

Since exporters are looking for both domestic and foreign market share it is advisable to go for new innovation of looms and a brand management in both of the markets. Opening of show rooms, retail outlet in domestic market will add value to its marketing communication programme.

For international market it is necessary to invent new models of looms and design of products since other countries like China, Bangladesh, Pakistan are coming up with variation in models of looms.¹

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A STUDY ON ORGANIZATIONAL CLIMATE WITH SPECIAL REFERENCE TO ENGINEERING INDUSTRIES IN COIMBATORE

N. Kathirvel*

Abstract: *Organizational climate' refers to the quality of working environment. If people feel that they are valued and respected within the organization, they are more likely to contribute positively to the achievements of the business outcomes. Coimbatore District is one of the more affluent and industrially advanced districts of the state of Tamil Nadu in India. The headquarters of the district is Coimbatore city, the second largest city in Tamil Nadu. . periodic updating of personnel policies is essential to keep pace with time with the change in time to avoid organizational complacency or managerial stagnation of personnel policy.*

Introduction

Organizational climate is comprised of mixture of norms, values, expectations, policies and procedures that influence work motivation, commitment and ultimately, individual and work unit performance. Positive climate encourages, while negative climates inhibits discretionary effort. 'Organizational climate' refers to the quality of working environment. Creating a healthy organizational climate requires attention to the factors which influence employee's perceptions, including the quality of leadership, the way in which decisions are made and whether the efforts of employees are recognized. In fact "Climate may be thought of as the perceptions of the characteristics of an organization".

"Climate for an organization is somewhat like the personality for a person. Just as every individual has a personality that makes each person unique, each organization has an organizational climate that clearly distinguishes its personality from other

organization. Every organization is different and has a unique feeling and character beyond its structural characteristics. The organizational policy and conviction with regard to all these and a cluster of other related activities influence the feelings, attitudes and behavior of its members and results in the creation of the unique organizational climate.

The content of organizational climate has varied widely and they include almost all the important aspect of organizations such as structure, communication, leadership, Conflicts, reward system, inter personal relationships organizational effectiveness, reasonability and so forth. It has been pointed out that the contents of the climate constructed by various researches overlap with many other major concepts in organizational behavior Glick, 1985). Such overlaps seems to have promoted researchers to raise the question how the concept of climate is different from other organizational variables, especially, structure and job satisfaction.

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Coimbatore Profile

Coimbatore District is one of the more affluent and industrially advanced districts of the state of Tamil Nadu in India. The headquarters of the district is Coimbatore city, the second largest city in Tamil Nadu, which is located approximately 497 km from Chennai, the state capital, and 330 km from Bangalore. It is highest revenue yielding district in the state. As of the 2001 census, Coimbatore had a population of 930,882 in Municipal Corporation limits. More recent estimates peg the population of Coimbatore at some 15 lakhs (1.5 million) people. Males constitute 52% of the population and females 48%. Coimbatore has an average literacy rate of 78%, higher than the national average of 59.5%. Male literacy is 81% and female literacy is 74% with 11% of the population under 6 years of age.

The first college was the Government Arts College (1875-76). The first engineer college in the city was started by G.D. Naidu in the name Hope College (named after Sir Arthur Hope, then Governor of Madras Presidency), offering technical education in civil, mechanical, electronics, electrical, and automobile engineer in the year 1945. Later it became the Government College of Technology, Coimbatore (aka... GCT) presently known as Anna University Coimbatore. Later in the year 1951 PSG College of Technology was started by P.S. Govindasamy Naidu as a polytechnic and industrial training institute, later offering graduate programs including textile, electrical and mechanical engineering. According to a survey by Outlook India, PSG Tech is the one of the best private engineering institutions in India. The Coimbatore 1956) was started by MIT and Sloan alumnus P.R. Ramakrishnan and it stood all most the best forever in all areas.

Coimbatore Engineering Industries Profile

Coimbatore is the highest revenue earning district in Tamil Nadu Coimbatore is called the Manchester of South India due to its extensive textile industry, fed by the surrounding cotton fields. It is also called as the pump city of India. The City houses large number of small scale engineering companies. The motor and pump industry supplies two thirds of India's

requirements, while its wet-grinder industry has a near monopoly. Agriculture is still the major occupation in the district as in any other part of the Country. General trade attracts people from all over the state including the neighboring Kerala. The neighboring city of Tirupur is home to Asia's largest garment manufacturing companies, exporting hosiery clothes worth more than Rs. 50,000 million. Coimbatore is also emerging as an IT and BPO city Coimbatore is ranked at [21] 17th place among the global outsourcing cities.

Some of the major industries are Larsen and Toubro, Lakshmi Machine Works Ltd (LMW), Premier Instruments & Control Limited (PRICOL), ELGI Equipments, Shanti Gears, Roots Industries the Major Pump Industries Sharp Industries, CRI Pumps, Texmo Industries, Deccan Pumps & KSB Pumps are renowned world wide. Coimbatore is also called as the Pump City. Research and Development Organisations like Tamil Nadu Agricultural University, South India Textile Research Association, contribute a lot to the city. Other industries like PSG, Sakthi group contribute a lot, and the now closed South India Viscose is one of the major employers in the city. Coimbatore also has a 160,000 square feet (15,000 m²) trade fair ground, built in 1999. It was named COINTEC due to its hosting of INTEC (Small Industries Exhibition). The Trade Fair complex, one of the country's largest, was built in six months, and is owned by CODISSIA (Coimbatore District Small industries Association). It is also the country's largest pillar-free hall, according to the Limca Book of Records.

Review of Literature

Schneider and Hall (1972) describe climate as a global perception held by individuals about their own organizational environment.

Schneider and Snyder (1975) further clarified the approach by defining climate as a summary perception which individuals form of (or about) an organization. For them it is a global impression of the organization.

Development of Climate Instruments

Current instruments include **Patterson, Payne and west (1996)** Business Organisation Climate

Index that consists of 28 item scales however only eight were used because of the length. **Kozlowski and Doherty's (1989)** instrument uses 55 measures consisting of 11 sub-scales that overlaps with Jones and James (1979). **Joyce and Slocum (1982)** used the same measures as **Pritchard & Karasick (1973)** with 10 dimensions that were factor analysed and reduced to six. **Drexler's (1977)** survey of operations that was based upon Taylor and Bowers (1972) a composite of several other instruments. **Likert's (1976)** profile of organizational characteristics.

Need for the Study

Every organization should have personnel policies in order to accomplish the objectives of the personnel as well as the organization. Periodic updating of personnel policies is essential to keep pace with time with the change in time to avoid organizational complacency or managerial stagnation of personnel policy. It should be suitable and adjustable to accommodate the latest trends and should be accepted and accommodated by many in the organization.

In Engineering Industries in Coimbatore employees which have the mix of experts, experienced and fresh are working. The need for the study is to ascertain some factors related to job satisfaction and motivation of the engineers and the various benefits and welfare facilities provided by the company to its employees, to ascertain the relationship between the employees and management.

Objectives of the Study

- To study the level of organizational climate prevailing in the Organization.
- To study the factors influencing organizational climate.
- To study the organizational climate using seven dimensions: Environment, Team work, Management Effectiveness, Involvement, Rewards and recognition, Competency and Commitment.

Research Methodology

Research Design

The study is descriptive research study. The main purpose of descriptive research is description of the state of affairs as it exists at present. In the present study, descriptive method is used to study the prevailing organizational climate.

Data Collection Method

The primary data was collected through a well structured questionnaire with close-ended questions measures at 5-point likert type scale and suggestion questions. Secondary data required for the project was collected from the company records and Internet.

Sampling Plan

Simple convenience sampling method is used. Sample size consists of 100 respondents.

Statistical Tools

Simple percentage analysis and tabulation is used to analysis the data. Bar diagram is used to give pictorial representation to the analysis. The following test was used for the study.

- Standard deviation
- ANOVA

Percentage Analysis

Percentage refers to a special kind of ratio. Percentage is used in making comparison about two or more series of data. Percentage as also used to describe relationship. It is also used to compare the relative term's dx of two or more series of data.

Formula:

$$\frac{\text{Number of respondents}}{\text{Total no. of respondent}} \times 100$$

Anova

The analysis of variance frequently referred to by the contraction ANOVA is a statistical technique

specially designed to test whether the means of more than two quantitative populations are equal.

The analysis of variance technique developed by R.A. Fisher in 1920's diversified practical problems. Basically, it consists of classifying and cross classifying statistical results and testing whether the means of a specified classification differ significantly. In this way it is determined whether the given classification is important in affecting the results.

In one way classifications the data are classified according to only one criterion. The null hypothesis is

$$H_0 = M_1 = M_2 = M_3 = \dots = M_K$$

$$H_1 = M_1 \neq M_2 \neq M_3 \neq \dots \neq M_K$$

To find the correlation factor:

$$C.F = \frac{T^2}{\text{Total number of items in the given data.}}$$

To calculate the value of F:

$$F = \frac{\text{Variance between Samples}}{\text{Variance within Samples}}$$

Source of Variation	Sum of Squares	Degree of Freedom	Variance
Between Samples	SSC	$V_1 = C - 1$	$SSC / C - 1$
Within Samples	SSE	$V_2 = N - C$	$SSE / N - C$

Scope of the Study

An industry's wellbeing has been greatly determined by the quality employees. The quality in terms has been influenced both by the quantitative factors like education, training and the qualitative factors like the psychology of the employees. In recent times studies done on measuring the productivity of the workers due to psychology could prove that there is correlation between the two. Studies done on human resources could also identify the level of organizational influences greatly on the psychology of the workers to contribute more to the productivity.

Limitations of the Study

1. Accuracy of the primary data collected depends upon the authenticity of the information filled by the respondents in the questionnaire.
2. Due to their busy schedule, the respondents were able to furnish very few information which is considered to be one of the major constraints of this study.
3. The study is restricted to Engineering Industries, Coimbatore and the findings may not be applicable to other similar concerns.

Analysis and Discussion

Table 1: Profile of the respondents

Profile		No of Respondents	Percentage
Age	20 – 30 years	25	25
	30 – 40 years	60	60
	40 - 50 years	10	10
	Above 50	5	5
	Total	100	100
Qualification	Below SSLC	23	23
	SSLC	40	40
	XII	30	30
	Diploma	5	5
	Degree	2	2
	Total	100	100
Experience	Below 5	12	12
	5 – 10	17	17
	10 – 15	45	45
	15 – 20	20	20
	Above 20	6	6
	Total	100	100

Source: Primary Data.

The above tables shows that, Majority of the respondents, about 60% belong to the category of 30–40 years of age and 25% belong to the category of 20-30 years of age, 23% of the respondents are Below SSLC, 40% of the respondents are SSLC and 30% of the respondents are 12th standard, 45% belong to the category of 10-15 years and 20% belong to the category of 15-20 years.

Table 2: Working Environment Factors

Factors	Counts	Opinion					
		S.D.A	D.A.	N	A	S.A.	Total
Safe working environment	No. of respondents	7	9	—	66	18	100
	%	7	9	—	66	18	100
Work area with clean, comfortable and necessary equipments	No. of respondents	—	11	9	60	20	100
	%		11	9	60	20	100
Maintaining a good balance between work & other aspects of life	No. of respondents	2	1	8	65	24	100
	%	2	1	8	65	24	100
Satisfaction with the working condition	No. of respondents	3	12	1	67	17	100
	%	3	12	1	67	17	100
Flexibility to arrange work schedule to meet personal/family responsibilities	No. of respondents	-	18	9	60	13	100
	%	—	18	9	60	13	100
Superior help and support	No. of respondents	-	10	9	60	21	100
	%		10	9	60	21	100
Working with co-workers	No. of respondents	-	—	6	65	27	100
	%	-	—	6	65	27	100
Communication	No. of respondents	—	6	12	60	22	100
	%	—	6	12	60	22	100

S.D.A. - Strongly Disagree D.A. - Dis Agree N- Netural A- Agree S.A. - Strongly Agree

Source: Primary Data.

From the above table No. 2 it is clear that 66 percent of the respondents agree with the safe working environment, 60% of the respondents agree that their work area is clean and comfortable with necessary equipments, 65% agree that they maintain a good balance between work and other aspect of life, 67% of the respondents agree with the satisfaction of the working conditions, 60% of the respondents agree that they have flexibility to arrange work schedule to meet personal/family responsibilities, 60% employees receive help and support from the superior, 60% of the respondents are agree that they receive regular feedback from their superiors, 65%

of the respondents agree with the fact that they work in team with co-workers, finally vast majority (60%) of the respondents are agreeing that their department communicate well with other department.

It was found that almost all the respondents have registered their positive opinion about the work environment they obtain in their work. Only a few respondents do not have any opinion and another few expressed that their Flexibility to arrange work schedule to meet personal/family responsibilities, Superior help and support, Working with co-workers and Communication

Table 3: Management Related Factors

Factors	Counts	Opinion					
		S.D.A	D.A.	N	A	S.A.	Total
Department contribution	No.of respondents	1	1	30	60	8	100
	%	1	1	30	60	8	100
Department meets its customer requirements	No.of respondents	1	-	2	61	36	100
	%	1	-	2	61	36	100
Management attention towards suggestion	No.of respondents	-	-	6	70	24	100
	%	-	-	6	70	24	100
Trust in management	No.of respondents	-	1	7	60	32	100
	%	-	1	7	60	32	100
Management understanding	No.of respondents	-	2	12	60	26	100
	%	-	2	12	60	26	100
Treated with respect	No.of respondents	-	2	11	62	25	100
	%	-	2	11	62	25	100
Suggestions for the development of the organization	No.of respondents	1	2	2	70	25	100
	%	1	2	2	70	25	100
Information	No.of respondents	2	4	29	40	25	100
	%	2	4	29	40	25	100
Work process	No.of respondents	-	3	3	70	24	100
	%	-	3	3	70	24	100
Involvement in decision making	No.of respondents	1	4	17	60	18	100
	%	1	4	17	60	18	100

S.D.A. - Strongly Disagree D.A. -Dis Agree N- Netural A- Agree S.A. – Strongly Agree

Source: Primary Data.

From the above table No.3 it is clear that, 60 percent agree that their department make a valuable contribution to the organization, 68 percent respondents are agree that their departments meet its customer requirements, 70 percent of the respondents agree that management pays careful attention to their suggestion, 60 percent of the respondents are agree that they trust management, 60% of the respondent are agree that management understand what is going on in their department, 62 % of the respondents are agree that they are treated with respect, 70% of the respondents are agree that management adequately regarding from the department about development of the organization, (40%) are agree that management adequately inform

to the department about what is going on in the organization, 70% agree that the organization encourages them to develop improved work process finally vast majority (60%) are agree that management seeks the involvement of employees in decision making.

It was found that almost all the respondents have registered their positive opinion about the management related work. Only a few respondents do not have any opinion and another Management attention towards suggestion, Trust in management, Treated with respect, Suggestions for the development of the organization, Information, and Work process.

Table 4: Pay and Benefits Factors of the Employees

Factors	Counts	Opinion					
		S.D.A	D.A.	N	A	S.A.	Total
Individual needs	No.of respondents	-	14	12	56	18	100
	%	-	14	12	56	18	100
Knowledge of other department	No.of respondents	1	13	12	58	16	100
	%	1	13	12	58	16	100
Recognition of good work	No.of respondents	-	4	11	60	25	100
	%	-	4	11	60	25	100
Receiving appropriate feedback about performance	No.of respondents	1	4	10	70	15	100
	%	1	4	10	70	15	100
Work expectation	No.of respondents	-	2	20	60	18	100
	%	-	2	20	60	18	100
Satisfaction with the pay and benefit	No.of respondents	3	17	3	56	21	100
	%	3	17	3	56	21	100
Promotions based on the performance	No.of respondents	1	9	17	60	13	100
	%	1	9	17	60	13	100
Job related training	No.of respondents	2	5	3	70	20	100
	%	2	5	3	70	20	100
Skills to perform job effectively	No.of respondents	-	-	4	60	36	100
	%	-	-	4	60	36	100
Improving performance	No.of respondents	-	4	14	61	21	100
	%	-	4	14	61	21	100

S.D.A. - Strongly Disagree D.A. -Dis Agree N- Netural A- Agree S.A. – Strongly Agree

Source: Primary Data.

From the above table 4, it is clear that majority of the respondents (56%) are agree that organization is sensitive towards their individual needs, 58 percent of the respondents are agree that they know what is happening in other department, 60 percent of the respondents are agree that they are recognized for their good work, 70 percent of the respondents are agree that they receive appropriate feedback about their performance from the management, 60 percent of the respondents are agree that realistic work is expected by the management, 56 percent of the respondents are agree employees satisfaction with

the pay and benefit they receive, 60 percent of the respondents are agree promotions are based on performance, 70% of the respondents are agree that they receive adequate job related training 60% of the respondents are agree that they have skills to perform job effectively and 61 percent of the respondents are agree that training helps to improve performance.

It is evident that vast majority of the respondents have expressed their positive opinion towards the pay and benefits of the organization.

Table 5: Career Development Related Factors

Factors	Counts	Opinion					
		S.D.A	D.A.	N	A	S.A.	Total
Stress in job	No.of respondents	1	50	5	35	9	100
	%	1	50	5	35	9	100
Career development	No.of respondents	-	2	5	75	18	100
	%	-	2	5	75	18	100
Work overloaded	No.of respondents	2	45	10	38	5	100
	%	2	45	10	38	5	100
Willingness to put extra effort	No.of respondents	1	1	2	75	21	100
	%	1	1	2	75	21	100
Proud to work in the industry	No.of respondents	-	1	2	67	30	100
	%	-	1	2	67	30	100
Loyal towards in the industry	No.of respondents	-	1	3	65	31	100
	%	-	1	3	65	31	100
Plan to spend entire career in Industry	No.of respondents	-	3	21	67	9	100
	%	-	3	21	67	9	100
High working morale	No.of respondents	-	1	3	65	31	100
	%	-	1	3	65	31	100
Recommending to others as a best place to work	No.of respondents	-	5	1	59	35	100
	%	-	5	1	59	35	100

S.D.A. - Strongly Disagree D.A. -Dis Agree N- Neutral A- Agree S.A. – Strongly Agree

Source: Primary Data.

From the above table 5, it is clear that 50 percent of the respondents strongly disagree, 75 percent of the respondents are agree that organization help them to develop themselves and their career, 45% of the respondents strongly disagree and 38% agree that there work is overloaded in this industry, 75% of the employees are agree to willing to put extra efforts, 30% of the respondents strongly agree and 67% agree that they are proud to work in the organization, 31% of the respondents strongly agree and 65% of the employees are agree that they are loyal to the organization, 67% of the respondents are agree that they are plan to spend their entire career in the organization, 31% of the respondents strongly agree and 65% of the respondents are agree that they have high working morale, 59 percent of the

respondents are agree that they will recommend to others as a best place to work.

Cross Tabulation for Environment and Climate:

Objective

To find out significant difference between working environment and organizational climate.

H0: There is no significant difference between the working environment and climate in the organization.

H1: There is a significant difference between the working environment and climate in the organization.

Table 6: Environment and Organizational Climate

Environment	Organizational Climate			Total
	Low	Moderate	High	
Low	1	3	3	7
Moderate	6	67	5	78
High	-	5	10	15
Total	7	75	18	100

Table 6.a: Analysis of Variance Table

Source of variation	Sum of Squares	Degrees of freedom	Variance	Value of F
Between the group	888.22	2	444.11	0.9888
With in the group	2694.62		449.10	

F= Variance between varieties/ Variance with in varieties.

The calculated value of F is (0.9888) lesser than the table value (5.1433). Therefore the null hypothesis is accepted.

Hence, there is no significant difference between the working environment and climate in the organization.

Cross Tabulation for Team Work and Climate

Objective

- To find out the significant difference between team work and organizational climate.

H0 : There is no significant difference between the team work and climate in the organization.

H1 : There is a significant difference between the team work and climate in the organization.

Table 7: Team Work and Organizational Climate

Team Work	Organizational Climate			Total
	Low	Moderate	High	
Low	1	-	-	1
Moderate	6	74	5	85
High	-	1	13	14
Total	7	75	18	100

Table 7.a: Analysis of Variance Table

Source of variation	Sum of Squares	Degrees of freedom	Variance	Value of F
Between varieties	888.22	2	444.11	0.5553
With in varieties	3998.67		799.73	

F= Variance between varieties/ Variance with in varieties.

The calculated value of F is (0.5553) lower than the table value (5.7861). Therefore the null hypothesis is accepted.

There is no significant difference between the team work and climate in the organization.

Cross Tabulation for Management Effectiveness and Climate:

Objective

- To find out the significant difference between management effectiveness and organizational climate.

H0: There is no significant difference between management effectiveness and climate in the organization.

H1: There is a significant difference between management effectiveness and climate in the organization.

Table 8: Management Effectiveness and Organizational Climate

Management effectiveness	Organizational Climate			Total
	Low	Moderate	High	
Low	3	-	-	3
Moderate	4	67	2	73
High	-	8	16	24
Total	7	75	18	100

Table 8.a: Analysis of Variance

Source of variation	Sum of Squares	Degrees of freedom	Variance	Value of F
Between varieties	888.22	2	444.11	0.7822
With in varieties	2838.67		567.73	

F= Variance between varieties/ Variance with in varieties.

The calculated value of F is 0.7822 lower than the table value 5.7861 Therefore the null hypothesis is accepted.

There is no significant difference between Management effectiveness and climate in the organization.

Findings

- Majority of the respondents, about 66% belong to the category of 30–40 years of age.
- Majority of the respondents educational qualification, about 45% belong to the category of SSLC and 30% belong to the category of 12th standard.
- Majority of the respondents, about 52% belong to the category of 10-15 years of work experience in the organization.
- 66% of the respondents reveal that they are working in a safe environment.
- 60% of the respondents reveal that their work area is clean and comfortable with necessary equipments.
- 65% of the respondents reveal that they maintain a good balance between work and other aspect of life.
- 67% of the respondents reveal that they are satisfied with the working conditions.
- 60% of the respondents reveal that they have flexibility to arrange work schedule to meet personal/family responsibilities.
- 60% of the respondents reveal that they receive help and support from the superior.
- 60% of the respondents reveal that they receive regular feedback from their superior.
- 65% of the respondents reveal that they work in team with the coworkers.
- 60% of the respondents reveal that their department communicates well with the other departments.
- 60% of the respondents reveal that their department makes a valuable contribution to the organization.
- 61% of the respondents reveal that their departments meet its customer requirements.
- 70% of the respondents reveal that management pays careful attention to their suggestion.
- 60% of the respondents reveal that they trust management.
- 60% of the respondents reveal that management understands what is going on in their department.
- 70% of the respondents reveal that they are treated with respect by the management.
- 40% of the respondents reveal that they wish to give suggestion for the development of the organization.
- 70% of the respondents reveal that management adequately inform to the department about what is going on in the organization.
- 70% of the respondents reveal that organization encourages them to develop improved work process.
- 60% of the respondents reveal that management seeks the involvement of employees in decision making.
- 56% of the respondents reveal that they knowledge of other department what is happening in other department.
- 58% of the respondents that they are recognized for their good work.
- 70% of the respondents reveal that they receive appropriate feedback about their performance from the management.
- 60% of the respondents reveal that realistic work is expected by the management.
- 56% of the respondents reveal that their satisfaction with the level of pay and benefit they receive.
- 60% of the respondents reveal promotions are based on performance.
- 70% of the respondents reveal that they receive adequate job related training.
- 60% of the respondents reveal that they have skills to perform job effectively.
- 61% of the respondents reveal that training helps to improve performance.
- 50% of the respondents strongly disagree and 35% agree that they have stress in job.

- 75% of the respondents reveal that organization helps them to develop themselves and their career.
- 45% of the respondents strongly disagree and 38% agree that their work is overloaded.
- 75% of the respondents reveal that they are willing to put extra efforts.
- 67% of the respondents reveal that they are proud to work in industry.
- 65% of the respondents reveal that they are loyal to the organization.
- 67% of the respondents reveal that they plan to spend their entire career in the organization.
- 65% of the respondents reveal that they have high working morale.

Suggestions

- The management provides sufficient training to employees. A few measures can be taken to develop and organize the training program.
- The employees' works are been recognized by the management and appreciated. It can be maintained in such a way that the employees' morale will be improved.
- The overall working conditions of the company very good and even through this the working level of the workers can be increased.
- When relationship between the superiors and managers are very good, the workers can increase the level of the work and through this they can increase the production morale and high productivity.
- Team spirit may be increased and through this competition arises between workers leading to resentment may be mitigated.
- The workers attitude towards the job in the organization must be improved.
- From the above survey, the researcher found that majority of the employees' are satisfied with all the facilities and only few of the employees' are not satisfied. Therefore suitable measuring ensuring optimum level of satisfaction must be focused by the organization.
- The non-financial motivators like affiliation, recognition and appreciation may be an order of

the day by the management to motivate the employees.

- Grievance redressal procedures in the organization may be made systematic with a transparent procedure, to improve the motivation of the employees.

Conclusion

Science and technology are advancing day-by-day in the society. Today's society is accepting all these changes. These changes cause different problems in the society. Climate is the atmosphere of the organization, a "relatively enduring quality of the internal environment of an organization, which is experienced by its members and influences their behavior." Organizational climate may affect quality of service and employee's commitment and involvement towards the organization. Climate dimensions in one way or other affect the level of organizational climate. This study came out with certain findings based on which the suggestions were contributed by the researcher. This can be avoided through counseling, recreational activities and relaxation techniques. Most of the respondents did not have any problem at all. This is a positive result obtained from the respondents. As engineering industries enabled services are considered as emerging field, the problems of the employees will definitely affect their profession and so conflicts in all the aspects should be eliminated. The study shows that Climate is the atmosphere of the organization, a "relatively enduring quality of the internal environment of an organization, which is experienced by its members and influences their behavior."

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FROM COMPETENCIES TO ORGANIZATIONAL PERFORMANCE – AN EMPIRICAL STUDY

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Abstract: Competitive advantage depends largely on the ability to activate and use organizational resources. As a result, the focus in the strategic management, organizational behavior and human resource management literature has turned to the internal capabilities of organization including a particular focus on employee's competencies. This paper presents the basis for a completely new performance management paradigm which embeds managerial competence/competency in a way which more accurately reflects the realities of managerial practice. The purpose of this paper is to identify the major competencies that influence the employee's performance in public sector organization. Primary data was collected by the researcher with the help of structured questionnaire administered to the executives of a Public sector organization in Chennai - Tamilnadu. The method adopted to get the data was Interview Schedule. 77 executives from that organization constitute the sample size. Some of the major findings were derived, that will be useful, relevant and significant to the present Indian scenario.

Introduction

Any underlying characteristics required for performing a given task, activity or role successfully can be considered as competency. Competency may take the following forms: Knowledge, Attitude, Skill, Other characteristics of an individual including Motives, Values, Self-concepts etc.

There are five types of Competency characteristics:

- Motives – The things a person consistently thinks about or wants and that which causes action. Motives' drive, direct, or select, behavior towards certain actions or goals and away from others.
- Traits – Physical characteristics and consistent responses to situations or information.
- Self-concept – A person's attitudes, values or self - image.

- Knowledge – Information a person has in specific content areas.
- Skill – The ability to perform a certain physical or mental task.

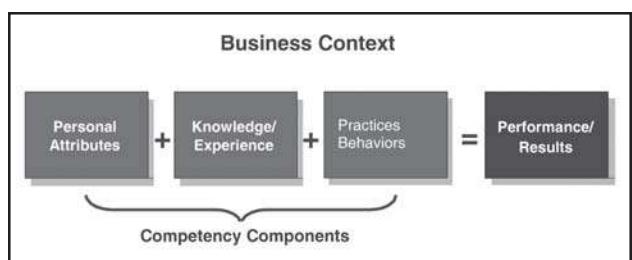


Exhibit No. 1: Competency Model

Competency and Performance

One of the major objectives of every organization is to improve its performance every year and to set new standards and norms. For

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every operation and machine there is a human being and it is the quality of the man behind the machine or the process, which determines the performance of the organization.

In view of this, the performance of the organization depends not on the human assets but the human assets having the right match of competencies and their levels for preliminary requirements. If the right matches of competencies is available will the employees, then it is their motivation, work environment and incentives, which help them to give their best performance.

Organization can use goal setting, performance appraisal, incentives, career planning and succession planning as measures to further improve the performance of the employees. To select the employees with the right match for performing the job efficiently, organization recruit people based on qualifications and conduct interviews for final selection. To aim for higher performance, organization need to use more reliable tools for identifying competencies, this becomes the base of foundation for future performance of the employees and the organization.

Benefits of competency-Based assessment at organizational level

- It helps an organization in assessing the employees against the industries / company-recognized standards.
- It can reduce training cost considerably as learning and development take place on the job and only areas needing development or considered for focus.
- Assessment data generated through this method can be used for promotion to critical roles, succession planning and filling up of vacancies and for forming teams with complementary skills.
- It is very effective in identifying development needs and human resource development.
- It can help in re-organization and assessment of receptivity to organizational changes.
- Through development of employees' knowledge and skills, the assessment /

Development center approach can improve organizational productivity at the bottom line.

Review of Literature

Jens Rowold, Simone Kauffeld(2009) The present study aims to examine how employees' formal (e.g. off-the-job training) and informal (e.g. discussion with colleagues) career-related continuous learning (CRCL) activities affect the development of self-reported work-related competencies. Participants were 372 employees working in one of 19 companies from a wide range of industries in Germany. Results revealed that informal CRCL affected professional, method, and social competencies. In addition, employees' participation in formal CRCL activities that focused on social issues was positively related to social competencies. Three types of competencies (professional, method, and social) are distinguished in the present study. Additional influences on competency such as motivation and commitment should be controlled for in future studies. Also, competencies should be rated by supervisors. Objective measures of formal CRCL should be assessed.

Maria Vakola, Klas Eric Soderquist, Gregory P. Prastacos(2007) in their paper seeks to analyze and discuss a forward-looking, dynamic and proactive approach to competency modeling explicitly aligned with strategic business needs and oriented to long-term future success. This paper is based on a longitudinal research project sponsored by a leading Greek bank, currently undergoing fundamental corporate restructuring. This paper describes how the competency model was developed and how it facilitated strategy implementation and change by supporting communication, employee understanding of business goals, and the incorporation of new behaviors, roles and competencies in operations. A forward-looking and proactive approach to competency modeling is presented and discussed in the context of a large-scale organizational change. The organizational core competencies required for a business to compete successfully in the banking sector are defined and discussed.

Margaret M. Heffernan, Patrick C. Flood(2000) in their research paper, a model is presented to illustrate the relationships between

the adoption of competency-based human resource management and a range of other variables. These include HRM sophistication and several organizational characteristics. The linkages to business performance are also explored. The empirical evidence to validate this model was derived from a 114-company respondent survey. Key findings are that organizational characteristics impact on the adoption of competencies, particularly company size and length of time in operation. Another finding is the effect of HR sophistication on the incidence of competency frameworks at company level. Organizations which already have sophisticated and well resourced HR processes in place are more likely to use competencies. The final finding relates to organizational performance. Organizations which are performing well are more likely to adopt competencies. This might also be interpreted as meaning that organizations which adopt competencies are more superior performers, although the cross-sectional evidence presented here does not allow us to make this assertion with full confidence

Rakesh Sharma, Jyotsna Bhatnagar (2009) in their paper drawn lessons on how building a talent management strategy based on competency profiling becomes a critical impact area within the field of strategic HRM. The case study discusses an Indian pharmaceutical organization, the environment and the issues arising in context to talent management. The case discusses a well designed talent management strategy. The talent mindset has helped the organization in recruiting the best talent from the best pharmaceutical organizations. The attrition of the top and valued talent segment has come down. Some of the key positions have been filled through succession planning.

Tobias Ley, Armin Ulbrich, et.al (2008) The purpose of this paper is to suggest a way to support work-integrated learning for knowledge work, which poses a great challenge for current research and practice. The authors first suggest a workplace learning context model, which has been derived by analyzing knowledge work and the knowledge sources used by knowledge workers. The authors then focus on the part of the context that specifies competencies by applying the

competence performance approach, a formal framework developed in cognitive psychology. From the formal framework, a methodology is then derived of how to model competence and performance in the workplace. The methodology is tested in a case study for the learning domain of requirements engineering.

Thomas N. Garavan, David McGuire(2001) in their article attempted to define the context within which the value of competencies as a basis for workplace learning can be considered and discusses the philosophical and epistemological perspectives found in much of the literature. Competency definition and competency measurement issues are explored, as is a range of other issues concerning the value of competencies in a workplace learning context. The article concludes that, in the interests of clarity, consistency and reliability of measurement, consensus needs to be reached on the basic parameters and definition of competency.

Zane Berge, Marie de Verneil, et.al (2002) Organizations find it increasingly difficult to stay competitive in today's global economy. Leaders in the workplace are using benchmarking, competency, competency models, and competency studies to help make human resource decisions, such as hiring, training, and promotions. In training and development (T&D), it is helpful for competencies to focus on knowledge, skills and/or abilities. But neither the field of T&D, nor competency within the field, is static. Reported here is a careful review of literature showing the trends in competency over the past three decades in the training and development field, and provides some speculation regarding competencies needed in the near future for professionals in T&D. Two of the most apparent changes in T&D are the shift to performance improvement and the use of technology. Thus the skills, knowledge, and abilities involving these areas will continue to become increasingly necessary for T&D professionals.

Objectives of the Study

- To identify the major competencies that influences the employee's performance in public sector organization.

- To know the relationship between employee Competencies and strong desire for achievement
- To study the relationship between Competencies and working style.

Methodology

The study is a descriptive one. Primary data was collected by the researcher with the help of structured questionnaire administered to the executives of a Public sector organization in Chennai - Tamilnadu. The method adopted to get the data was Interview Schedule. 77 executives from that organization constitute the sample size. Due to various reasons the company name is not being disclosed in this study.

Hypotheses

1. There is relationship among the competencies that influence employee's performance.
2. There exist relationship between competencies and strong desire for achievement
3. Ability to work beyond the office hours and sense other people can predict competencies of employees

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
.953	24

An examination had been made from the reliability of the data to check whether random error causing inconsistency and in turn lower reliability is at a manageable level or not, by running reliability test. From table 1 it is clear that values of Coefficient alpha (Cronbach's Alpha) have been obtained, the minimum value of Coefficient alpha obtained was .953 .This shows data has satisfactory internal consistency reliability.

Statistical Tools Used

Using Statistical Package for Social Sciences (SPSS) the following tools were administered in this study 1) Factor Analysis 2) Correlation 3) Multiple Regression and 4) Reliability Test.

Factor Analysis

Dimension: competencies that influence employee performance.

KMO and Bartlett's Test

The individual statements on employee competencies was examined using factor analysis based on 24 individual statements and the reliability of the samples collected was tested for internal consistency of the grouping of the items.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.943
Bartlett's Test of Sphericity	Approx. Chi-Square	2301.982
	df	276
	Sig.	.000

KMO measure of sampling adequacy is an index to examine the appropriateness of factor analysis. High values between 0.5 and 1.0 indicate factor analysis is appropriate. Values below 0.5 imply that factor analysis may not be appropriate. From the above table it is seen that Kaiser – Meyer – Olkin measure of sampling adequacy index is 0.943 and hence the factor analysis is appropriate for the given data set. Bartlett's Test of Sphericity is used to examine the hypothesis that the variables are uncorrelated. It is based on chi- Square transformation of the determinant of correlation matrix. A large value of the test statistic will favor the rejection of the null hypothesis. In turn this would indicate that factor analysis is appropriate. Bartlett's test of Sphericity Chi-square statistics is 2301.982, that shows the 24 statements are correlated and hence as inferred in KMO, factor analysis is appropriate for the given data set in Table 3.

Table 3: Total Variance Explained

Compo- nent	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumu- lative %	Total	% of Variance	Cumu- lative %	Total	% of Variance	Cumu- lative %
1	14.923	62.180	62.180	14.923	62.180	62.180	14.854	61.892	61.892
2	2.512	10.468	72.649	2.512	10.468	72.649	2.550	10.625	72.517
3	1.096	4.566	77.215	1.096	4.566	77.215	1.127	4.697	77.215
4	.869	3.621	80.835						
5	.653	2.719	83.554						
6	.528	2.201	85.755						
7	.442	1.843	87.598						
8	.397	1.654	89.252						
9	.368	1.531	90.784						
10	.336	1.399	92.183						
11	.307	1.281	93.464						
12	.266	1.106	94.570						
13	.226	.940	95.510						
14	.212	.883	96.393						
15	.177	.737	97.131						
16	.166	.691	97.822						
17	.154	.643	98.465						
18	.106	.444	98.908						
19	.079	.330	99.238						
20	.060	.248	99.487						
21	.052	.218	99.705						
22	.037	.154	99.859						
23	.018	.076	99.935						
24	.016	.065	100.000						

Extraction Method: Principal Component Analysis.

Eigen Value represents the total variance explained by each factor. Percentage of the total variance attributed to each factor. One of the popular methods used in Exploratory Factor Analysis is

Principal Component Analysis, Where the total variance in the data is considered to determine the minimum number of factors that will account for maximum variance of data depicted in Table 4.

Table 4: Rotated Component Matrix (a)

	Component		
	1	2	3
Ability to take decision	.917	.094	.006
Ability to take convey idea	.912	-.015	-.046
Ability to adopt behaviors	.767	-.063	-.079
Ability to work behind office hrs	.920	.066	-.010
Ability to perform under pressure	.849	.131	.099
Developing effective relationship	.824	-.021	.104
Ability to sense others people emotion and take active interest in their concern	.881	.003	-.040
Ability to adjust within team	.888	.111	-.056
Knowledge on my area work	-.141	.842	.136
Ability to use techniques	.726	.035	.003
Department contribution in the Org.	.863	-.002	-.030
Awareness of organization policies	.901	.042	-.020
Ability to speak confident	-.196	-.475	.243
Ability to Write clearly	.021	.903	.071
Ability to transmit relevant information	.140	.022	.940
Ability to build up commitment	.069	.856	-.017
Skill to think and act differently	.795	.085	-.083
Having confidence of seeing	.984	.039	.024
Strong desire to achieve something	.982	.037	.064
Ability to recognize own strength	.982	.037	.064
Projecting a favorable image about work	.860	.029	.259
Desire to experts positive belief on others	.863	.037	.109
Respecting and encouraging others and their ideas	.866	.035	.100
Open and honest	.922	.048	.147

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 4 iterations.

Rotation Method: Varimax with Kaiser Normalization

Interpretation of factors is facilitated by identifying the statements that have large loadings in the same factor. The factor can be interpreted in terms of the statement that loads high on it.

The factors of a study on employee competencies comprises of 24 individual statements. Out of 24

factors, 3 individual factors contribute more towards employee competencies

The factors are:

1. Personal Values and General Management
2. Ability to build up commitment
3. Ability to transmit relevant information

Multiple Regressions

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.998(a)	.997	.996	.042

a Predictors: (Constant), Skill to think and act differently, Knowledge on my area work, ability to transmit relevant information, ability to speak confident, ability to use techniques, ability to build up commitment, Ability to adopt behaviors, department contribution in the Org., ability to sense others people, ability to Write clearly, Ability to perform under pressure, Developing effective relationship, Ability to adjust within team, Ability to take decision, awareness of organization policies, Ability to work behind office hrs, Ability to take & convey idea

The above model summary table shows R-Square for this model is .997. This means that 99.7 percent of the variation in overall competencies of employees (dependent variable) can be explained from the 17 independent variables. The table also shows the adjusted R-square for the model as .996.

Any time another independent variable is added to a multiple regression model, the R-square will increase (even if only slightly). Consequently, it becomes difficult to determine which models do the best job of explaining variation in the same dependent variable. The adjusted R-Square does just what its name implies. It adjusts the R-square by the number of predictor variables in the model. This adjustment

allows the easy comparison of the explanatory power of models with different numbers of predictor's variable. It also helps us to decide how many variables to include in our regression model.

The ANOVA table, as displayed in the above table 6 shows the F ratio for the regression model that indicates the statistical significance of the overall regression model. The larger the F ratio there will be more variance in the dependent variable that is associated with the independent variable. The F ratio = 1081.202. The statistical significance is .000 - the "Sig". So reject the null hypothesis. There is relationship between independent and dependent variables.

Table 6: Regression Anova (b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.846	17	1.932	1081.202	.000(a)
	Residual	.105	59	.002		
	Total	32.951	76			

a Predictors: (Constant), Skill to think and act differently, Knowledge on my area work, ability to transmit relevant information, ability to speak confident, ability to use techniques, ability to build up commitment, Ability to adopt behaviors, department contribution in the Org., ability to sense others people, ability to Write clearly, Ability to perform under pressure, Developing effective relationship, Ability to adjust within team, Ability to take decision, awareness of organization policies, Ability to work behind office hrs, Ability to take convey idea

b Dependent Variable: Overall Competencies

Table 7: Coefficients (a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	-.128	.046		-2.766	.008
	Ability to take decision	.074	.013	.099	5.583	.000
	Ability to take convey idea	.040	.014	.057	2.791	.007
	Ability to adopt behaviors	.046	.010	.065	4.865	.000
	Ability to work behind office hrs	.093	.015	.124	6.060	.000
	Ability to perform under pressure	.068	.009	.102	7.524	.000
	Developing effective relationship	.061	.010	.086	5.859	.000
	Ability to sense others people emotion and take active interest in their concern	.083	.012	.118	6.719	.000
	Ability to adjust within team	.068	.011	.104	6.169	.000
	Knowledge on my area work	.047	.006	.092	8.098	.000
	Ability to use techniques	.059	.007	.093	8.809	.000
	Department contribution in the Organization	.062	.010	.085	6.203	.000
	Awareness of organization policies	.080	.012	.113	6.488	.000
	Ability to speak confident	.052	.004	.102	12.264	.000
	Ability to Write clearly	.050	.009	.088	5.730	.000
	Ability to transmit relevant information	.065	.005	.104	13.199	.000
	Ability to build up commitment	.028	.008	.052	3.588	.005
	Skill to think and act differently	.059	.008	.088	7.481	.000

a Dependent Variable: Overall Competencies

To determine if one or more of the independent variables are significant predictors of overall competencies, we examine the information provided in the coefficient table. From the above seventeen independent statements only two independent statements are not statistically significant. The standardized coefficient beta column reveals that ability to take decision has a beta coefficient **.099**, which is significant (.000). Ability to convey idea has a beta coefficient **.057**, which is not significant (.007). Ability to adopt behavior has a beta coefficient **.065**, which is significant (.000). Ability to work behind office hours has a beta coefficient **.124**, which is significant (.000).

Ability to perform under pressure has a beta coefficient **.102**, which is significant (.000). Developing effective relationship has a beta coefficient **.086**, which is significant (.000). Ability to sense others feeling has a beta coefficient **.118**, which is significant (.000). Ability to adjust in team has a beta coefficient **.104**, which is significant (.000). Knowledge has a beta coefficient **.092** which is significant (.000). Ability to use techniques has a beta coefficient **.093**, which is significant (.000). Department contribution has a beta coefficient value **.085**, which is significant (.000). Awareness in organizations policies has a beta coefficient **.113**, which is significant (.000). Speak confidently has a beta

coefficient **.102**, which is significant (.000). Write clearly has a beta coefficient **.088** which is significant (.000). Transmit relevant information has a beta coefficient **.104**, which is not significant (.001). Build commitment has a beta coefficient **.052**, which is significant (.000). Skill to think and act has a beta coefficient **.088**, which

is significant (.000). Ability to work behind office hours and sense other people can predict competencies of employees. Ability to work behind office hours and Ability to sense other people emotions and take active interest in their concern predict 99% of competencies level of employees.

There exists relationship between competencies of employees and strong desire for achievement

Table 8: Correlations

		Having confidence of seeing oneself as an expert	Strong desire to achieve something	Ability to Recognize own Strength	Projecting Favorable Image about Work	Desire to experts positive belief on others	Respecting and encouraging others and their ideas	Open and Honest
Having confidence of seeing oneself as an expert	Pearson Correlation	1						
	Sig. (2-tailed)							
	N	77						
Strong desire to achieve something	Pearson Correlation	.982(**)	1					
	Sig. (2-tailed)	0						
	N	77	77					
Ability to recognize own strength	Pearson Correlation	.982(**)	.982(**)	1				
	Sig. (2-tailed)	0	0					
	N	77	77	77				
Projecting a favorable image about work	Pearson Correlation	.851(**)	.851(**)	.851(**)	1			
	Sig. (2-tailed)	0	0	0				
	N	77	77	77	77			
Desire to experts positive belief on others	Pearson Correlation	.851(**)	.851(**)	.851(**)	.732(**)	1		
	Sig. (2-tailed)	0	0	0	0			
	N	77	77	77	77	77		
Respecting & encouraging others and their ideas	Pearson Correlation	.851(**)	.851(**)	.851(**)	.732(**)	.732(**)	1	
	Sig. (2-tailed)	0	0	0	0	0		
	N	77	77	77	77	77	77	
Open and honest	Pearson Correlation	.913(**)	.913(**)	.913(**)	.788(**)	.788(**)	.788(**)	1
	Sig. (2-tailed)	0	0	0	0	0	0	
	N	77	77	77	77	77	77	77

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

The correlation between the variables strong desire for achievement and confidence was highly correlated .982 and was highly significant, Correlation between strong desire for achievement and ability to recognize own strength was highly correlated .982 and highly significant, correlation between strong desire for achievement and projecting a favorable image about work was .851 which was highly significant, correlation between strong desire for achievement and positive belief on other was .851 which was significant, correlation between strong desire for achievement and respecting and encouraging others was .851 which was highly significant and correlation between strong desire for achievement and open and honest was .913 which was significant. There exists relationship between competencies of employees and strong desire for achievement.

All the factors of strong desire for achievement are positively correlated with competencies.

Conclusion

The employees core competencies required for an organization to compete successfully are defined and discussed. The right mix of skills and behaviors that the individuals would need to possess in order to produce and support those core competencies is also analyzed and discussed. Traditional approach to competency management, which is analogous to job analysis, focuses on competencies of successful individuals rather than on competencies that are needed to support an organization to meet its short or long-term objective. It is important to realize that there is a need to shift toward a forward looking and proactive approach to competency modeling.

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MOTIVATION AND MANAGERIAL BEHAVIOR: A STUDY OF MANAGERS IN BANKS

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Abstract: Companies are under tremendous pressure to gain competitive advantage from their competitors. Management is always busy in finding the methods to enhance the performance of their employees. Motivation is provided to bring about a desired change in the behavior so as to satisfy the needs. The levels and type of needs vary from individual to individual. Individual may have one need dominant at one time or he/she may have more than one need dominant at the same time. Besides, individual may want to satisfy his/her higher order need first rather than following the typical hierarchy of needs starting from lower order needs

High motivation leads to high managerial behavior (activities) thus high performance. Need of the hour is to understand the motivation needs (self actualization, esteem, social needs, safety & physiological needs) that have an effect on managerial behavior & performance so that management can improve the motivation of its employees to enhance managerial behavior by formulating specific strategies.

Using various statistical analyses of data collected from 50 questionnaires, the study aims to understand the relationship between motivation (within the framework of Maslow's hierarchy of needs theory) and managerial behavior & to compare the high & low motivational group on managerial behavior. Study also finds out that it is not necessary that Maslow's needs of motivation are strictly followed in hierarchy.

Introduction

Today, globalization is the most common term listen every now & then. Merger & Acquisitions, Diversification, Joint Ventures, Alliances have become very common. Organizations are becoming boundary less & flatter. Attrition is very high due to various opportunities in term of lucrative compensation packages, high positions, better growth prospects etc. that are being offered by every other company. All these & many other causes have made the task of management more complex and challenging. Management are always in search of what, when & how of motivational policies & techniques that they

can implement so as to enhance managerial behavior & thus performance.

Earlier it was thought that government / PSUs don't require motivational tools to improve behavior. Only private companies require them. But, now the perception is changing rapidly. PSUs like Navratna companies, Banks etc. are giving tough competitions to their private counterparts. This is because PSUs are concentrating on motivational tools as much as private companies. This is the reason why, there is no difference in performances of PSUs & Private companies' employees.

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Indian Managers are being given financial and/or non-financial incentives to motivate them. Usually, whenever, companies want to increase profit, they do so by motivating employees financially whereas, whenever companies want to increase commitment, they do so by motivating employees non-financially.

Financial incentives are given in terms of bonus, gain sharing, profit sharing, commission etc. whereas non financial incentives are given in terms of recognition, participation, providing resources, learning opportunities, authority, autonomy etc.

Usually companies practice a blend of financial & non financial incentives to motivate their managers.

Companies are linking a certain portion of the pay of their managers with the performance. This keeps the managers motivated as they've always an opportunity to earn more and satisfy their needs.

Similarly, companies are providing flexible benefits to their managers. Under flexible benefit scheme, managers have the opportunities to prepare their own benefit package according to their needs.

Performance appraisal is one of the effective tool being used by companies to motivate their managers. If the PMS is fair & transparent, managers are always motivated to give their best and eagerly wait for the Performance Appraisal time.

Companies are framing motivational policies based on various motivation needs. Eg. To satisfy the safety needs of managers, companies are (i) providing education loan to the wards of managers at fairly low interest rate, (ii) providing well furnished home etc.

Therefore, implementing motivation tools according to the needs of their managers so as to enhance their behavior & thus performance is very much into the practice as far as Indian scenario is concerned.

Objectives

- To understand the relationship between motivation & managerial behavior.
- To compare high & low motivational group on managerial behavior.
- To identify whether Maslow's needs follow the typical hierarchy.

Studies on Motivation (Maslow's Hierarchy of Needs Theory & Managerial Behavior)

According to Stephen P. Robbins Motivation is the process that accounts for an individual's intensity, direction & persistence of effort towards attaining a goal.

Maslow's described five needs and classified them into high & low order needs. Under high order needs, he included self actualization and esteem needs. Under low order needs, he included social, safety & physiological needs.

Physiological needs consist of thirst, hunger, shelter, sex etc. Safety needs consist of protection from physical & psychological harm. Social needs consist of sense of warmth, belongingness, affection & acceptance. Self esteem needs are related to self respect, status and recognition. Self actualization needs are related to sense of self accomplishment.

According to Maslow's Hierarchy of needs theory, as each needs is satisfied, next need becomes dominant. This means unless and until lower need is not satisfied, next higher need cannot become dominant. But this is not true as more than one need can be dominant at the same time.

Another way of classification of Maslow's Hierarchy of needs is D-needs & B-needs. D-needs means deficit. These are those need which when are not fulfilled, create deficiency & when fulfilled, you feel nothing.

Physiological need in terms of deficit need can be best understood by an example. Whenever you've deficiency of Calcium, especially during pregnancy & childhood, you crave for soil in order to satisfy your need for calcium. Similarly, the physiological needs include needs of water, protein, calcium, Iron, vitamins, ions, electrolytes, sugar, salt etc.

Safety need is well dominant during unemployment; work on contract basis, home in unsafe locality, companies not providing retirement benefits etc. Social need is manifested in relationship, to be member of group/ society etc. Esteem need is dominant when people is low on self confidence, achievement, recognition, and self respect and is suffering from guilt, anxiety & depression,

B-needs refer to being needs/ growth needs. These are the needs which are felt continuously once the person becomes involved in them. This is self-actualization need. Self-actualization means

accomplishment of what the person is potential of. This provides the ultimate satisfaction & happiness. Eg. : A doctor examining the patient, a musician composing the music or an artist making the paintings etc. Self actualization can be discussed in two ways (1) the intrinsic (2) the extrinsic way. Maslow's meaning of self actualization was based on biographical analysis of those people who did exceptionally well for society (extrinsic) rather than for intrinsic self- actualization. According to him, these people were self aware, self control, self motivating, empathetic, true to them and courageous.

Maslow's also used the term homeostasis to describe deficit needs. Homeostasis means tendency to switch over from one stage to another to gain equilibrium. People do more to next stage once lower order need is satisfied.

These things have been mentioned in the study done by Dr. C. George Boeree.

There are flaws & limitations to this theory:

1. People can move to any level of need irrespective of order.
2. People can have more than one need dominant at a time.
3. People can move back to lower order need if higher order need is not satisfied.
4. Which need will become dominant first also depends on the culture prevailing.
5. Under threat conditions, people restrict themselves to specific needs even if they can move to other needs also.

Managerial behavior can be described in many ways. For this study, managerial behavior has been explained in terms of activities that managers do. These activities have been taken from the study conducted by Luthans & his colleagues. These activities are planning, staffing, T& D, Decision making, Procession paper work, Exchanging routine information, Motivating, Disciplining, Interacting with outsiders, Managing conflict & Socializing / politicking.

Research Methodology Adopted

The questionnaire is circulated to 80 people at managerial level. Employees from Nationalized and Private Banks are taken randomly to fill the questionnaire.

Those managers who qualified for this study are managers for at least 2 years.

Out of 80 respondents, finally responses of 50 respondents are taken for the study.

Questionnaire consists of 2 sections-

Section 1 consists of 63-items divided into 12 managerial behavior (activities). The 63-items on managerial behavior in the questionnaire are represented on a five point continuum (1-no importance, 2-least importance, 3-marginal importance, 4-high importance, 5-highest importance).

Section 2 consists of 20-items to measure the level of motivation in general & 5 needs in particular. The 20-items questionnaire on motivation is represented on a seven point continuum (1-strongly agree, 2-agree, 3-slightly agree, 4-don't know, 5-slightly disagree, 6-disagree, 7-strongly disagree).

The data is analyzed using statistical tools like mean, correlation coefficient & t-test.

Table 1: Correlation between Motivation and Managerial Behaviour

Respondent	Motivation	Managerial Behaviour (MB)			
		R26	R27	R28	R29
R1	17	183			
R2	23	202			
R3	19	192			
R4	17	190			
R5	19	198			
R6	31	209			
R7	26	224			
R8	36	238			
R9	48	256			
R10	48	299			
R11	42	218			
R12	17	189			
R13	24	204			
R14	29	229			
R15	38	215			
R16	26	224			
R17	40	217			
R18	40	243			
R19	42	252			
R20	31	209			
R21	23	223			
R22	22	200			
R23	33	211			
R24	19	198			
R25	24	204			
		R45	36	238	
		R46	29	229	
		R47	42	220	
		R48	44	253	
		R49	40	243	
		R50	29	229	

Results & Discussions

(A) Correlation coefficient between motivation & managerial behavior is 0.783579.

This shows that there exists a strong direct relationship between motivation & managerial behavior. This implies that managers who are highly motivated are high on managerial behavior & who are less motivated are low on managerial behavior.

In existing literature, the above has been found true. Various needs act as a motivator for managers. For some, financial incentives may act as motivator & unless & until, their financial position becomes sound, it keeps on acting as a motivator which involves them in high managerial behavior. Similarly, some managers may have more appetite for achievement, power & affiliation which act as a motivator for high behavior.

Motivation drives the behavior towards the goal. If a manager's particular need is already satisfied, it stops acting as a motivator. This results in low behavior.

Hertzberg also supported the above facts. He has stated that presence of motivators like recognition, achievement, advancement, work itself, growth & responsibility leads to job satisfaction whereas presence of hygiene factors like salary, administration, relationship with peers & supervisors, job-security, working conditions lead to dissatisfaction. Most of the above hygiene factors come under low level needs whereas most of the motivating factors fall under high level needs of Maslow. Low level needs remain satisfied easily. Therefore, they stop acting as motivator & hence result into low managerial behavior whereas high level needs are not easily satisfied. Thus, it keeps on driving the behavior towards desired goal.

(B) Correlation coefficient between each of the needs of motivation & managerial behavior has been determined, i.e.

- (a) Correlation coefficient between self actualization needs of motivation & managerial behavior is 0.933492
- (b) Correlation coefficient between esteem needs of motivation & managerial behavior is 0.948741
- (c) Correlation coefficient between social needs of motivation & managerial behavior is 0.929578.

(d) Correlation coefficient between safety needs of motivation & managerial behavior is -0.41104

(e) Correlation coefficient between physiological needs of motivation & managerial behavior is -0.43692

The result shows that managers, who are high on self actualization, esteem & social needs are also high on managerial behavior whereas managers who give high importance to safety & physiological needs are low on managerial behavior.

Further, following results are displayed when these needs are arranged in the hierarchy based on the scores of correlation coefficient between each of the needs of motivation & managerial behavior (starting from highest to lowest):

Esteem, Self actualization, Social, Physiological & Safety needs

Explanation for the above result may be attributed to following reasons:

The respondents belong to managerial level from Banks. They have their low order needs satisfied. According to them, such needs act as hygiene factors for them. Any increase in these factors will not increase the satisfaction level. Moreover, bank takes care of their low order needs. That is why, they have not to worry about food, clothes fees for children or well furnished house on bank lease or housing loan at cheap rate of interest. They are not worried as far as job security is concerned.

Therefore, they crave for higher order needs. For the most of the managers, satisfying the esteem needs is more important than self actualization & social needs. Maslow also agreed that self actualization need is satisfied in few people. Managers focus more on esteem need than social needs of belongingness, warmth & love when it comes to work environment. The desire to get respect, achievement & recognition drives them for higher managerial behavior. They are more involved in managerial activities like managing conflict, motivating the peers & subordinates etc. because these activities bring the desired respect from them. Whenever team reaches the target successfully & the work is appreciated by the management, it provides a sense of achievement & recognition thus motivating the employees to be involved in better planning their activities in future.

It is usually found that physiological needs & safety needs are satisfied easily. That is why managers are motivated by higher order needs. But if the managers emphasize more on these lower order needs, these needs act as hygiene factors. Therefore, these lead to low managerial behavior.

(C) Rank order of means of high & low group of needs of motivation have been established. It has been done to find the importance of needs in the order of hierarchy for the managers & also to review whether Maslow's hierarchy is strictly followed or not. It has been found in this study that hierarchy differs. Result shows that social, self actualization & esteem needs are top three ranked respectively in the high motivation group whereas physiological & safety needs are top two ranked respectively in the low motivation group.

This clearly indicates that Maslow's hierarchy is not strictly followed. This is because more than one need may be dominant at a time. Secondly, managers may have higher need dominant first rather than lower order needs. Thirdly, which need will motivate managers depend on various factors like company's policies, work environment & individual personality etc.

Hypothesis

There is significant difference between scores of managerial behavior with respect to high & low motivational group.

Ho: Mean of managerial behavior corresponding to low motivation is equal to mean of managerial behavior corresponding to high motivation.

H1: Mean of managerial behavior corresponding to low motivation is greater than mean of managerial behavior corresponding to high motivation.

For one tail dependent sample at confidence level 0.01, $t_{\text{calculated value}} = 5.9729$ & $t_{\text{critical value}} = 2.492$.

Therefore, reject the null hypothesis & accept the alternate hypothesis, i.e. mean of managerial behavior corresponding to low motivation is greater than mean of managerial behavior corresponding to high motivation.

This implies that there is significant difference between scores of managerial behavior with respect to high & low motivational group.

Conclusion

The study has been conducted with the aim of (i) understanding the relationship between motivation & managerial behavior & (ii) comparing high & low motivational group on managerial behavior. Further, it has also been established that Maslow's needs do not follow the typical hierarchy.

It has been well established through the study that manager high on motivation are high on managerial behavior & manager low on motivation are low on managerial behavior.

It has also been seen through rank order of correlation that some motivational needs like self actualization, esteem & social needs have high positive relationship with managerial behavior whereas some other motivational needs like physiological & Safety needs have low negative relationship on managerial behavior.

Moreover, hierarchy of needs may change depending upon various factors. Therefore, flexible motivational policy is always much better if the companies want to enhance managerial behavior

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STRATEGIC MARKETING FOR HIGHER EDUCATION

Nirmal Singh*

Abstract: *In the era of the twenty-first century Institutions of higher education, such as colleges and universities, are facing an increasing competition for students and financial resources that challenge their ability to survive. It is predicted that quantitative measures, such as, enrollment and development growth, will no longer be treated as indicators of institutional quality. The qualitative dimensions related to the ability of institutions to adapt to the changing economic, social, and customer needs and expectations will be the indicators of their growth. Other parameters, such as, a creative mix of technology, ease of access and new learning paradigms to satisfy needs of the new clientele will also indicate their growth. Those institutions that succeed in the twenty-first century will do so for a number of reasons, but one factor may be their ability to plan and successfully execute marketing strategies and make realistic adjustments in plans and programmes consistent with the institution's purpose and mission. In this research paper we have tried to find out the various facts related to the growth, problems and prospects of strategic marketing in some institutions of higher education vis-à-vis the commitment level of top management for the growth of the respective institutions.*

Introduction

It is observed that many institutions have out of necessity, broken their historic paradigm of focusing only on traditional-aged, on-campus students by using alternative delivery methods and technology to make education accessible to non-traditional market segments because the traditional population of higher education students is changing... The contemporary consumer mix more often includes first time students, continuing adult students, and adults with short-term goals to re-tool or re-position their skills to maintain their position in the workplace. There is a change in the interest of the students in the available post-secondary options, such as institutional sectors, fields of study, and careers. This change itself will play an important role in institutional development and survival. The administrators and the faculty of independent colleges and universities can influence the adaptation of their institutions to the changing environment. In the future, while many of these

institutions will extend traditional approaches and policies in a new direction, others will seek means to enhance the adaptation of their institutions according to the changed scenario.

This changed scenario would require a shift of vision, which encompasses coordinated systems that are customer centered. Central to this vision is the role of institutional leadership, such as Chancellors/Vice Chancellors. (Kotler, 1995). The more effective Chancellors will most likely be those who proceed with the difficult task of transforming the culture of the institution to be sensitive and responsive to the changing needs of its internal and external stakeholders. Some Chancellors will employ marketing strategies and programmes to meet articulated institutional goals, such as growing enrolments and endowments, attracting higher quality students, and improving retention rates. Others simply would want to maintain their existing size but focus on improving the quality of education. All will

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necessarily confront the need to share leadership and responsibility for change with those closest to the customers, faculty, staff and current students. The realities are that all policies would be different as a consequence of change in the environment and the educational marketplace.

Purpose of marketing strategies

Marketing is not a panacea to be considered when enrolments are in steady decline and the continued viability of the institution is in question. Marketing is the proactive management of the relationship between the institution and its various markets using the tools of marketing, i.e., product, place, price, and promotion. The fundamental questions for every stakeholder involved in institutional planning is: The purpose of marketing strategies in higher education is to provide a rational and planned methodology to recognise, anticipate, and react to the market changes. 'To what extent do we want to intervene and influence the destiny of our institution rather than be reactive to the environment?' and 'What marketing practices and programmes are most effective?'

marketing. In fact, results indicate that after a full decade of discussions on the merits of strategic planning and marketing in higher education, the actual behaviours still reflect a bias toward the promotion and sales activity at the expense of good market research and product development (Muston, 1985, Shoemaker, 1997). The management and operational techniques in areas such as budgeting, information systems, personnel, and finance have been modeled on the business world and refined, but marketing has not been readily or uniformly accepted.

Marketing for small colleges and universities has historically been interpreted as synonymous with the admissions brochure. In the college and university environment, marketing has been viewed as selling and advertising, both of which border on being unethical in the academic world. Most college administrators believe that industrial-type marketing cannot or should not be incorporated into educational management. They believe that colleges and universities should take a passive and not active stance toward marketing.

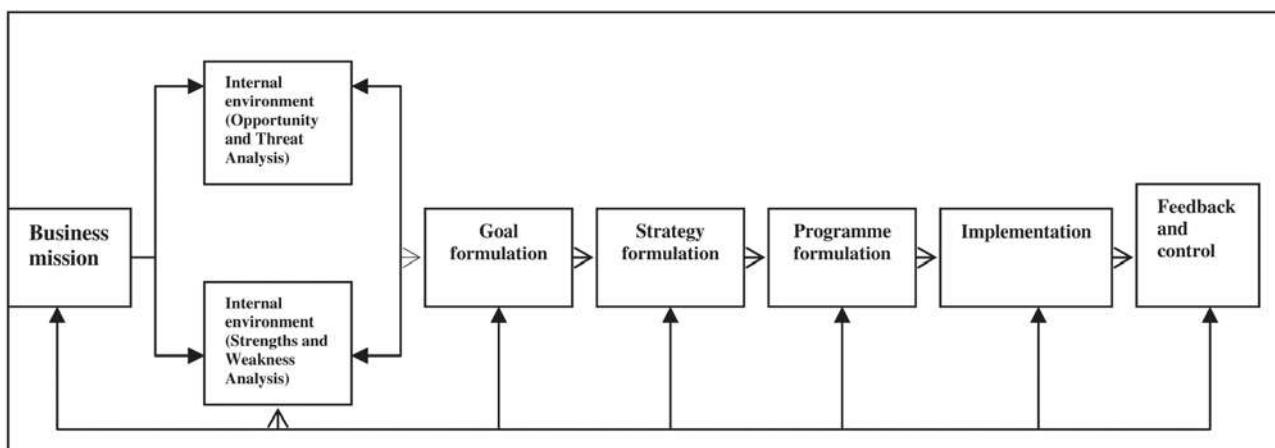


Exhibit 1: The business strategy planning process

The Vice-Chancellors must have a mission followed by a SWOT analysis. The analysis as shown in Figure 1 above would lead to the goal formation, strategy formulation, programme formulation, implementation and feedback and control. Our research shows that the concept of marketing in colleges and universities remains an unclear product of a naive understanding of the real meaning of

Literature Review

Adams and Bumgardner (1998) had opined that colleges and universities face an uncertain future and many may be in danger of major restructuring if not extinction and the competitive intensity for students and financial resources will challenge the ability of many small colleges and universities to survive into

the twenty-first century. It was identified by Andrade (1998) that effective planning required wide stakeholder participation and dialogue and further opined that there is a large scope for institutionalised strategic planning in the higher education institutions.

To empower the employees in the institution strategic goal is a must for any institution with an inspirational agenda (Austin, 2002). There is no single distinction for strategic planning; however most processes contain at least the common elements of predefined process; collaboration on process and outcome implementation; and a system for evaluating vision, mission, values and goals (Beckham, 2001). Beckham examined a healthcare board's role in creating a strategic plan. He described the role of the chair as leading the strategic committee while the chief executive officer should ensure the development of strategic direction, drive the implementation, and participate in the committee meetings. He also suggested that the following mix of participants should comprise the strategic planning committee: four non-physician trustees, three to four physicians who may or may not be trustees, up to five members of executive management including the chief executive who serves as a voting member. He discussed what should take place inside and outside of the committee, emphasising the need for strategic planning to be a group effort. He added that maintaining confidentiality within the boardroom is crucial.

The introduction to the strategic planning process for boards, staff and chief executives has been explained which covers the staff-driven versus board-driven approaches to planning; the benefits of planning; obstacles to the process and how to overcome them; the need for board involvement; and steps in the process itself (Binder, 1999).

Brazziel (1990) had explained that the traditional population of higher education students is changing. According to Cerny, (1992) many institutions have, out of necessity, begun using alternative delivery methods and technology to make education accessible to non-traditional market segments. It is identified that students and adults with short-term goals tend to re-tool or reposition skills to maintain their position in the workplace.

Cope and Delaney opined that market segmentation is an important topic for higher education researchers and administrators and they explored the relative importance that the prospective students attach to various benefits offered by a

medium-sized private university with moderately selective admissions criteria.

Universities have been forced to pay more attention to the utilisation of marketing techniques in their recruitment process due to the sharp decrease in the number of high school graduates (Crane and Turner, 1989). There is a need for strategic enrollment management and planning marketing higher education (Dolence *et al.*, 1987). There is also a need for a diagnostic technique for formulating marketing strategies in higher education based on relative competitive position (Dolinsky and Quazi, 1994). At the time of admissions itself proper care should be taken by private educational institutions. The recruitment effectiveness in private colleges and universities private higher education also should be assessed (Gans, 1993).

Maintaining the standards of admissions and the use of key marketing techniques would be much more useful (Goldhegn, 1989). Weightage should be given to the marketing aspect of enrollment management (Grove, 1992). Effective integration of marketing into college planning is necessary (Hatton and Sedgmore, 1992). There is a need for integrated marketing communications for colleges, universities and schools (Johnson, 1989).

The institutions in the private sector should not neglect strategic marketing either in non-profit organisations or in educational institutions. (Kotler, 1995). Before going for strategic marketing there is a need for identifying the benefit segments among prospective college students. Only then the institution would be in a good position to go ahead with its strategic marketing activities (Miller *et al.* 1990).

Marketing is no longer a dirty word to the universities because in the present competitive world there is the need for marketing everywhere and educational institutions are no exception (Strang, 1986). In a recent article in *The Hindu* (2007) it was stated that there is a need for 1500 universities in India by the year 2015. Therefore, there is a need for organising for marketing, especially in the field of higher education (Topor, 1994). Also it is a must to have proper marketing strategies for the universities in the private sector with low endowment. (Wallingford and Berger 1993)

Study Methodology

The purpose of this study was to assess the relationship of the Chancellor/Vice-Chancellor's role

in shaping and implementing strategic marketing among the independent colleges in India. We wanted to evaluate how well the strategic marketing functions were incorporated by the current leadership of independent colleges. We also wanted to see how the role of the institution's Chancellor/Vice-Chancellor might be related to the presence of strategic marketing initiatives and programmes.

Data for the study

The data for the study reported here were collected from the following sources:

- 1) Standardised data sets/Questionnaires,
- 2) Survey of Chancellors/Vice-Chancellors/Chairmen/Presidents of participating institutions.
- 3) On-site interviews and observations at four case-study institutions.
- 4) Secondary sources like newspapers, reports and the Internet.

These primary and secondary sources of institutional information provided the data used to study the relationship between marketing strategies, practices, and initiatives with measures of institutional performance. Primary data were acquired from the presidential survey instrument. The survey instrument was constructed to elicit the presidential perspectives and to define the institutional performance measures. A total of 205 independent colleges and universities in India were selected for the study. The institutions targeted by the study represented a segment of the higher education institutions—private, independent colleges and universities/deemed universities.

Sampling technique

Simple random technique was used in the existing list of colleges/universities across the country. The decision to survey the Chancellors/Vice-Chancellors was on the presumption that the development of a coordinated marketing strategy depends on a commitment from the central institutional administrative leadership and effective integration of academic and student service units. Chancellors/Vice-Chancellors of ninety-eight private, independent institutions have been selected for the study responded to the survey.

Current research does not explain whether a relationship between the strategic marketing planning and the commitment levels of heads of institutions

exists for the consistent growth of these institutions. Opinions vary within the institutions on the need for a strategic marketing plan. As a result, the secondary analysis presented in this thesis attempts to answer the following eight research questions (RQ):

- RQ1: What is the level of commitment of the heads of the institutions on marketing of higher education?
- RQ2: Is there a significant relationship between commitment of Vice-Chancellors in strategic marketing planning and growth of the institution?
- RQ3: Is there a significant relationship between commitment and the presence of a written marketing plan?
- RQ4: Is there a significant relationship between growth of the institution and the presence of marketing committee?
- RQ5: Is there a significant relationship between retention of enrolments and use of an outside marketing consultant?
- RQ6: Is there a significant relationship between the growth of the institution and the oversight of institutional marketing plan by board of trustees/directors.
- RQ7: Is there a significant relationship between information/counselling and increase in enrolments?
- RQ8: What significant variable best predicts the success of the institution like course delivery, organisation and course development?

Hypotheses

- H1: There will be a moderate level of commitment of the heads of the institutions on marketing of higher education.
- H2: There will be a significant relationship between commitment of Vice-Chancellors in strategic marketing planning and the growth of the institution.
- H3: There will be a significant relationship between commitment and the presence of a written marketing plan.
- H4: There will be a significant relationship between the growth of the institution and the presence of marketing committee.

- H5: There will be a significant relationship between retention of enrolments and use of an outside marketing consultant.
- H6: There will be a significant relationship between growth of the institution and the oversight of institutional marketing plan by board of trustees/directors.
- H7: There will be a significant relationship between information/counselling and increase in enrolments,
- H8: The success of institution depends on course delivery, organisation and course development?

Profiling a marketing-focused institution

The concept of marketing explains that the key to achieving institutional goals consists of determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than the competitors. Our presumption was that the President, as the driving force of institutional culture and direction, is responsible for developing a marketing-oriented environment that is pervasive throughout the institution. A pervasive marketing climate also requires a major cultural shift in the breadth of participation in planning and communication than has been the case in many institutions. The following factors will provide the distinguishing profile of a market and customer-focused institution.

The President/Vice-Chancellor is expected to be actively involved in providing institutional marketing leadership. The President must personally exemplify strong commitment to a marketing culture. The Vice-Chancellors personally involve themselves in areas they consider strategically or operationally important to their institution. The Vice-Chancellors, in this study, were asked to consider a list of nine selected marketing practices and identify those they provided personal approval. The areas reserved for the President's final approval were considered most important. Chancellors personally ranked approving the plans of admissions and development the highest.

These practices likely ranked higher than others because the Chancellors viewed the student's tuition and admission funds as vital in providing the revenue stream necessary to support the continuing operations of the institution. When the Vice-Chancellors were personally involved in the areas of planning, strategy development, initiating marketing research studies

and approving printed promotional materials, there was evidence that the institutional performance improved. The mean values of the performance measure of the ratio of student inquiry to student application were higher for the Vice-Chancellors who reported providing final approval of printed materials. A significant relationship was found between these two variables. The Vice-Chancellors who rated coordinating their institution's marketing strategy high in importance realised measurable gains in conversion rates of student inquiry to student application and consistently ranked in the top quartile of this measure of institutional performance. By comparison, the Vice-Chancellors who did not rate coordinating their institutions marketing strategy high in importance ranked in the bottom quartile. The marketing process is integrated to reflect, recognise and involve all institutional stakeholders. For higher education institutions to embrace and receive a full measure of value from embracing a marketing orientation they must understand that marketing is a culture, which must be pervasive throughout the institution. This means having a clear appreciation for what marketing comprises and what it can do for the institution. The institution-wide marketing orientation involves developing a marketing attitude, sharing of expertise, building commitment, and good communications in individuals.

All institutional stakeholders must understand, support and enable marketing strategies to ensure the integration of operational responsibilities at every level within the institution. Distribution of the marketing plan to the various stakeholders within the institution is an effective method of communication and represents an excellent way to build commitment. Marketing plans in this study were well distributed among top institutional officers but less often to other institutional stakeholders. Less than 30 per cent of the Vice-Chancellors reported distribution of marketing plans to deans, department heads, faculty, staff, alumni, or student government officers. Participation in writing the institution's marketing plan brings shared expertise, commitment from participants, and assists in communicating the plan throughout the institution. It was clear from survey responses that institutional planning was top down in participation.

Top officers representing key administrative areas were most likely to assist in development of marketing plans. Slightly more than 50 per cent of the responding Vice-Chancellors reported involving a faculty representative and only 31 per cent reported involving

an academic dean in the planning process. The mean values of retention rates were both higher as well as significant when academic deans participated in writing marketing plans.

Marketing consultants from outside universities are used to build and enrich the institutional marketing culture. Consultants from outside can be used to analyse local problems and assist in designing and organising marketing strategies and programmes. They can provide new ideas for an institution to consider when developing marketing initiatives. They can provide legitimacy for changes an institution wishes to make. Over two-thirds of the responding Vice-Chancellors reported using an outside consultant. Generally, Chancellors who reported using an outside consultant were more likely to employ marketing strategies, programmes and initiatives. An outside marketing consultant's impact on institutional planning was most evident in the areas of institutional planning. Chancellors who reported using an outside consultant were more likely to have a marketing committee and a marketing plan to provide marketing direction than those who reported not using outside consultants.

Institutions conduct regular and structured marketing research studies of all important stakeholder areas. They must obtain information on stakeholder needs and gather marketing intelligence to help satisfy these needs efficiently. Every marketing decision poses unique needs for information, and relevant marketing initiatives can be developed based on the information gathered through marketing research. The presence of marketing research studies or programmes to monitor change in the external environment is primary in the development of marketing strategies and programmes.

The Vice-Chancellors reported they were most likely to focus marketing research studies on current and prospective students and least likely to research on their own faculty and staff. As marketing research was not well-developed in the independent colleges and universities studied. Independent institutions were dependent upon alumni and donors for endowment and operating funds. The percentage of Vice-Chancellors reporting researching these two stakeholder areas was below 60 per cent. The percentage of Vice-Chancellors reporting conducting marketing research studies on parents (38 per cent) and high school counselors/principals (28 per cent) was also lower than expected. Clearly the bias was on the prospective students.

Although the mean institutional retention rates for the Vice-Chancellors who reported conducting marketing research studies on current students were higher than those reporting not conducting marketing research studies on current students, no significance was found. While over 82 per cent of responding Vice-Chancellors reported conducting marketing research studies on prospective students, the mean values of the ratio of the students admitted to the students enrolled were not significantly related. Although the mean value of the ratio of students admitted to students enrolled appeared higher for those Vice-Chancellors who reported conducting marketing research studies on high school counselors, no significance was found. Most Vice-Chancellors reported that marketing research studies on new students was important, but Chancellors who forecast an increase in enrollment of above 15 per cent by the year 2007 were more likely to conduct research on this important market segment.

A marketing-oriented planning culture exists that includes participation from all stakeholder areas. Scanning an institution's various environments for trends is at the heart of planning. Making important decisions would be easier if Vice-Chancellors could correctly anticipate the environment and its impact on student enrollment. Higher education Vice-Chancellors often make two types of errors. First, many Vice-Chancellors wait for events or trends to fully emerge before incorporating them in their planning. Second, many Vice-Chancellors incorrectly assume that the past correctly forecasts the future.

Marketing planning is a natural outgrowth of higher education's concern for the allocation of limited human and financial resources in cash-constrained environments. Opportunities differ in the different markets of an institution. A central concept of marketing planning is that institutions be strategically defined to take maximum advantage of such opportunities and that missions must be assigned consistent with the differences among them.

Marketing planning

Market planning describes the process of planning that is built on sound assessments of market opportunity and institutional capability, and involves the development of the institution's total strategic approach to its various markets.

In this research it was found that less than 20 per cent of higher education institutions had written

marketing plans to provide overall marketing direction to the institution. Less than half of the Vice-Chancellors in this study also reported no marketing plan. This study found that the presence of a written marketing plan was associated with an overall higher level of institutional marketing. The Vice-Chancellors who reported the presence of a marketing plan were also likely to have retention, recruitment, home visit, and campus visitation plans than were those Vice-Chancellors who reported not having a marketing plan. The Vice-Chancellors who reported the presence of a marketing plan were also more likely to conduct marketing research studies (these relationships were significantly related). This suggests that institutions are using the results of marketing research studies to assist in the planning effort.

Higher levels of retention are evident when institutions have a marketing committee. The mean values of retention rates were both higher as well as significant for the Vice-Chancellors reporting the presence of a marketing committee. Marketing evaluation systems are in place to assure continuous monitoring and improvement of marketing programmes and strategies. Marketing research studies and marketing plans focus on assessing institutional strengths and weaknesses against the backdrop of evolving opportunities, and results in a determination of the institution's ability to fill these opportunities, their relative attractiveness, and ways and means of taking advantage of them.

Institutions typically implement more than one marketing strategy. Different strategies target different markets. These strategies embody ways in which institutions take advantage of market opportunities, and are employed to meet institutional objectives. Improving student retention and recruiting new students are clearly top goals of every institutional President. Marketing strategies and programmes focus on the attainment of institutional objectives and periodic assessment provides validation of the success or failure of marketing strategies. Over 81 per cent of the responding Vice-Chancellors reported the presence of a written recruitment plan to attract potential students, but less than 60 per cent of Vice-Chancellors reported the presence of a written retention plan as a strategy to improve student retention and graduation rates.

Two-thirds of the responding Vice-Chancellors reported conducting marketing research studies on their current students. Because matriculated students

renew their enrollment decision every term and the costs of attrition are substantial, the Presidents considered retaining students nearly as important as attracting new students. Nearly 64 per cent of presidents who reported the presence of a marketing plan indicated they also had a retention plan. The mean retention rate reported by the Vice-Chancellors in this study was 59.33 per cent with a standard deviation of 15.46 and a range of 85. This wide variance suggests that either the Vice-Chancellors did not know the retention rate of the students or some institutions were actually retaining only 15 per cent of their students. The Vice-Chancellors who reported retention rates in the top quartile were more likely to employ important marketing practices. They were more likely to focus on planning and to conduct marketing research studies on various institutional stakeholders. Once a student is admitted, the institution makes an effort to persuade the student to enroll. Therefore, the goal is to convert admitted students to enrolled students. The mean admission to enrollment rate for institutions in this study was 50.78 per cent with a standard deviation of 18.57. Once again this wide variance suggests that either the Vice-Chancellors did not know their admission to enrollment conversion rate or some institutions were actually converting only 26 per cent of their students while others were converting 95 per cent. A relationship between the conversion rate of students admitted to students enrolled and various marketing initiatives was expected. Twenty-two marketing practices, strategies and programmes from the survey were examined for significance. Only one practice was found and that was the admissions personnel who were trained in marketing. The choice is at the heart of marketing and institutions must understand the process consumers use to decide what and when to buy their education.

Before the students submit an application to an institution they must have some level of awareness of the institution. The goal of admissions is to convert these initial inquiries into completed applications. The Vice-Chancellors did not know their inquiry to application conversion rate or some institutions are actually converting only 4 per cent of their students while others are converting 84 per cent. Less than 15 per cent of the responding Vice-Chancellors reported conversion rates above 50 per cent. A significant relationship between the conversion rate of student inquiry to student application and various marketing initiatives was expected.

Table 1: Overview of quality areas in the strategic marketing planning and quality factors.

Areas	Conditions and constraints	Implementation	Results	Follow up
Information and counselling	1 External constraints Organisation Partners	2 Channels Content	3 Student body Other results	4 Evaluation Customer reactions
Course development	5 External constraints Organisation Target group Staff Partners	6 Supervision, co-operation Follow up and guidance of authors Choice of media Formative evaluation	7 Course description Material meeting requirements Teaching aids	8 Evaluation Customer reactions Updating and/or revision
Course delivery	9 External constraints Organisation Students Materials Teachers Partners	10 Two-way contact Teaching and guidance Exams and tests	11 Students' achievement of goals Course completion Learning results	12 Evaluation Customer reactions
Organisation	13 External constraints Organisation Partners	14 Management Communication Future orientation	15 Achievement of goals Financial results Repute	16 Evaluation Reporting

There are 16 variables studied under the four heads:

- (i) Information and counselling
- (ii) Course development
- (iii) Course delivery
- (iv) Organisation

As per Figure 2, four significant factors were found from various marketing practices, strategies and programmes examined:

- 1. Presence of a written marketing plan.
- 2. Presence of a marketing committee.

- 3. Use of an outside marketing consultant.
- 4. Board of trustees/directors has oversight of institutional marketing direction.

The Vice-Chancellors who reported conversion rates below 15 per cent were more likely to focus on various planning strategies to aid in improving this important measure of institutional performance. Individuals in key institutional areas are formally marketing trained. Individuals academically or experientially trained in marketing are more likely to understand and successfully implement marketing strategies. Forty-eight per cent of the responding

Chancellors reported their admissions personnel were marketing trained and thirty-four per cent reported their development personnel were marketing trained. Marketing training of the admissions staff makes a difference in recruiting prospective students. The mean values for the ratio of students admitted to students enrolled, and the ratio of student inquiry and student application was both higher and statistically significant when admissions personal were marketing trained.

Recommendations

Broad stakeholder participation in planning brings shared expertise, commitment from participants and assists in communicating the plan throughout the institution. The results from our presidential survey and the case studies indicated that institutional planning was top down in participation and results were poorly communicated to stakeholders. The Vice-Chancellors should consider broadening the involvement of stakeholders in institutional planning. Marketing decision-making at independent colleges and universities should be information driven. The results from our survey and the case studies indicated that marketing research was not well developed. Marketing research should become a structured and routine activity at independent institutions.

This study examined marketing strategies and initiatives at independent institutions in India. The results of the research indicated a significant relationship between measures of institutional performance and admissions personnel who were trained in marketing. Considering this finding an institution's key decision-makers (administration, faculty and staff) should be trained in marketing. They have widely varying backgrounds and are often physically and organisationally remote from one another. The distribution of the institution's planning efforts needs to be expanded.

As they implement their strategy, institutions need to track the results and monitor new developments in the internal and external environments. Higher education institutions can count on one thing—their environments will eventually change. And when they do, institutions will need to review and revise their implementation, programmes, strategies, or even objectives. Institutions should develop a system to evaluate and provide feedback of the effectiveness of the institution's planning system.

Our research found that strategic planning and marketing among and within independent colleges

was no more disciplined or sophisticated than that found among various state universities in the year 2006. The opportunity for improving the direction and efficacy of many institutions of higher education still remains for those who would implement a truly integrated strategic marketing initiative.

The Vice-Chancellors need to understand the 10 commandments in strategic planning of higher education are described below:

1. Who are the customers (and who are not)? Be sure to identify 'customers' in broad ways; current students, potential students, students you have lost (to attrition), faculty, administrators, staff, alumni, firms in the area and employers elsewhere who often hire your students, and all the people who relate to your academy
2. Why did the students select you, and why have they stayed with you. Your current "customers" are your best indicators of your successes (and failures). What attracted them to your institution to begin with? Despite the weaknesses you have already identified, why do they still stay with you? What advantages did they find to offset the disadvantages every school has?
3. Why did the former applicants select and then reject your academy. Which weaknesses did they find repelling and were discouraged from continuing at your institution?
4. Who is the admission prospects that left, and why did they select another school. The best way to understand your school is to talk to those who rejected your offerings. What were they looking for that your institution did not provide? What did the other school have that attracted them to it instead?
5. Identify the "kinds" of applicants you will want to pursue over the next 12-18 months; and along with that, identify what those applicants will be looking for in educational opportunities. What is the demographic, intellectual, and aspirational profile of your "ideal student?"
6. Identify specific prospect-targets (hot, warm, cool) you would want to pursue in the near future. These targets should cover the breadth of your institution: admissions, fund raising, alumni, internal (faculty, students, parents, and friends), and external. Determine how they fit into your institution's mission and goals. Is it possible that you have been reaching for the wrong targets?

7. Identify the prospecting and courting techniques you will use, as well as promotional materials you will need (from PowerPoint demonstrations on a laptop to collateral brochures, high school visits, participation, etc.). How will you highlight those strengths you identified?
8. Are there other strengths you have been ignoring? How can you add those to your repertoire of recruiting methods?
9. Pay close attention to technology and implications for distance education, web site development and maintenance, and communications within and outside of the institution. The key to the future is technological. Be sure you not only have the equipment, knowledge, and resources to take advantage of it, but know how you plan to emphasise these in your recruitment strategy.
10. Which team of faculty members is playing college politics? How do these politics hamper the growth of genuine faculty and students?

Conclusions

There is no comprehensive survey data available on 'Understanding of Private Higher Education in India' from the stakeholders' perspective as well as the heads of various institutions chosen by us. The satisfaction levels of the students and parents who access educational services from various types of higher education institutions have not been measured so far. Similarly, the corporate sector's voice, which recruits graduates from various institutions, also needs to be heard to analyse the implications of privatisation. This survey, while benefiting from some of the secondary literature on the subject, does not draw any inference thereon. The review of the secondary literature helped in framing hypotheses as highlighted in the study. The view- points of various heads of the institutions, such as the Vice-Chancellors/Registrars etc., have been taken into consideration. A point to be noted here is that private sector higher institutes in the study refers to self-financing colleges, private universities and deemed universities. Finally, it is felt there is a need for continuous research in this area.

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CHALLENGES FOR INDIAN ECONOMY DURING GLOBAL RECESSION

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Abstract: *The world economy has witnessed recession after a long time. The last noticeable depression was the great depression of 1930ies, where world economies were greatly affected. However after the Second World War the things started improving and saw decades of prosperity, growth and economic development. This trend has changed since the year 2007-08 when leading economies of the world have come under recession. This is a situation which was hardly visualized and hence took every body by surprise. The entire world is trying hard to find out a workable solution to come out of this situation. The present paper is an effort in this direction and tries to find out what can be the impact of this recession on Indian Economy.*

Indian Economy's Main Constituents

In order to reach any conclusion, the need is to look into the main aspects of Indian economy. The research analyses the three most important sectors of Indian economy i.e. a) Agriculture, b) Industries and c) Tertiary sector through which recession can be assessed. Each sector has been analysed in the paper for its performance in the past and the challenges it is facing in the future.

Indian agricultural sector has been quite successful in the past to meet the requirement of ever increasing population and to spare reasonable quantities towards exports. A sustained effort on the part of Indian farmers and government assistance has resulted in improved production facilities and generated export surpluses.

Similarly Industrial sector has also made its contribution towards economic development. There are large capacities available in the organized sector as well as small scale sector which are utilized to meet Indian demand as well as international one. Though India's share in world trade is negligible, efforts are being made in this direction for better utilization of industrial resources. It is the Tertiary sector where the impact of recession has been most. To finding employment or to retain their jobs in foreign countries by Indians, who are having in the

various parts of the world due to their knowledge, experience and expertise is a difficult proposition due to recession.

What Causes Recession?

The answer to this question is that when any economy continuously grows over a period of time it tends to slow down the growth as a part of the normal economic cycle. An economy typically expands for 6-10 years and tends to go into a recession for about six months to 2 years.

A recession normally takes place when consumers lose confidence in the growth of the economy and spend less. This leads to decreased demand for goods and services, which in turn leads to decrease in production. Lay-offs are common and sharp rise in unemployment is seen everywhere. Investors spend less as they fear stocks values will fall and thus stock markets fall due to negative sentiments.

Amongst the various measures undertaken to fight recession, the most common are tax cut and Government spending. Whereas the tax cuts control the wasteful expenditure and leaves the money in the hands of public to generate more demand, government spending also helps to generate demand there by creating employment opportunities, enabling to come out of the difficult times.

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These measures are quite universal and common all over the world. Even the Bush government has proposed a \$150-billion bailout package in Tax cuts. The government also hikes its spending to create more jobs and boost the manufacturing and services sectors. The government undertakes steps to help the private sector also to come out of the crisis situation.

It is very difficult to predict how long this recession is going to last and the question is whether it is a passing phase or whether it is a prolonged affair.

There is worry in the Indian scenario also. The main anxiety is to how it is going to impact our economy and what precautions or safe guards we should take to get rid of this recession. The worry is at the various levels including government, public and intellectual level. In other words, the topic of recession has raised a vast number of questions which are addressed at all levels of economy.

Sectoral Share

If we look the sectoral share of various segments of Indian economy the following picture emerges.

Table 1: Sectoral Share in GDP (in percentage)

Years	Agriculture, Forestry and Fishing	Industry (Manufacturing)	Services
2001-02	24.0	25.0 (14.8)	51.0
2002-03	21.5	25.8 (15.2)	52.7
2003-04	21.7	25.6 (15.0)	52.7
2004-05	20.2	26.1 (15.1)	53.7
2005-06	19.7	26.2 (15.1)	54.1
2006-07	18.5	26.6 (15.5)	54.9

Source: Press note 31st May 2007, National A/Cs Statistics, 2007 CSO.

This shows that while share of agriculture is declining in GDP, the contribution to the economy by tertiary sector has been increasing during last so many years. As far as share of industries is concerned it has remained more or less constant.

Challenges for Indian Economy

If we view the things related to recession in its totality from India point of view and happenings around the world. It can be taken as a challenge. At the same time it also provides opportunity to strengthen our economic base, economic activities and economic development.

Let us now consider the impact recession on various sectors of Indian economy.

Indian Economy mainly consists of three sectors:

1. Agriculture sector,
2. Industrial sector,
3. Tertiary sector.

Agricultural Sector

Agriculture has been the most traditional way of economic activity in India. There was a time when three fourth population was engaged in agriculture and their lively hood was totally dependent on agriculture. Due to abundance of rivers water and availability of irrigation facilities, different crops are grown in the country.

At the time of independence (1947) some fertile land had gone to Pakistan, resulting in the food shortages. The government had to resort to food rationing and even importing food under PL-480 aid at that time.

After facing food shortages and depending on imported goods during the decade of 1950-60 the things started improving in agriculture sector in ensuing years. The efforts farmers and the government brought a qualitative change when better techniques of agriculture were adopted, more emphasis was given to increase the use of fertilizers and liberal investment in agriculture sector, resulted in boosting agriculture production and meeting countries requirement.

The situation at present is that, the agriculture not only meets the needs of the country but is also able to provide surplus for exports of many items. Periodic shortages are met by imports, but this accounted insignificant compared to the total production level of agricultural products.

The following table depicts improvement in agriculture productivity for major crops, which has been achieved by Indian farmers.

Table 2: Productivity Trends in Major Crops (Yields per hectare in Kilograms)

Crops	1950-51	1960-61	1970-71	1980-81	1990-91	2000-01	2001-02	2002-03	2003-04
Rice	668	1031	1123	1336	1740	1901	2077	1804	2051
Wheat	655	851	1307	1630	2281	2708	2761	2618	2707
Jowar	353	533	446	660	814	764	761	769	772
Maize	547	926	1279	1159	1518	1822	1963	1638	1983
Bajra	288	286	622	458	658	688	869	610	1134
Pulses	441	539	524	473	578	544	615	556	623
Oilseeds	481	507	579	532	771	810	912	710	1072
Sugarcane*	33	40	48	58	65	69	67	65	59
Cotton	88	125	106	152	225	190	186	193	307
Jute	1044	1080	1186	1245	1833	2026	2182	2153	2183

*Yields per hectare in tones.

Source: Economic Survey 2004-2005.

If we look to the latest position regarding yield per hectare for two major food grain crops Rice and Wheat from 2004 onwards the position shows trend of improvement...

Table 3: Yield per hectare: Food Grains (Kg/ Hectare)

Year	Rice	Wheat
2004-05	1984	2602
2005-06	2102	2619
2006-07	2131	2708
2007-08	2203	2785

Source: Ministry of Agriculture, Government of India. (RBI handbook of Statistics of Indian Economy, 2008-09) Page 54)

When we compare our productivity with some other countries of the world, (See Table 4) it seems that there is great scope for further improvement in yield per hectare. A constant effort in this direction can keep away recessionary trends at bay from agricultural sector.

Table 4: Productivity Comparisons of Some Major Crops (1998-99)

Product	Country	Yields per Hectare (Kgs.)	India's Productivity as a Ratio in Respective Countries (%)
Rice	India	1747	-
	Japan	6220	28.1
	China	6060	28.8
Wheat	India	2590	-
	France	7690	33.7
	U.K	7560	34.3
Cotton	India	224	-
	Turkey	1100	20.4
	Australia	1520	14.7
	Egypt	760	29.5

Source: Statistical Outline of India- 2000 and Economic Survey 2000-2001.

Industrial Sector

The analysis of the industrial sector of the economy takes us back with the old memories when production was mostly in small scale or cottage industries sector. The nation was greatly dependent on imports to meet its requirements. This was the scenario at the time of independence. There were a limited number of units engaged in manufacturing in large scale.

The government started with an industrial policy around 1950's which has been suitably changed from time to time as per requirements of the economy. The industrial production has not only increased considerably but there are some sectors where industrial capacities remain unutilized due to lack of demand. The matured Industrial Policy of the government has born its fruits. The country has a strong industrial sector which is able to provide support to the economy of the country. There is all round industrial development of large scale, medium scale small scale and cottage and village industries.

In 1956, the industrial policy brought the concept of industrialization in government sector along with private sector. Both sectors were asked to carry out their responsibility and production of various items was confined to these sectors...

The decade 1980 onward saw industrial growth but at the same time shortages, redtapism, delays and underutilization of capacities surfaced. This warranted a change in the industrial policy of the government of India. Therefore in July 1991 the new industrial policy was announced. The main features of 1991 Industrial Policy are:

- Liberate the industry from the shackles of licensing system, drastically reduce the role of public sector and encourage foreign participation in India's Industrial development.
- Increasing competitiveness of industries.
- Running of enterprises on business lines.
- Support to the small scale sector.
- More incentive for industrialization of backward areas.

To speak about industrial scenario, Our Industrial units are producing various types of goods with latest technologies. Foreign Investment are also finding favorable destination to India. The foreign Investment has been allowed in almost every sector of the economy

expects only the critical areas and in coming years it is likely to be further liberalized. This makes India a favoured destination from Foreign Investment point of view. The overall investment in industry starts playing its role after some time. The production will increase and economic activities will also improve there by opening more areas for Indian manufactured articles.

The following table shows the industrial growth of the country. It which proves that there is considerable improvement in industrial production during the period of various five years plans.

Table 5: Growth Rate of Industrial Production
(Per cent per annum)

Five Year Plan/Period		Target	Actual
First Plan	1951-52 to 1955-56	7.0	7.3
Second	1956-57 to 1960-61	10.5	6.6
Third	1961-62 to 1965-66	11.0	9.0
Annual	1966-67 to 1968-69	-	2.0
Fourth	1969-70 to 1973-74	12.0	4.7
Fifth	1974-75 to 1978-79	8.0	5.9
Annual	1979-80	-	1.4
Sixth	1980-81 to 1984-85	8.0	5.9
Seventh	1985-86 to 1989-90	8.7	8.5
Annual	1990-91 to 1991-92	-	4.4
Eight	1992-93 to 1996-97	7.5	7.0
Ninth	1997-98 to 2001-2002	8.0	5.0
Tenth	2002-03 to 2006-07	10.0	7.5

Source: RBI report and economic surveys.

Tertiary Sector

At the time of independence Indian tertiary sector was very small. It was unnoticed even at the economic level. But during last 2-3 decades it has made tremendous progress. It is now not only serving requirement of Indian economy but also has become an important supplier of services to the nations of the world.

Indian professionals, like I.T professionals, doctors, architects, experts, skilled and unskilled

personnel are very much in demand in various countries of the world.

Tertiary sector is under maximum pressure due to recession. The major areas where recession is carrying its impact are Transportation, Logistics, Property prices, Tourism Hotels and many others. This sector has achieved maximum growth during last 10-15 years, and therefore in coming time it may remove some of the distortions and achieved normal growth rate...

Sectoral Growth

From the recent data it is evident that the Indian economy's growth is quite sustainable and projection for the XIth plans also conform the same. While the developed nations are worried to maintain their growth rate, Indian economy is buoyant with a growth rate of 8 to 9 percent.

Table 6: Sectoral Growth in Recent Plans (% per Annum)

Sector	Eighth Plan (1992-96)	Ninth Plan (1997-2001)	Tenth Plan (2002-06)	Eleventh Plan (2007-2011)
Agriculture Sector	4.72	2.44	2.30	4.0
Industrial Sector	7.29	4.29	9.17	10.11
Tertiary Sector	7.28	7.87	9.30	9.11
Total	6.54	5.52	7.74	9.0

Source: RBI report and economic surveys.

Recommendations

The following recommendations are given for various sectors of the economy, so that on the one hand they may provide the strength to the Indian economy and at the same time take care of world recession if it continues for some more time.

Agriculture Sector

In order to meet recession on Agriculture front, the following working plan should be adopted:

1. Indian agriculture should make it a strategy to meet effectively price competition in the world markets.
2. To generate agriculture surpluses so that goods are always available for exports and there no periodic shortages.
3. To stabilize the prices of agriculture produce in the domestic market.
4. Adopt aggressive marketing techniques to bring better prices for Indian Agriculture produce from the world markets.
5. India should become a dependent source of supply to the world countries where our goods should be made regularly available at comparative prices to the overseas buyers/consumers.
6. Improve productivity of the major crops and bringing them to the level of China, Japan, France, and other advanced countries.
7. To prepare agriculture policy where there is a direct relation between input cost and output prices.

The above said measures can generate confidence in the minds of farmers and they can be willingly participant in countries efforts for a stable economy and will create a market for agricultural products. The western countries who had neglected agriculture for a long time have lately started realizing that the agriculture has its own contribution in modern as well as in traditional economies and it can not be ignored. As far as India is concerned the country is basically an agrarian economy since centuries and emphasis on agriculture production and its growth can have definitely far reaching impact on its economy. If we solve problems at the domestic level as well as able to meet competitions from the world economies, then we cannot be afraid of recession and its consequences on our agriculture.

Industrial Sector

The challenges for the industrial sector in face of world turmoil are:

1. To increase production of goods and make a strong framework of mindset to sell them in face of international competition.
2. Reduction in costs throughout the industry.

3. Reducing wasteful expenditure.
4. To work with normal profit margins from domestic markets and export markets.
5. Develop indigenous technologies which are cost effective and human welfare oriented.

These measures may bring the desired results in shortest possible time.

The new industrial policy has found to a great extent the desired direction and the industrial production in the country has shown growth trends. Therefore the Indian economy on the industrial front is quite competent to meet any challenge due to world recession and should not worry about happenings in the outside world.

Tertiary Sector

For Indian economy tertiary sector has assumed great importance. The difficulties faced by this sector at the national level and with vast numbers of people finding it difficult to remain employed in other countries, particularly advanced countries are many.

The ways to meet the challenge on services front are as follows:

1. Find out more employment opportunities for Indian workforce by increasing the production level in services sector in the country.
2. Find out new avenues of employment of Indian personnel in foreign countries where there is scope and where efforts were not made earlier in this regard.
3. To advise such peoples to retain their stay overseas and adjust to the changed circumstances, and waiting for recovery process.
4. Putting pressure on organizations like WTO and ILO to open the world job market, as well as liberal immigrations facilities for persons from developing nations.
5. Persuading the advanced countries to lower down technical fees and patient charges and sharing the innovations and knowledge with the rest of the world, particularly developing nation like India.

These are some of the steps which require urgent attention at the government and private levels to minimize curb the effect of global economic meltdown.

Other Related Areas

There are some other areas which are equally important for Indian economy and as such the global economic turmoil has its impact on our economy. Some of such areas are:

1. India's Foreign Trade Deficit: There is deficit or adverse balance of trade for decades. Our policy has been to increase exports and bear with imports. This has not paid dividend. The right strategy is to gain strength in generating surpluses in foreign trade. The exports should exceed the imports for the country. This should be our clear-cut objective. The country should make itself sufficient in many areas and not dependent on other countries. It includes getting better prices for our Exports products. India can bring substantial foreign exchange by way of remittances by Indians living abroad.
2. The next challenge is to reduce heavy imports of petroleum products. The country should make a serious effort where petroleum is substituted by domestic fuels. Reduction in consumption of Petroleum products and elimination of wastes is another area where economies can be generated. Also heavy investment in petroleum industries is required so that domestic production may go up and gap in production and supply may be narrowed down.
3. Improving the governance system and bringing them at par with the most advanced countries of the world. Delays in system should be minimized and inefficiencies removed.
4. Establishing competitive financial infrastructure system in the country so that it may take the load of providing competitive finance.
5. Better utilization of human resources and natural resources.
6. Adopting environmental protection measures, so that the economy may not face social conflicts.
7. And lastly, find Indian solutions to the Indian economic problems and desist from blindly imitating the western world.

Conclusion

The world recession has given a new message to the Indian economy. Such situation should be taken as challenge and instead of being afraid of that convert it into opportunities to generate confidence in the mind of our people.

It would be proper here to quote our Prime Minister. Replying to a volley of questions on the pressures on Indian economy due to international financial crisis, Mr. Manmohan Singh said that though capital outflows were putting pressure on the liquidity of the Indian Rupee, Indian banking system was not affected as much as elsewhere. He is confident economy will grow and the India's banking system will not be affected to the same degree as in the Western countries. The Reserve Bank has already taken steps to inject liquidity into the banking system and other steps from time to time to following monetary policies which may deal with recession, control inflation and provide more employment and investment opportunities.

Therefore the major steps should be undertaken are:

1. Fiscal measures to increase revenue and putting that money for economic development programmes.

2. Interest rate mechanism should be used to generate confidence in the mind of investors.
3. In the export field thrust strategy should be adopted to increase the exports by all possible efforts at the government level and the private level.
4. Imports should be kept within limit so that it does not create an unmanageable situation.
5. Increase the production in various sectors of the economy and utilize this production for domestic consumption and exports.

These are some of the measures required to be adopted to boost Indian Economy and at the same time meet the challenges posed by global Recession.

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CASE STUDY METHOD: FOR TRAINING AND CASE-WRITING

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Abstract: The case-study method has a long and respected history in the mainstream management literature. The philosophy and implications of the case-study method have received considerable attention and there are a number of standard texts on the approach. The method is also gaining acceptance, along with other qualitative methods, within the small business and entrepreneurial research community. Yet there has been little discussion of the distinctive philosophical consequences of applying the case-study approach in this area. This article will address this gap by mapping the paradigms adopted by different case-study researchers. This will provide a platform upon which to explore the consequences of the paradigmatic position that researchers adopt.

Introduction

The case study method of teaching is based on the fact that learning can best occur when the participant is involved in solving a problem which reflects a real life situation. It takes into account the fact that the basic role of a manager / administrator is to make and implement decisions. These decisions need to be based on such information as is available to him. Not always, however, he has access to unlimited information, and, therefore, the effectiveness of his decision rests on his analytical skills and on how best he can make use of the available information.

Correspondingly, the case study method presents the learner with a description of a situation, with an adequate amount of information. The task of the learner is to analyze the situation individually or in group, and to suggest the appropriate solution to the identified problem.

There are numbers of advantages of using the case study method as a training tool:

1. **Encourages Active Participation:** It has a distinct edge over the conventional lecture method because it encourages active participation by the learner in the process of learning.

2. **Real Life Situation:** A case study presents a real life situation in an objective manner, thus enabling the learner to study it in detail. It provides an opportunity to make use of, sometimes, limited data by asking relevant questions. The objective diagnosis of causes and alternatives for the problem broadens the understanding of the learner about the managerial / administrative situation.
3. **Diverse View Point:** The discussion among the participants which accompanies the Case Study Method exposes the learner to varied and diverse view points to the same problem. Thus, it brings home the point, that there may be several, equally valid, ways of looking at and solving the problem.
4. **Develops The Analytical Abilities:** The Case Study Method develops the analytical abilities and a systematic way of problem solving among the participants. The interactions and resolution of differences help the participants in focusing on and in re-examining their untested assumptions and attitudes in decision making.
5. **Facilitates the Learning-By-Discovery:** The Case Study Method facilitates the process of

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learning-by-discovery. Through analyzing the case, the participant discovers some of the case also provides opportunity for experimentation with various alternative decisions.

6. **Developing Communicating Skill:** Lastly, the necessity of articulating, discussing and arguing for a particular viewpoint helps the participant in developing his communicating skill- a useful skill for the manager / administrator to carry his people along with him.

Types of Cases

Case studies have an enormous amount of flexibility in the way they are prepared and use. This flexibility allows the trainer to choose and utilize cases according to the learning objectives he has in mind. He may, for example, use a case study to stimulate the problem-solving and decision-making abilities of the participant, or he may like to utilize a case to illustrate certain managerial/ / administrative issues or situations. In the latter case the learning-objective in the case of the case study would be the sharpening of analytical skills, just short of decision-making.

Similarly, case studies may also differ in terms of the amount and manner in which the information is presented to the participants. The case may be extremely detailed, or very succinct; all the information may be presented at once or gradually; and, the manner of presentation may be purely through written material, or films /video may be used for creating greater impact. Each of these alternatives would have different influence in the learning-process.

Now, we will describe briefly various types of cases. Obviously, the type of case described below is not mutually exclusive and considerable overlaps exist among various types. The aim of this discussion, however, is not to build up an academic taxonomy but to demonstrate the heterogeneity and the scope for innovativeness which exists in using and preparing cases.

Decision and Problem Cases

These cases are most popular in the training courses. They describe a business situation which incorporates a problem, and a decision is required to be taken by the participants. Such cases are open-ended in the sense that no solution is given, and the participant is required to study, analyze and discuss

the case, with a view to come to a solution.

In preparing decision-cases, it is important that the information is drawn from field research or from generalized experience, and not solely from published material and files. The reason for this is that in the real-life situation, the manager also draws information from various non-formal sources for taking decisions. Thus, data from field-research, personal interviews, and common observation give a more realistic picture of the situation.

Appraisal Cases

Such cases aim at teaching the participants, the skills of analysis or appraisal of situations, short of making decisions and recommendations for action. The question which the learner attempts to answer is "what is happening" rather than "what to do". Of course, an appraisal case can always be converted into a decision case by asking the participants, "In such situation what would you have done?" However, many a time, the trainer may decide that analysis and understanding of a business phenomenon rather than attempting a solution, is of greater relevance to the participant. For example, an appraisal case may describe the record of conversation between a worker and a supervisor which led to a tool-down strike. Here, trainer may feel that understanding the nuances of communication skills may be of greater benefit to the participant, rather than trying to decide what the supervisor should have done. Similarly, an appraisal case which recounts the various events which led to an industrial disaster may offer a great insight to the participant about the diverse influences and factors working in the situation.

(NOTE: The above two types of cases may be considered as two basic broad categories of cases. The other types of cases, described below can be of either decision type or appraisal type.)

Classical or "Harvard" Cases

These are much detailed case reports, running sometimes into fifty or sixty pages of text, with supportive charts and documents. Anything which may have remote bearing on the situation is included in the case: the company-history, biographies and personality sketches of key persons, texts of contracts and agreements, information about finance, marketing, production and other functions, etc. All the information given in the case may not be pertinent to the situation. The problem may also not be described

in the case-brief. Thus, the learner's task is to swift through this plethora of information, identify the problem, select the relevant set of information and then to solve the problem.

The greatest advantage of such case is their comprehensiveness. The process of analyzing these cases provides a total feel of the organization to the participant. He also learns to appreciate the interrelatedness of various functions and activities in the organizational contexts.

The disadvantage with such cases, however, is that they are very time-consuming, and the learner may get disheartened or confused due to the information overload. While, in real life the individual has to perform similar operations as he does in such cases, in the class-room situation there is a danger of losing the focus for learning.

Short Case lets

In contrast to the Harvard-type long cases, these cases are succinct, focusing on a particular problem, and of a length of about one or two pages. No extraneous information is given and it is easy to identify the problem. If it is not already given such case lets are excellent for generating discussion and problem-solving exercise around a given type of organizational problem. Since very less extraneous information is given, discussions on such cases, easily brings out the experience and assumptions of the participants in the decision-making process.

The disadvantage of case lets, however is, that they are having limited focus and they fail to simulate the totality of the organizational reality. The decisions attempted by the participants approach a theoretical idealism, since not much information about other factors which influence the problem situation is given.

Incident Process Cases

Incident process is an interesting variation in the case method. The assumption underlying such cases is that in the real life, events have an unfolding quality, which reading through a conventional case failed to capture. The real life problem-solving proceeds by asking questions, collecting information and analyzing it, and not by selecting and rejecting from a vast amount of information.

Correspondingly, in the incident process, the case may report merely a statement (e.g., a foreigner saw two workers fighting with each other). The case leader

withholds all other information, and shares it only when some participant asks for it. If no one asks for it, the information remains with the leader. Thus, the availability of information, for problem-solving, depends on how participants analyze the situation and on the types of question which they ask about the problem.

Other Variation

Apart from the types of cases described above the Case-Study Method allows for a variety of innovations in its use and presentation. For example, a video recording of the proceedings of a meeting may be added to a case to reinforce its realism. Or the participants may be given only a collection of newspaper reports, magazine articles and other published material about a situation, to avoid the subjective bias of the case writer. The trainer may play his own variations, depending on the objectives he has in mind. The only limitation to such variations, apart from the ingenuity of the case-writer is that they should not decrease the realism of the presentation.

Using Case Study Method

The styles for conducting case-study session which are adopted by different trainers vary greatly. These styles may range from a highly trainer-centered style to a highly participant-centered style. Which style the trainer finds most suitable depends on a number of determining factors, including the learning-objective, type of case, participants, level, time availability, and, of course, the personality of the trainer. Table 1 compares these two styles along a number of determining variables.

There are no fixed ground-rules for conducting successful case-study sessions. Much would depend on various factors, as can be seen from Table-1. Even then it is always advisable to learn somewhat more toward the participant-centered style of conducting case-study sessions, namely, the required preparation and discussion-leading.

1. Preparing for the Case

Contrary to the common misconception, using a case requires more intensive preparation, from the trainer, than does the conventional lecture method. While in the lecture-method, the trainer has a great amount of control over the nature of learning, and the "logical pattern" in which the contents are to be

Table 1: Comparison of Trainer-Centered and Participant-Centered Styles of Conducting Case-Study Session

Determining Variables		Styles	
		Trainer-Centered	Participant-Centered
1.	Emphasis	Content of learning: "What is learnt?"	Process of learning: "How it is learnt".
2.	Learning-Objectives	Illustration of specific concept(s)	Developing individual analytic and problem-solving skills; encouraging participant to develop experience-based concepts.
3.	Time-availability	Less time	Enough time
4.	Participants' level of preparation	Unprepared	Well-prepared
5.	Participants' level of experience with case-context	Inexperienced participants	Advanced and "post experience" participants.
6.	Nature of Case	Very complex; structure of events, relationships, problems etc. not so obvious; unstructured.	Fairly obvious structure of events, relationships, problems, etc.
7.	Trainer's personality Characteristic	High need for order and control; low tolerance of ambiguity; extreme task-orientation	Greater interpersonal trust; high risk-taking; preference for complexity.

presented, the Case Study Method is largely unstructured. In the Case Method, the trainer has no control over the kind of questions which the participants may raise, the sequence in which the concepts may find relevance in the case for their learning, etc. to deal with such structuredness in a meaningful conducting the session.

The Salient points of trainer's preparation are;

- He must be intimately familiar with all the facts of the case, and must be ready with as many logical interpretations of the facts as possible;
- He must be aware of the various analytical approaches which may be used for solving the case;
- He must prepare in advance the list of various concepts, theories or techniques which may be of use during the discussion (even if he may not get an opportunity to use them in the class) and;
- He must not be so convinced of the correctness of any single solution that he is unable to

appreciate other approaches and solutions given by the students.

2. Leading the Case Discussion

Trainers employ different procedures for introducing the case and generating the discussions. Very often, the trainers divide the class into smaller groups, in which the participants study, analyze and solve the case. This is followed by a "presentation" by each group, and a summing-up by the trainer. While this procedure is useful, it dilutes the very essence of the Case Study Method, in that, without the trainer's interventions, many salient concepts may be missed by the group, or the views of the "silent members" may not receive adequate weightage.

A better approach in introducing cases is to lead an open discussion, after giving the participants enough time for preparation, either individually or in a group. The following are the salient features of leading the case discussion:

a) The Trainer's Role

The trainer's role in discussion-leading is that of a

process expert. By asking question and through interventions, he keeps the group moving. It is his task to maintain a balance among the various aspects of the discussions (e.g., the topic, participants' personal experiences, general principles, conceptual theories, etc.) so that the discussion remains relevant.

Since no two participants will view the case in identical ways, there interpretations may be drastically different. The trainer's effectiveness will depend on how he can keep different viewpoints "alive" in the group, without discouraging the proponent of either viewpoint. He must also take care of the shy and the over-talkative members.

In leading the discussion, the trainer's role as subject-experts is minimal. The ideal discussion would be one in which all the relevant concepts emerge from

explicit understanding of the problem, generation of alternatives, and finally, selection of specific solution(s) to the problem. A discussion in which the participants agree too soon on the solution would fail to facilitate the learning process; similarly, if the discussion continues without the participants coming to a common understanding, it may leave the participants confused and dissatisfied. A good discussion falls well within these two extremes. That is, learning would be optimum in a discussion where the group spends enough time in understanding and analyzing problem and only then attempting to solve it. Thus, a good discussion would show an initial divergence of ideas, issues viewpoints, followed by their gradual convergence to a few specific solutions or a solution. (See Exhibit: 1).

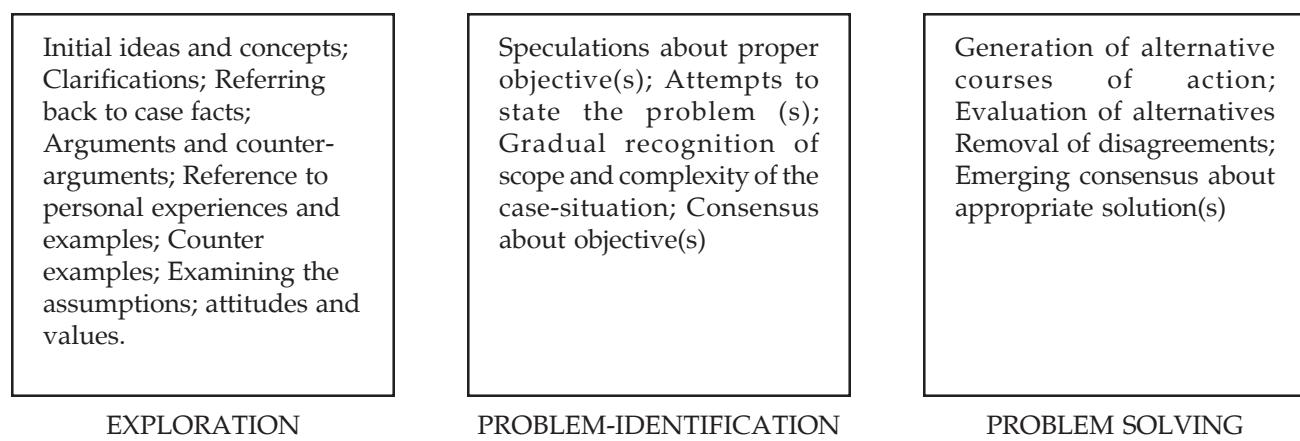


Exhibit 1: Stages of Case Discussion over time

the group discussion. The task of the trainer would be to pin-point these concepts and draw attention of the class to them. However, in some cases, the trainer may find it useful to give small lecturettes on relevant concepts, during the discussions. He must take care; however, that introduction of concepts by him should have a facilitating effect, rather than an inhibiting effect on the discussion.

b) The Discussion Process

A fruitful discussion process would entail an intensive and systematic analysis of the situation,

Since the objectives behind group discussion is to involve all the participants in the problem solving process, the group should not be monopolized by a few dominants members. Another danger in group discussion is that it may turn into question answer session between the trainer and the participants (as in Exhibit: 2) Ideally, it should not be so and trainer's interventions should be limited to stimulating groups, keeping the discussion on the subject and ensuring the group that it is getting maximum benefit from the discussion. (Exhibit: 3)

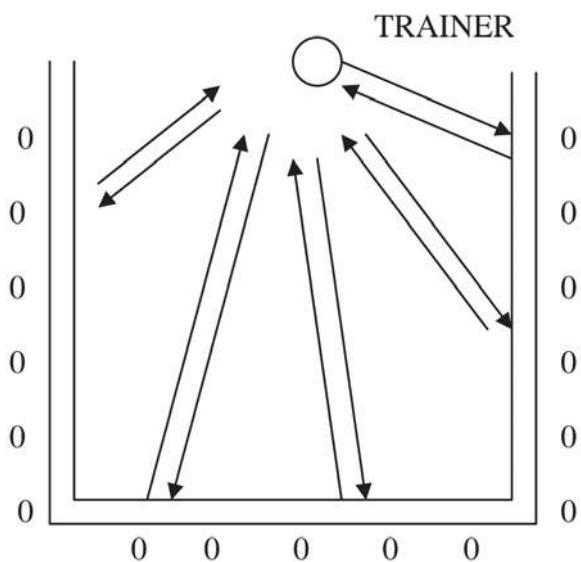


Exhibit 2: Trainer centred discussion

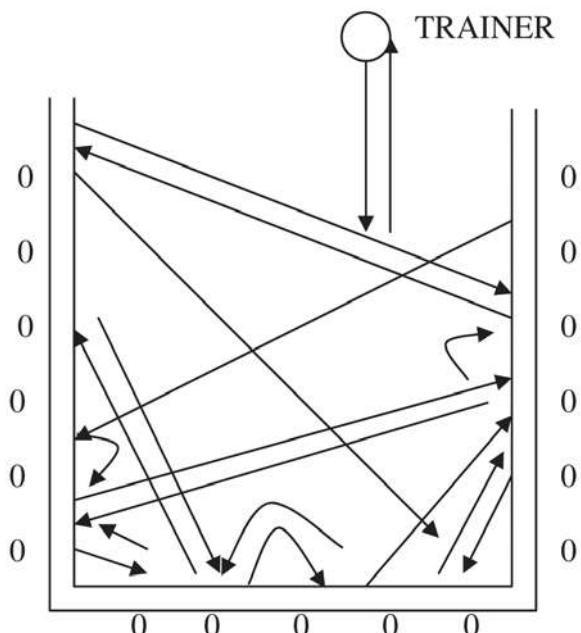


Exhibit 3: Participant centred discussion

c) Trainer's Interventions

In leading the group discussion, and for optimizing the learning through it, the intervention made by the trainer are significant influencing variables. The kind of interventions the trainer makes as the discussion leader are natural consequences of

his role as the process expert. The trainer can stimulate the discussion and learning -process by asking relevant questions, probing, summarizing and giving conceptual inputs at the appropriate time during the discussion. In a way, the trainer manages the meaning within the group, in that his intervention highlights certain points of the discussion while deemphasizing the irrelevant issues. The exact nature and content of these interventions would depend on the trainers interpersonal skills. However, his intervention must ensure the following:

- Encourage participation by all members
- Control the over talkative members
- Discourage monopolization
- Tactfully de-emphasis irrelevant contribution
- Avoid personal arguments
- Keep discussion within defined limits
- Give feedback to the group
- Make the group feel that they are moving through frequent summarization
- Highlight relevant points.

Writing A Case

The preparation of a case is both a science and art. Normally a case is based on field research, though often the case-writer may write a case based on "generalized experience" to suit his purpose. This is specially so with cases on human relations).the task of the case writer is to put down the facts of the situation in an unbiased and objectives way, narrating the course of events around the focus of the case.

Case writing follows four basics steps:

1. Identification of Case-Focus and Case-Lead

The case-writer should be clear about the types of problems around which he wants to write the case. This would, obviously, depend on the learning objectives of the course in which the case is to be used.

Once the objectives of case-writing are clear, the next step is to look for the case leader. The information collected from the colleagues, participants or other sources (e.g. a newspaper report etc) many a time, however, in the initial phase of data-collection, the case-writer may finds that the situation, as existing,

does not meet his objectives in writing the case. He will have to decide, then, whether to stop there, or to change the objectives of the proposed case

2. Collection of data

In any organizational setting, data can be collected only when the relevant people involved in the situation are willing to co-operate. Thus, it is essential for the case-writer to first meet these people to intimate them about the nature of work and to assure them of the confidentiality of all data. Only after this has been done can the data collection proceed.

The basic requirement in data collection is the objectivity with which the facts are recorded. The case-writer must consciously avoid his own interpretation of the situation, while collecting data. All facts situation, events and opinions, etc., must be carefully observed and documented. The general rule is that the case-writer must, within practical limitations, make notes and collect exhibits of every situation or event which has bearing on the case. Later on, during the case-writing phase a logical structure in the form of a running narrative may be given to the data.

It is of course, almost impossible to observe and record all information pertaining to the case, due to practical limitations. One must also avoid the temptation to go for such perfection. Rather, a well documented case would be one which incorporated such information as is normally available to any executive (and the executive never has all the information). In addition, a case may also contain some information which is irrelevant to the problem-situation. This would help in sharpening the participant's skill in identifying the problem.

3. Case-Writing

To write a case one must decide what material is to be included or to be excluded from the case. The criteria for deciding this would depend upon:

- The learning-objective which the case aims to fulfill.
- the length and structure which the case-writer envisages to be most useful; and
- The type of case, and its mode of presentation which the case writer decides.

The precise manner (i.e., the body of the case) may differ from case-writer to case-writer. Whether he

wants to start with the problem-situation and then give the background information, or whether he would like to give accompanying information in appendix, etc., are matters of personal style and preference of the writers. Some case writers may like to include "technical notes" (information about technology available/used) or "industry notes" (information about the state of industry in the economy) as a part of the case text. The only criterion which one should bear in mind is the readability of the case. If the participant finds the case disjointed or tedious to read, the effectiveness of the case would go down. It is a good practice, therefore, to set the scene quickly, so that the participant knows what kind of problem he is supposed to deal with, and his curiosity is maintained.

Another, important point to bear in mind is the objectivity of the reported data in the case. The case writer must avoid all interpretation in writing the case. The narrative must be given in the lowest levels of abstraction. For example, "workers were seen talking for long periods after tea breaks or near the toilets" is an objective narration, while "workers were idle and undisciplined" shows interpretation of facts by the case writer. It is a sound practice to refer to question of who, what, when, why and where while writing the case but to avoid writing about how and why (these may be put, when essential) as the opinion expressed by concerned people.

It is also preferable to write the case using past tense. This would increase its utility for courses conducted later.

Lastly, the case writer must decide on the disguise. Most often, organizations and executives would be reluctant to expose the mistakes committed by them. Thus, the facts of the case (e.g., name, company etc.) need to be disguised. The disguise must be decided carefully, so that it does not distort the focus of the case. For ease in writing, one may write the final draft of the case using real name and events and then introduce the disguise.

4. Clearance and Validation:

Once the final draft of the case is prepared, it must be reviewed with the concerned executive (s) of the organization. In fact, the review process is often concurrent with the data collection stage, during which pieces of information may be cross-checked with concerned executives.

5. What An Evaluator Looks For In A Case Analysis

The important elements that a counselor (or evaluator) would generally look for in a case analysis are:

- Care with which facts and background knowledge have been used.
- Ability to state problems and issues clearly
- Use of appropriate analytical techniques
- Evidence of sound logic and arguments
- Consistency between analysis and recommendations
- Ability to formulate feasible recommendations for action

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An Overview

TAKAFUL

Usha Arora*
Neeru Gupta**

Abstract: *Islamic insurance products have existed in one form or another, for several years but the real impetus came during the early 1980's when such products appeared in Western - Europe mainly due to the effort of Dar Al-Mall Al-Islami, one of the biggest Islamic financial institutions in the world, through its Takaful subsidiaries. Since then Islamic insurance (Takaful) is growing day by day as one-fourth of the total population of the world is Muslims. The present article, give an overview of the concept of Takaful by stating its meaning, legal framework and other basics.*

Insurance is an essential part of the social protection needed for any society. It is an assurance from the insurer to provide monetary help in case of any mishappening. Conventional type of the life insurance was declared unacceptable by the Islamic scholars in the Arab countries in 1903. They found that the conventional insurance is like gambling, which is prohibited by Islam. So the question has raised what method should be adopted for social protection in place of conventional life insurance. After a lot of discussion in 1985, the Grand Counsel of Islamic scholars in Mecca, Saudi Arabia, Majma al-Fiqh, approved Takaful system as the alternative form of insurance written in compliance with the Islamic Shariah standards (Bhatty, Ajmal, 2001). The article attempts to clarify some of the aspects of Islamic insurance. Such as:

- What Islamic insurance (Takaful) really is?
- How it is different from conventional insurance?
- What is the Legal framework of Islamic insurance?
- What marketing strategies a marketer should follow?
- What is the international experience of Islamic insurance?
- What are the challenges and obstacles in the future growth of Takaful?

Further part of the article will highlight the above said issues.

Takaful

An Islamic alternative to the conventional insurance system is known as 'Takaful'. Takaful is from an Arabic root 'Kafala', which means 'guaranteeing each other' or joint guarantee. This is based on the concept of Ta'awun (mutual assistance). Under this system, policyholders contribute a certain amount of money to a common pool. Each member pays his subscription (premium) to help those that need assistance.

The purpose of takaful is not to profit, but to support the belief of "bearing each other's burden". Losses are divided while liabilities spread across the community pooling system. The idea is not to derive any benefits at the cost of others. Instead, it eliminates uncertainty in terms of premium and compensation. Takaful mechanism has evolved from three Quranic principles viz. mutual protection, mutual cooperation and mutual responsibility.

Why Takaful?

Takaful insurance is beneficial to both the individuals and the country.

Individual level: Takaful would be useful to inculcate a healthy savings habit and cultivate thrift at the individual level.

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Country level: Takaful inculcates the habit of self-reliance on the community. The individual saving or saving of the community helps a country to accelerate its saving rate, which in turn help to boost the economic growth.

Elements in Takaful

There are five (5) elements that must co-exist to establish a proper framework for a Takaful system; *first*, Ne'aa means the intention of following all rule and regulation of takaful system. *Second*, all conditions of the Shariah should be met during the management of takaful. Third, business should be conducted in good faith of community and great honesty via full disclosure and transparency should be ensured in all dealings. Fourth, strict adherence to Islamic rules for

commercial contract, namely: parties to the contract should have legal capacity and be mentally fit; insurable interest; principle of indemnity prevails; consideration (offer and acceptance); mutual consent and specific time period of policy and underlying agreement. Last, an advisory committee should be appointed to ensure that the operations are running according to Shariah rules.

Takaful Different From Conventional Insurance

The differences between conventional insurance as currently practiced and Islamic cooperative risk sharing is summarized in Table 1.

Table 1: Difference between Conventional and Takaful

Conventional Insurance	Takaful
Sources of laws & regulations are set by State and man-made.	Sources of laws are based upon Divine revelations (Holy Quran and Hadith)
Profit-motive, maximizing returns to shareholders.	Community well-being optimizing operations for affordable risk protection as well as fair profits for the operator.
Profits and/or Bonus units to be returned to policyholders as determined by managers and Board of insurer.	Takaful contract specifies in advance how and when profit/surplus and/or Bonus units will be distributed.
Initial capital supplied by shareholders.	Initial capital supplied by Rabb al Mal (Agent) or paid in via premiums from participants.
Separation of policyholder and insurer with differing interests.	Coincidence of interests between policyholder and operator as appointed by participants.
Right of insurable interest is vested in the nominee absolutely in Life insurance.	Right of insurable interest is determined by Islamic principles of Faraid (inheritance).
Insured may elect cost or replacement cost valuation and claim accordingly whether or not they chose to rebuild property.	Insured may not "profit" from insurance and entitled to compensation only for repair or rebuild or replacement.
Agents and Brokers are typically independent from insurer and paid a fee from the premium charged to policyholders that is not disclosed.	Agents are employees of the Takaful and any sales commission should be disclosed.
Investment of premiums conducted by insurer with no involvement by policyholders.	Takaful contract specified under principles of al Mudharabah how premiums will be invested and how benefits are shared. Under al Wakalah, the insurer can direct his investments into a range of unitized funds.

Conventional Insurance	Takaful
Insurer invests premiums consistent with profit-motive with no moral guidelines.	Takaful invests premiums in accordance with Islamic values and Shariah guidelines.
Dissolution - reserves and excess/surplus belong to the shareholders.	Dissolution - reserves and excess/surplus could be returned to Participants.
Taxes - subject to local, state and federal taxes.	Taxes - subject to local, state and federal taxes (if any) plus obligated to arrange annual tithe (Zakat) donations to charity.
Benefits paid from general insurance account owned by insurer.	Benefits paid from contributions (Al tabarru) made by participants as mutual indemnification.
Accounting consistent with GAAP and prevailing statutory rules Auditing for uniform application of accounting standards.	Accounting standards consistent with national rules (with may be GAAP) plus prevailing statutory rules. Auditing same standards plus conformance with Islamic rules; typically with Shariah Advisory oversight.

Source: (Fisher & Tailor, USA, April, 2000)

Legislative Framework of Takaful

As a proper legislative framework is essential to supervise and operate a particular insurer, takaful also requires a proper structured authority not only to do

the supervisory work but advisory work also. Advisory work in so far as the authority has to guide the executives to run the takaful in compliance with the Shariah rules.

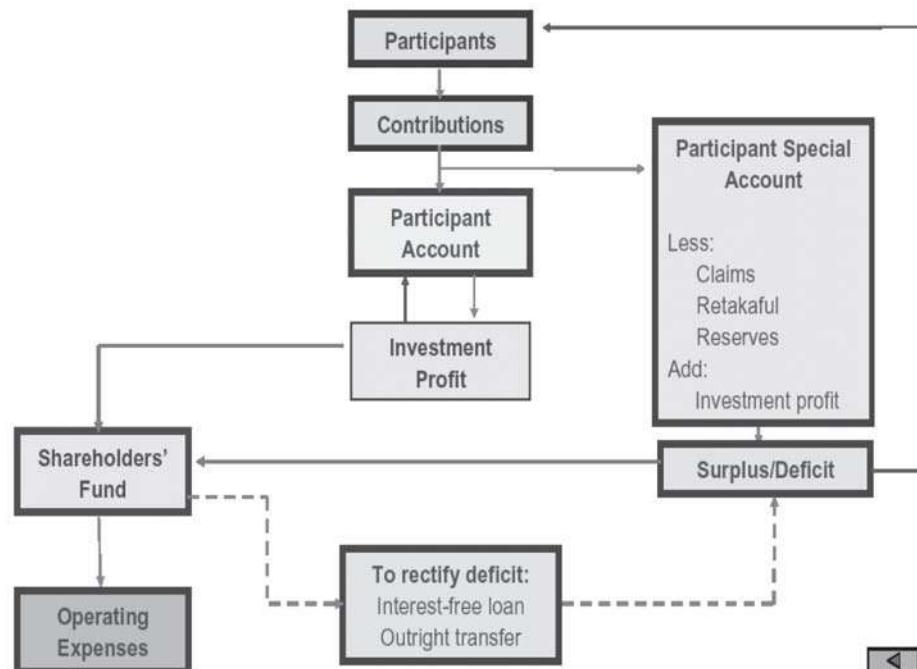


Exhibit 1: Brief Illustration of Mudharabah Model

Source: Report of Bank Negara, Malaysia

The Takaful contract can be designed on the basis of two principles namely: I) Al-Mudharabah, II) Al-Wakalah. Under the principle of Al-Mudharabah, the operator can charge management expenses from the takaful fund. He has to recover the expenses incurred by him, which is pre-decided by operator and participants collectively. The ratio of profit division between operator and participants may be 5:5, 6:4 or 7:3 etc. While under the Al-Wakalah system operator is authorized to recover the expenses from the contribution given by the participants, as under this system he worked as a wakil (agent) of the participants. Both the systems can be understood by the Figures 1 and 2.

Marketing Strategies For Takaful

Takaful industry is much developed in Malaysia in comparison of Middle East. The more successful companies in the Middle East have grown at 10% per annum; whereas in Malaysia the rate of growth has been 60% per annum. There are a number of reasons for low penetration in the Middle East, particularly in the life insurance. To cite a few lower disposable

income, greater reliance on social welfare provision, family system such as populations of many developing Muslim countries are skewed towards younger age groups, which has put greater pressure on the limited resources and employment. The economic factors have kept insurance low in many of these countries. People may be aware of insurance needs but cannot afford to buy the required protection. Those, who can afford, are either not convinced or are not interested. Poor marketing has also been one of the contributory factors. To enhance the Islamic insurance penetration in Middle East the, existing as well as prospective operators must intelligently position themselves in terms of marketing activities that can satisfy the needs of the market. The following strategies should be adopted by a marketer (insurance operator).

- 1) **Product Design:** According to the latest concept of customization, the product should not only be adequate but competitive also. As we know the for customization, it is essential to know the requirement of the customer so the takaful product should be designed by considering the future need of the participants.

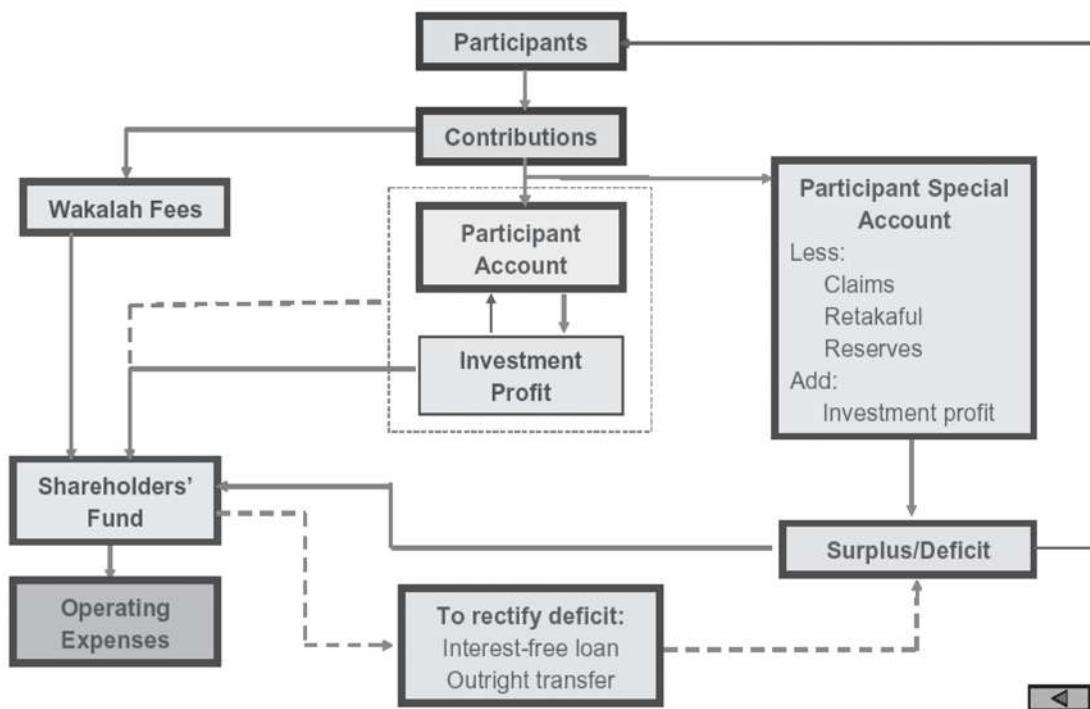


Exhibit 2: Brief Illustration of Wakalah Model

Source: Report of Bank Negara, Malaysia

- 2) **Price:** With takaful, Retakaful facilities should be established. Avenues of investment must be accordance with Shariah Principal.
- 3) **Place/Distribution:** The muslim population is approximately one-fourth of the world population but the premium collected is less than 1 percent of the world GDP. Takaful products should be matched on a big way in Muslim countries.
- 4) **Promotion:** Takaful product should be promoted by trained and experienced personnel. Special programmes should be initiated to train the manpower on technical aspects of insurance as well as on the Shariah laws. Just like the Malaysia, research institute should be established to educate and train the manpower.

International Experience

The very first Takaful company was established in 1979 - the Islamic Insurance Company of Sudan. Today there are some 28 registered Takaful companies worldwide writing takaful directly and 10 more as Islamic windows or marketing agencies placing

insurance risk with conventional and takaful companies. New takaful companies have been established recently in Sri Lanka and Tunisia. At least four more Takaful companies are under formation in the Middle East (viz. Kuwait, UAE and Egypt). Several other Takaful companies are being contemplated in various countries such as Pakistan, Australia and Lebanon. It is also understood that interest is shown in Takaful in South Africa, Nigeria, and some of the former states of the Soviet Union. The Life Insurance Corporation of India has set the ball rolling on takaful. LIC's new international joint venture company - Indo-Saudi Insurance Company will be the first to introduce takaful in India.

A broad estimate of the total Takaful industry premium in 2006 is approximately US\$1.7b for both life and non-life business, of which around approx. 63% pertains to Gulf countries. Malaysia is one of the largest markets outside the Arab region for Takaful, writing 28% of the total premium from takaful business (Yusof, 2001). Figure-3 presents the area wise takaful industry premium.

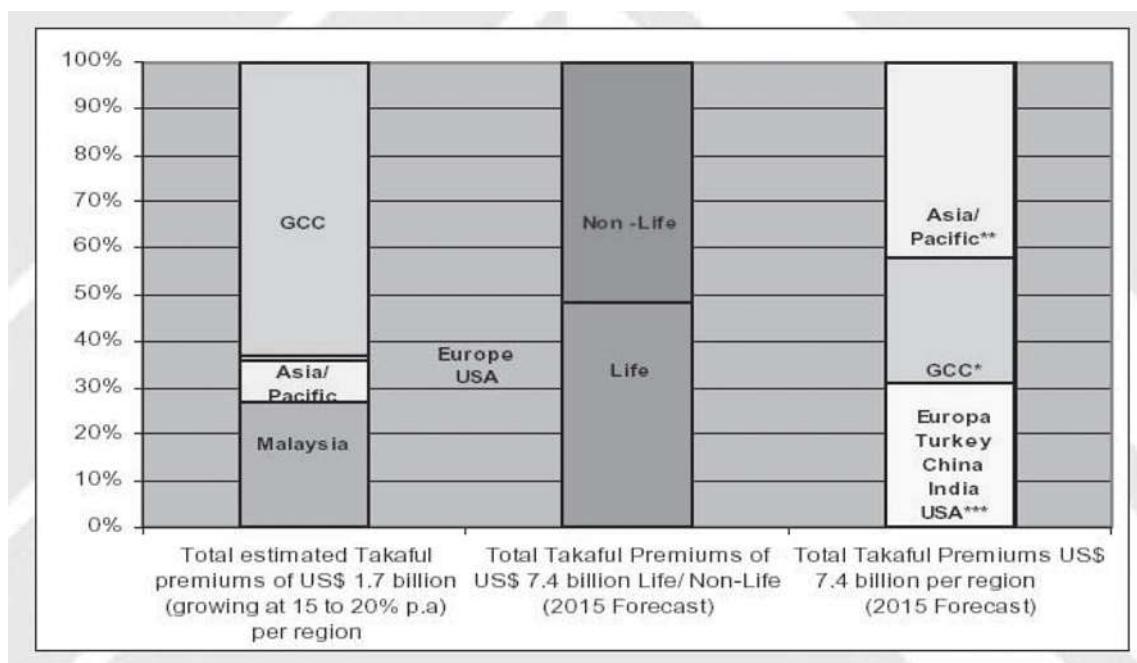


Exhibit 3: Takaful Industry Outlook 2006 Total Takaful Premiums

Source: Shuaa Capital

The strength of the Muslims all around the world is 25 percent of total population. In comparison of that the takaful premium is very low. It is therefore clear that takaful has considerable development potential.

Challenges

The challenges faced by the takaful can be segmented into four parts.

- i) **Internal Factors:** Due to traditional and cultural reasons the young Muslims are not keen to take up a career in the field of insurance. Resultantly the industry has to face a shortage of skilled and efficient staff. The problem is lack of new product development. As the industry is growing the rate of new innovations are not accordingly. No proper standards for operations and accounting have been maintained to regulated the takaful properly.
- ii) **External Factors:** The biggest factor, which has been proved, as obstacle in the growth of takaful industry is small numbers of investment avenues available with the takaful operator to invest according to rule of Shariah. Some other factors are role of the government, the regulatory framework, the competitive environment etc.
- iii) **Client Profile:** Muslims community is spiritual by nature. They perceive investment and taking investment risk is against their religion. So a deep conversation is required between takaful operators and participants so that the facts can be cleared them by stating the historical and religious evidence.
- iv) **Shariah Issues:** The rules of the Shariah are not very much clear about the takaful practices. So there is a need to frame uniform and clear rules for takaful operations according to Shariah.

Conclusion

Islamic financial system is governed by the Islamic principles known as Shariah stated in Quran Sarrif that are based on the idea of risk sharing, ethical financing, discouraging hoarding and gambling etc. Takaful is also one of the Islamic financial products, which is designed on the above lines. It has appeared as an alternative to the conventional insurance plan, which was declared unacceptable as it contravenes some of the Islamic principles. Takaful is a cooperative risk protection method under which all participants make an investment pool, which can be used by them in case

of any mishappening. It is different from the conventional method as it emphasises on the concept of solidarity and joint guarantee; self-reliance and self-sustainability for community well being; Community risk pooling system; and assistance to those who need it. It helps a community as well as an economy by generating mutual cooperation among its participants. There is still some myths and confusions surrounding the concept which create hurdles in the growth of takaful. These can be dispelled by the active participation of the Islamic prophets, scholars and other members of the community. Once the awareness grows, the actual benefits of takaful can be reaped.

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