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The Chairman speaks ...

Rate of energy consumption is an indicator of economic growth of our country. China and India are two fast growing Asian economies facing the critical challenge of meeting a rapidly increasing demand for energy. Both the countries are deeply concerned about the fact that any amount of potential energy shortfall can constrain or even retard future economic growth. Therefore, both these countries are now forced to take up aggressive plans for energy generation.

It is estimated that by 2030, the energy consumed by China and India will be around one quarter of the energy consumed in the world. These two countries alone will be responsible for nearly 40 per cent of growth in world's energy consumption.

As such, while China and India grow rapidly there seems to be an apprehension among other nations that their increasing demands for energy and resources will rapidly see the world's natural energy resources wiped away. Therefore, they even argue for immediate adoption of appropriate regulation and control on energy consumption.

In this issue we bring to you as lead article a very informative paper titled "Regulation/Strangulation: 'Three' in the race for energy chase" by an authority on the subject, Dr.Yitzhak Shichor, Professor, Department of Asian Studies, University of Haifa, Israel. This paper was presented by Dr.Shichor at the three-day International Conference on India-China-US Triangle convened jointly by Tsinghua University, China, Harvard University, USA and Centre for National Renaissance, New Delhi at SCMS-COCHIN during January 2008.

This issue also brings to you a variety of articles on contemporary topics like Intrapreneurship, Cyber-retailing, Dividend payout, Job satisfaction and others. I am sure you will enjoy reading it.

Dr.G.P.C.NAYAR
Chairman, SCMS Group of Educational Institutions

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Editorial

Sense of Touch and Business

Every sense is associated with an organ of our body: sight with the eye, sound with the ear, taste with the tongue, and smell with the nose. There is a fifth one too, the sense of touch, difficult to explain along these lines. The studies in psychology and physiology show that touch has direct and crucial effects on the growth of the body and the mind. Touch is a means of communication so critical that its absence retards growth in infants, owing to the neuro-chemical effects of skin-to-skin contact. Certain brain chemicals released by touch, or others released in its absence, may account for the infant's failure to thrive. The studies are relevant against a backdrop of continuing research on the psychological benefits of touch for emotional development.

In business, touch is important in many products and services. It can be a direct experience with a product. It can be about the contact with our skin. Touch and its implications on customer behaviour or the importance of touching products during buying process and the lack of it in non-touch-media like e-commerce and mail order have been researched. The purpose is the effect of tactile sense, visual sense and order of simulation on the product attitude. The purpose is the effect of product attitude of utilitarian product and hedonstic product individually.

A lot of research has been done on the haptic aspects of touch. This kind of work has been classified into four categories. The first category of experiments is used to test the quality of fabric and the order of simulation by controlling the experiment environment and the affecting time, the main material of this experiment being fabric. The second refers to the difference noted between touchable product and untouchable product, to control different information and the literature description on the product, the main materials of this experiment being brooms and diamonds. The general research findings are as follows: i) the effect of tactile sense, vision and order of simulation and the product attitudes are significant, ii) the effect of order of simulation matched by tactile sense on the product attitude is significant, and iii) the effect of order of simulation matched by vision on the product attitude is not significant. The third category is about utilitarian product, providing rational written description as better than perceptual written description. The fourth one is about hedonistic product, providing perceptual written description as better than rational written description. The creation of a full sensory and emotional experience for the customer can open marketing opportunities in the future, but there has been little research work done carried out in recent years on the potential of cutaneous perception as a marketing tool. Haptics, the branch of psychology that investigates cutaneous sense data, has the potential to open up many avenues in business. Haptics, as the science of integrating the sense of touch into human/ computer interactions, promises to greatly expand the reach of computer into everyday life. "Someday soon, drivers will be alerted by a little tap on their shoulder when another car is riding in their blind spot." Two business applications for haptics are virtual reality (including games and medical training) and remote operation (teleoperation). Haptics allows users to touch and feel objects in CAD/CAM and similar systems.

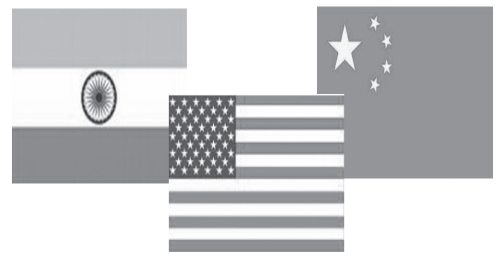
The tactile sense will reign supreme in inventions and innovations in the realm of business and industry in the days to come and it will be an integrating force in organizational culture.

Dr.D.Radhakrishnan Nair

Editorial Assistant: Mr.E.V.Johnson **Assistant Editor: Dr.Susan Chirayath**

Regulation / Strangulation

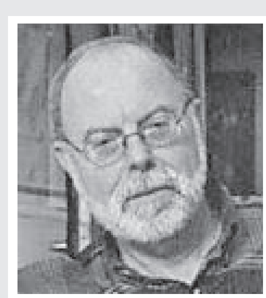
"Three" in the Race for Energy Chase



Yitzhak Shichor

This paper discusses the United States-China-India competition over energy resources, primarily in a strategic perspective and, consequently, concentrating mostly on oil. In 2006 China spent $100.168 billion on energy import, of which 91.6 per cent ($91.754 billion) for crude oil, 5 per cent ($5.07 billion) for coal and 3.4 per cent ($3.363 billion) for natural gas. This paper is based on two assumptions: that world production will manage to cater for total world consumption and that the development of oil substitutes that is now being undertaken in several countries, even if successful, is unlikely to affect dramatically the international oil market and oil demand by 2030.

Twenty years ago it would have been very difficult to predict the forthcoming change in the international power balance, primarily in economic terms. In his two published lectures, originally delivered in 1985 and reprinted, with a new preface, in 1989 after the Tiananmen massacre, Dwight Perkins still put a question mark on the possibility that China would be "Asia's next economic giant."[1] Today there is no question mark that China has already become Asia's first economic giant, and, furthermore, India is on its way to become the second. It is only a question of time – and politics. Together with the United States, these three have already begun to dominate world economics and their role is bound to increase in the future. To begin with, although the share of their combined populations in the world total is forecasted to decline slightly, from 42.8 per cent in 1980 to 39.7 per cent in 2030, China, India and the United States still account for solid and stable two-fifths of the world population (Table 1), an incredible workforce with a huge potential for economic growth.



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This potential is already being materialized literally speaking. While the United States is still considered the world's number one economy, China and India, based on higher and relatively stable growth rates, are catching

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TSINGHUA UNIVERSITY
(China)
HARVARD UNIVERSITY
(US)
CENTRE FOR NATIONAL RENAISSANCE
(India)
at

SCMS-COCHIN

In the paper Prof. Yitzhak Shichor of Haifa University (Israel)
probes into the global oil-hunt.
He treats it like a mildly undertaken endeavour today.
But it has the potential to metamorphose into a
wildly competitive enterprise tomorrow.
The unusual calm in the chase can take a violent turn, he fears.
The paper is a treasure-house of valued knowledge.

Table 1: Population, 1990-2030: US, India, China
(Millions)

Country	History			Projections					Growth
	1990	2003	2004	2010	2015	2020	2025	2030	1990-2030
US	254	291	294	310	324	337	351	365	43.7%
India	849	1,070	1,087	1,183	1,260	1,332	1,395	1,449	70.7%
China	1,155	1,299	1,307	1,355	1,393	1,424	1,441	1,446	25.2%
Sub-Total	2,258	2,660	2,688	2,848	2,977	3,093	3,187	3,260	44.4%
World Total	5,278	6,312	6,388	6,841	7,217	7,577	7,906	8,203	55.4%
Percent	42.8	42.1	42.1	41.6	41.2	40.8	40.3	39.7	-7.2%

Source: Adapted from Energy Information Agency (EIA), *International Energy Outlook 2007*, p. 97.

Table 2: Average Annual GDP Growth, 1980-2030: China, India, US
(Per cent per Year)

	History					Projections		
Country	1980-2004	2004	2005	2006	2007	2007-2015	2015-2030	2004-2030
China	9.8	10.1	9.9	10.5	9.5	7.2	5.4	6.5
India	5.8	8.5	8.7	7.9	7.6	5.9	5.0	5.7
US	3.1	3.9	3.2	3.3	2.5	2.9	2.9	2.9

Source: Adapted from Energy Information Agency (EIA), *International Energy Outlook 2007*, p. 10.

up. Although their GDP growth rates are also predicted to decline in the future (Table 2), these rates would still be among the highest in the world and, combined with their huge population, are bound to have a remarkable impact on the world economy. Otherwise very different, what the United States, China and India have in common is that they do not have enough domestic oil and other energy resources to feed their economic growth and to satisfy the growing needs of their populations.

Since their domestic energy production, primarily oil grows at a much slower pace than energy consumption, primarily oil – the United States, China and India will have to depend increasingly on energy import, primarily oil, and on investment in energy resources abroad. This process has already begun, long ago for the United States and in the mid-1990s for China and India. However, given the anticipated decline in world energy resources ("peak oil") – and even if these will continue to expand – these three countries may have to compete over international energy resources. This competition, that has already begun, could develop two ways: either cooperation, or confrontation; either regulation, or strangulation; either they hang together, or they hang separately. This paper discusses the United States-China-India competition over energy resources, primarily in a strategic perspective and, consequently, concentrating mostly on oil. In 2006 China spent $100.168 billion on energy import, of which 91.6 per cent ($91.754 billion) for crude oil, 5 per cent ($5.07 billion) for coal and 3.4 per cent ($3.363 billion) for natural gas.[2] This paper is based on two assumptions. One, that world production will manage to cater for total world consumption; Two, that the development of oil substitutes that is now being undertaken in several countries, even if successful, is unlikely to affect dramatically the international oil market and oil demand by 2030.

Problems and Variables

Potential and actual competition over oil resources among the three giants, the United States, China and India, is a function of three variables: growing consumption, slowed production and increased reliance on external suppliers for import.

Consumption

By the end of the 20th century and the beginning of the 21st, the map of world energy consumption had changed dramatically. While energy consumption of traditional and "heavy" consumers, mainly in Europe and Japan, has considerably slowed down, the United States, as well as new consumers, notably China and India, has accelerated their dependence on energy import, upsetting time-honoured patterns of global energy supply. In terms of GDP calculated by purchasing power parity (PPP), the US, China and India had become the largest energy consumers in the world by 2003. From 1990 to 2003, while the US remains in the first place, China jumped from the fourth to the second while India jumped from the fifth to the third. These three are going to top the list of primary energy consumers in the world for a long time to come. It is forecasted that from 2010 China will rank as number one, the US number two, and India number three, and this ranking will remain unchanged through 2030 (Table 3, 4).

Table 3: GDP of the Largest Energy Consumers in PPP Terms, 1990-2030
(Billion 2000 Dollars)

Country	History			Projections					Average Annual % Change, 2004-2030
	1990	2003	2004	2010	2015	2020	2025	2030	
US	7,113	10,301	10,704	12,790	14,698	17,077	19,666	22,494	2.9
Japan	2,862	3,289	3,363	4,042	4,042	4,211	4,339	4,473	1.1
Russia	2,241	1,780	1,907	2,264	3,1481	3,680	4,281	4,954	3.7
China	2,002	7,013	7,722	12,994	7,912	23,981	31,023	39,594	6.5
India	1,703	3,434	3,727	5,649	7,460	9,646	12,287	15,607	5.7

Source: Adapted from Energy Information Agency (EIA), *International Energy Outlook 2007*, p. 86.

Table 4: Rank of the Largest Primary Energy Consumers, 1990-2030
(In Million Barrels of Oil Equivalent)

Rank	History			Projections				
	1990	2003	2004	2010	2015	2020	2025	2030
1	**US**	**US**	**US**	**China**	**China**	**China**	**China**	**China**
2	Japan	**China**	**China**	**US**	**US**	**US**	**US**	**US**
3	Russia	**India**	**India**	**India**	**India**	**India**	**India**	**India**
4	**China**	Japan	Japan	Japan	Japan	Japan	Japan	Russia
5	**India**	Russia	Russia	Russia	Russia	Russia	Russia	Japan

Source: Adapted from Energy Information Agency (EIA), *International Energy Outlook 2007*, p. 86.

The effects of this increased consumption have begun to be felt in the international oil market already since the early 1980s (Table 5). The share of China and India in world oil consumption more than quadrupled from 1980 to 2006 while US oil consumption grew only by 21.3 per cent in that period. While the share of all three increased from 30.8 per cent in 1980 to 36 per cent in 2006 (by 16.9 per cent), the share of China and India increased from 3.8 per cent in 1980 to 5.2 in 1990, 9.0 per cent in 2000 and 11.54 per cent in 2006 (by 203.7 per cent) and is expected to reach nearly 15 per cent in 2015 and over 17 per cent in 2030.

Approximately similar trends are evident in share of all three in the world total liquid energy consumption in the past, and in the future. Their share of less than 31 per cent by 1990 reached nearly 36 per cent in 2004. It is expected to reach nearly 37 per cent in 2010, nearly 38 per cent in 2020, and nearly 40 per cent in 2030 – a 29 per cent increase from 1990 to 2030. While the US share is forecasted to decline from 25.6 per cent in 1990 to 22.6 per cent in 2030 (by 13.1 per cent), China's share in 1990 (3.5 per cent) is expected to grow by 285.8 per cent to 13.35 per cent in 2030 and the share of India will grow from 1.8 per cent in 1990 to 3.74 per cent in 2030, by 107.8 per cent (Table 6).

Table 5: Oil Consumption, 1980-2006: US, China, India

(Thousand Barrels per day)

Country	1980	1985	1990	1995	2000	2005	2006
US	17.056	15,726	16.988	17,525	19,649	20,802	20,687
India	643	895	1,168	1,575	2,127	2,438	2,499
China	1,765	1,885	2,296	3,363	4,796	6,720	7,273
Sub-Total	19,464	18,506	20,452	22,663	26,572	29,960	30,459
Share of World	30.8	30.8	30.8	32.3	34.7	35.8	36.0
China and India	2,408	2,780	3,464	4,938	6,923	9,158	9,772
Share of World	3.8	4.6	5.2	7.0	9.0	10.9	11.54

Source: http://www.eia.doe.gov/emeu/international/RecentPetroleumConsumptionBarrelsperDay.xls

Table 6: Liquid Energy Consumption, 1990-2030: US, China, India

(Million Barrels of Oil Equivalent per day)

Country	History			Projections				
	1990	2003	2004	2010	2015	2020	2025	2030
US	17.0	20.0	20.7	21.4	22.6	23.8	25.0	26.6
India	1.2	2.3	2.5	2.7	3.2	3.6	4.0	4.4
China	2.3	5.6	6.4	9.4	10.5	11.9	13.6	15.7
Sub-Total	20.5	27.9	29.6	33.5	36.3	39.3	42.6	46.7
World Total	66.5	79.8	82.5	90.7	97.3	103.7	110.4	117.6
Percent	30.8	35.0	35.9	36.9	37.3	37.9	38.6	39.7

Source: Adapted from Energy Information Agency (EIA), *International Energy Outlook 2007*, p. 88.

In terms of liquid energy consumption, The US will remain number one oil consumer throughout the entire period, 1990-2030, while Japan will remain number three. China, that was number four in 1990, became number two oil consumer in 2003 and will stay there to 2030. India that was number eight in 1990 jumped to number five in 2003 and is expected to become number four by 2010 and stay there until 2030 (Table 7).

Production

While all three are oil producers, none produces enough oil to provide for the growing consumption. The third oil producer in the world (following Saudi Arabia and Russia) US oil production has declined steadily by over 25 per cent, from around 11.2 million barrels per day in 1985 to about 8.3 million barrel per day in 2005. While China's oil production has increased steadily from 1980 to 2006, by over 82 per cent, its average annual oil production growth was rather modest, at 1-2 per cent, way below the rapid GDP growth. And although India has witnessed the most dramatic 4.6 time growth in oil production between 1980 and 2006, its ratio of production to consumption is the smallest among the three (Table 8).

Table 7: Rank of the Largest Liquid Energy Consumers, 1990-2030
(In Million Barrels of Oil Equivalent**)**

Rank	History			Projections				
	1990	2003	2004	2010	2015	2020	2025	2030
1	**US**	**US**	**US**	**US**	**US**	**US**	**US**	**US**
2	Russia	**China**	**China**	**China**	**China**	**China**	**China**	**China**
3	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan
4	**China**	Russia	Russia	Russia	**India**	**India**	**India**	**India**
5	Mexico	**India**	**India**	**India**	Russia	Russia	Brazil	Brazil

Source: Adapted from Energy Information Agency (EIA), *International Energy Outlook 2007*, p. 88.

Table 8: Liquid Energy Production, 1980-2006: US, China, India
(In Million Barrels per day and per cent)

Country	1980	1985	1990	1995	2000	2005	2006	Change
US	10.809	11.192	9.883	9.340	9.058	8.322	8370	–22.6
China	2.114	2.505	2.768	3.060	3.378	3.781	3.858	+82.5
India	186	525	682	770	770	835	854	+359.1

Source: <http://www.eia.doe.gov/emeu/international/RecentTotalOilSupplyBarrelsperDay.xls.>

These trends are expected to remain in the future. While all three are going to increase liquid energy production, they by no means will catch up with growing consumption. By 2030 US output is predicted to reach its 1980s level of 10.2 million barrels of oil equivalent per day, up 24.4 per cent over 2005. China's output will reach 4.9 million barrels of oil equivalent per day, up 28.9 per cent over 2005 and India's production is predicted to reach 1.3 million barrels of oil equivalent per day, up 44.4 per cent over 2005 (Table 9). Altogether their liquid energy production will grow, yet at a slower pace of a little over 27 per cent compared to the world total output growth of a little less than 40 per cent, between 2005 and 2030. The share of the US, China and India in the world total liquid energy production that used to be 20.4 per cent in 1990, will fall to 13.9 per cent by 2030, a decline of nearly 32 per cent.

Table 9: Liquid Energy Production, 1990-2030: China, India, US
(Million Barrels of Oil Equivalent per day)

Country	History			Projections				
	1990	2004	2005	2010	2015	2020	2025	2030
US	9.6	8.6	8.2	9.5	10.0	10.1	10.1	10.2
India	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.3
China	2.8	3.6	3.8	3.8	3.7	4.2	4.6	4.9
Sub-Total	13.5	13.0	12.9	14.3	14.8	15.5	16.0	16.4
World Total	66.3	82.9	84.3	90.7	97.4	103.8	110.4	117.7
Percent	20.4	15.7	15.3	15.8	15.2	14.9	14.5	13.9

Source: Adapted from Energy Information Agency (EIA), *International Energy Outlook 2007*, p. 187.

Could these three countries stop the decline in oil production and produce more oil in the future? Except for marginal increases, this is highly unlikely given their proved oil reserves and reserve-to production ratio (Table 10): at the current production rates and at current proven reserves, the US have about 11 years of oil production, China has 16 years (down from 24 in 2000) and India still has 22 years of oil production. For many years to come, perhaps indefinitely, these three countries will remain very dependent on external oil suppliers as their domestic oil production could hardly keep pace with the much faster increasing demand.

Import

This decline, caused by slower oil production, means that the gap between production and consumption will become deeper, forcing the US, China and India to increase oil import. Their growing dependence on import is demonstrated in Table 11. Within ten years, from 1996 to 2006, US import of oil increased by 40 per cent; China's by nearly 11 times; and India by 85 per cent. The intensity of the competition over oil resources will depend on their availability. The Energy Information Agency statistics that are used in this study assume that world oil production will cover world oil consumption. By implication, the possibility that world oil production will decline by 2030 would entail a tougher and perhaps even violent competition over scarce oil resources. In any case, peak oil production is predicted by EIA around 2037, although fluctuations both backward and forward, upto ten years or more, may occur.

Of the three countries discussed in this study, China is a newcomer as an oil importer. For about forty years, from the early 1950s to the early 1990s, the People's Republic of China (PRC) had played a marginal role in the international energy market. While developing its own oil industry during its first twenty years, China had become a net oil importer, primarily from the Soviet Union and Romania. By the early

Table 10: Proven Oil Reserves: US, China, India
(In Barrels, per cent and Years)

Items	USA	China	India
Reserves (Billion Barrels)	21.8	16.0	5.6
2005 Production (Million Barrels per day	5.18	3.61	0.66
2005 Share in World Production (Per cent)	7.2	5.0	0.9
Reserve-to-Production Ratio (Years)	11	14	22

Source: Adapted from Energy Information Agency (EIA), *International Energy Outlook 2007*, pp. 37-38.

Table 11: Oil Production and Consumption 1996-2006: US, China, India
(In Million Tons and per cent)

	USA			China			India		
Year	Prod.	Cons.	Import	Prod.	Cons.	Import	Prod.	Cons.	Import
1996	382.1	836.5	454.4	158.5	173.8	15.3	36.3	81.1	44.8
1997	380.0	848.0	468.0	160.1	196.0	35.9	37.3	86.5	49.2
1998	368.1	863.8	495.7	160.2	197.0	36.8	36.5	92.5	56.0
1999	352.6	888.9	536.3	160.2	209.6	49.4	36.5	100.3	63.8
2000	352.6	897.6	545.0	162.6	223.6	61.0	36.1	106.1	70.0
2001	349.2	896.1	546.9	164.8	227.9	63.1	36.0	107.0	71.0
2002	346.8	897.4	550.6	166.9	247.4	80.5	36.7	111.3	76.6
2003	338.4	912.3	573.9	169.6	271.7	102.1	36.9	113.1	76.2
2004	329.2	948.7	619.5	174.1	318.9	144.8	37.9	120.2	82.3
2005	313.3	951.4	638.1	180.8	327.8	147.0	36.2	119.6	83.4
2006	311.8	938.8	627.0	183.7	349.8	166.1	37.4	120.3	82.9
Share	8.0%	24.1%	16.1%	4.7%	9.0%	4.3%	1.0%	3.1%	2.1%

Source: Adapted from BP, *Statistical Review of World Energy* (June 2007), pp. 9, 12.

1970s, and following the Sino-Soviet break, China had become a net oil exporter mostly to Japan and North Korea. By the mid-1980s, as the Four Modernizations had begun to pick up speed, China's oil export reached its climax contributing approximately one quarter of its foreign trade income. Although it was self-sufficient in oil in those years, the PRC still began to import oil, primarily from Southeast Asia, to cover the shortage created by its increased oil export and to lubricate its accelerating economic growth.

It is quite possible that Beijing had underestimated China's high economic growth and its impact on energy consumption, especially since oil production was growing slowly at 1-2 per cent annually, well below annual GDP growth. This is why in 1993 the trend was reversed and since then China has become a net oil importer once again, yet now on an unprecedented scale and as a major player in the international energy market. In the mid-1990s, and in order to feed its thirsty economic system, Beijing has launched a wide range investment drive buying concessions in oilfields all over the world and, in addition, has increased and diversified substantially its oil (and gas) import. China's continued fast economic growth is dependent on an increased supply of oil, although its energy consumption still relies primarily on coal (69.4 per cent in 2006) and less on oil (only 20.4 per cent in 2006). India also relies heavily on coal (51 per cent in 2006), but the share of oil in its energy mix (36 per cent) is considerably higher than in China. In the US the share of oil is the highest (39.8 per cent in 2006) while the share of coal and gas is 22.5 per cent each (Table 12). Therefore, China may appear less vulnerable to oil shortages compared to the US and India, but this is misleading. As motorization is growing fast, China will need more and more oil since cars cannot run on coal. This is true also for India and the US whose economies will still rely on more oil in coming years.

Indeed, the US, whose reliance on oil is the highest among the three, is forecasted to import 16.4 million barrels of oil equivalent liquid energy per day in 2030, a growth of 44 per cent over 2003 – the slowest rate of all. China, whose reliance on oil is the lowest, is forecasted to import 10.8 million barrels of oil equivalent liquid energy per day in 2030, a growth of 440 per cent (or 5.4 times) over 2003 – the highest rate of all. India, whose reliance on oil is higher than China's but lower than that of the US, will import 3.1 million barrels of oil equivalent liquid energy per day in 2030, a growth of 106.7 per cent (or twice) over 2003 (Table 13).

Table 12: Energy Mix 2006: US, China, India
(In per cent)

Energy	USA	China	India
Coal	22.5	69.4	51.0
Oil	39.8	20.4	36.0
Gas	22.5	3.0	9.0
Others	15.2	7.2	4.0

Source: USA: EIA; China: *Statistical Yearbook 2007*; India: KPMG, *India: Energy Outlook 2007*.

Table 13: Liquid Energy Import, 1990-2030: China, India, US
(Million Barrels of Oil Equivalent per day)

Country	History			Projections				
	1990	2003	2004	2010	2015	2020	2025	2030
US	7.4	11.4	12.5	11.9	12.6	13.7	14.9	16.4
India	0.5	1.5	1.6	1.7	2.1	2.4	2.7	3.1
China	-0.5	2.0	2.6	5.6	6.8	7.7	9.0	10.8
Sub-Total	7.4	14.9	16.7	19.2	21.5	23.8	26.6	30.3

Source: Adapted from EIA, *IEO 2007*, p. 88, 187.

Consequently, all three are expected to become more dependent on oil import, whose share oil consumption will grow. This growth will be most evident in China, which in 1990 was still a net oil exporter. Becoming a net oil importer since 1993, China had to accelerate its oil import to keep up with its economic growth. By 2007 oil import had already accounted for nearly 50 per cent of China's oil consumption and is expected to reach nearly 60 per cent by 2010 and nearly 70 per cent by 2030. The share of import in the US oil consumption is also expected to grow, although more slowly, from 43.6 per cent in 1990 to nearly 62 per cent in 2030. India, whose oil import accounted for 41.7 in 1990, is expected to import 70 per cent of its oil consumption by 2030 (Table 14).

Table 14: Share of Import in Oil Consumption, 1990-2030: China, India, US
(In per cent)

Year	US	India	China		Year	US	India	China
1990	43.6	41.7	-21.5		2005	58.0	65.8	43.7
1997	49.2	55.8	16.1		2006	60.0	65.8	47.0
1998	51.0	58.7	19.6		2007	59.5		49.4
1999	53.9	62.3	24.0		2010	59.3	63.0	59.6
2000	54.0	63.8	29.6		2015	55.6	65.6	64.8
2001	54.4	64.2	30.2		2020	57.6	66.7	64.7
2002	54.5	64.0	31.6		2025	59.6	67.5	66.2
2003	56.1	65.0	36.2		2030	61.7	70.0	68.8
2004	55.8	65.0	43.2					

Source: Adapted from EIA

There are scores of countries whose import-to-consumption ratio is much higher than that of the US, China and India. The entire oil consumption of South Korea, Taiwan, Singapore and Japan is based on import. The share of import in Germany's oil needs is around 94 per cent and 80 per cent in Pakistan. What is so special in the oil import of the US, China and India is the substantial volume and growth rate. Their import seems to be growing much faster than the growth in available resources, implying that their share in the international oil supply will inevitably erode others' share and may by all likelihood, lead to competition, friction and ultimately confrontations. This happened in the past and is happening at present.

Competition and Confrontation

In this triangular pursuit of crude oil, the potential for confrontation between Beijing and Delhi is relatively low because India's oil demands are, and will remain, smaller than China's and because these two countries tend to cooperate in the energy market (see below) and do not compete for predominance. Yet, the potential for confrontation between both, and primarily China, and the United States, is relatively higher because together they constitute an oil import bloc that rivals the United States and at the same time challenge Washington's predominance. The US-initiated 'China threat,' therefore, is by no means limited to the East Asian military balance but applies also, and perhaps even more, to the economic balance in which the drive for energy resources is crucial.

Excluded Suppliers

The friction over energy resources with the United States takes place in two contexts: first, in the context of the so-called 'pariah states' that allegedly belong to the 'axis of evil' or considered 'supporters of international terrorism.' While the United States has deliberately and willingly withdrawn from these countries and reduced its interest in their energy resources to a minimum – it is urging other countries to do the same and adopts a critical attitude toward those which stay. The most prominent representatives of this policy are Iran and Sudan. Less concerned about the abuse of human rights; an oppressive treatment of minorities; continued internal conflicts and insecurity, Indian and Chinese oil companies smell an opportunity and rush to fill the vacuum created by the withdrawal of Western oil companies headed by the United States. Responding to allegations that China's relations with 'rogue states' has been motivated by oil needs, Beijing's *People's Daily* admitted frankly that "Chinese oil companies usually target countries that other foreign investors are unwilling to enter, such as Iran, Venezuela and Sudan, because it is too hard to compete with the large Western oil companies."[3] In other words, since most of the main oil-producing countries have been dominated, not to say monopolized, by Western oil companies, China and India have no choice in order to obtain the oil that is crucial for their economic growth but to rely on 'leftover' oil-producing countries that are occasionally defined as 'pariah states.' One example is Sudan.

The predominant player in Sudan's oil market, China had begun its activities in 1996. A year later CNPC (China National Petroleum Corporation) joined consortium known as the Great Nile Petroleum Operating Company (GNPOC) with a 40 per cent stake – the largest share. In 2003 India's ONGC Videsh (a subsidiary of the Oil and National Gas Corporation) acquired a 25 per cent equity stake in the GNPOC. This consortium dominates oilfields in Sudan. CNPC is also involved in Sudan's oil market through a consortium established in 2004 (Petrodar) and ONGC has a 23.125 per cent stake in a consortium called White Nile Petroleum Operating Company (WNPOC). Under US pressure oil companies that had operated in Sudan, including American, Canadian and Austrian, had to leave – also because of the deteriorating security situation and mainly due to the Darfur crisis. China, as the main investor in Sudan oil economy (as well as in other sectors) has attracted most of Washington's criticism, including veiled threats to disrupt the upcoming Olympic Games.[4] Iran is yet another example.

Iran, like Sudan, has been subjected to a number of US sanctions which, by Executive Orders, prohibited US companies as well as their foreign subsidiaries from conducting business with Teheran. Executive Order 12957 specifically banned any "contract for the financing of the development of petroleum resources located in Iran." The August 1996 *Iran-Libya Sanctions Act* (ILSA) facilitated the imposition of sanctions on any company, irrespective of its corporate "nationality," that invests over $40 million per year (lowered a year later to $20 million) in the Iranian oil and gas sectors. Based on Teheran's alleged "support for international terrorism, efforts to undermine the Middle East peace process, and acquisition of weapons of mass destruction," these sanctions have been waived or relaxed from time to time but they still exist.[5]

Iran, unlike Sudan, does not allow an almost wholesale takeover of its energy market and infrastructure by foreign companies. Therefore, China's presence in Iran's energy sector has begun only in 2004 and has been more limited. CNPC operates two oil and gas projects and provides a variety of engineering and technical services that include geophysical prospecting and well drilling.[6] Yet, on December 9, 2007, Sino-Iranian energy relations were given a boost when Sinopec, the biggest Chinese oil refiner and petrochemical producer, signed a $2 billion deal to invest in Iran's Yadavaran oilfield, implementing a memorandum of understanding already reached in October 2004. US criticized the deal: "Major new deals with Iran, particularly ones like these involving investment in oil and gas, really undermine international efforts" to pressure Iran to comply with obligations already in place under the UN Security Council resolutions. China's Foreign Ministry swiped aside Washington's complaints saying that this was a commercial transaction based on the principle of equality and mutual benefit in which no government should interfere.[7] India's ONGC Videsh was supposed to become part of the deal, following negotiations with Iran that date back to January 2004. In 2006 it was reported that Sinopec will have 51 per cent of the deal while ONGC Videsh will acquire 29 per cent,[8] but there was no word about it when the deal was signed recently. Needless to say, Iran is one of China top crude oil suppliers. In 2006 China imported 335,000 barrels per day from Iran, up 17.6 per cent over 2005, or about 11 per cent of China's total crude oil import. India reportedly imported 302,000 barrel per day from Iran in 2006, over 18 per cent of its total crude oil import.

Two other examples of 'pariah states' are Syria and Libya. US sanctions against Libya were lifted in 2004, and imposed on Syria in the same year, although their effects on energy investments are limited. While both China and India are involved in Syria's oil market, their import from this country, which apparently reached its peak oil output in 1996, is marginal. CNPC had launched its activities in Libya in 2002, before the US-imposed sanctions were removed, winning a contract to construct a pipeline, a project completed in July 2004. In late 2005 it signed an exploration and production-sharing agreement with Libya.[9] In 2006, only 5 per cent of Libya's crude oil export went to the PRC, some 76,000 barrel per day or about 2.5 per cent of its total crude oil import. But potential competition and confrontation among the US, China and India over energy resources exist also in other oil-producing countries beyond the 'axis of evil.'

Included Suppliers

The second context for US-China-India friction involves "free" competition, primarily, but not only, in new oil-producing countries. Relevant examples are Kazakhstan, Iraq, Russia and South America. Although in some cases Chinese oil companies have been successful in winning oil contracts at the expense of US oil companies, in other cases Washington tried to block China's entry to the oil markets. US policy of oil denial has been directed more against China then against India since Beijing is considered, from the early 1990s, a threat. Moreover, the competition between the US and China might become more vicious for two main reasons. First, while the US is fighting to remain superpower number one, to maintain its higher standard of living and to preserve the status quo – China, as a hungry power, is striving to reach a higher standard of living and to challenge the status quo. China's future economic growth depends on obtaining a constant flow of oil. Second, as a result of their impressive economic growth so far, and the prospects that it will continue in the future, the Chinese have accumulated lots of funds, namely, they can offer higher payments and additional benefits to potential oil suppliers – without any political preconditions, any admonitions about human right abuse, and any attempt to promote democracy. China's policy tends to succeed when carried out beyond US reach – and tends to fail when carried out within its immediate reach. Therefore, while competition over oil resources is a normal routine among oil companies and is generally based on economic considerations entirely divorced from politics, occasionally, and especially in the case of China (and perhaps with India as well) this competition is determined not only by economic considerations but also by political ones.

China's international oil policy began to tread on US toes probably in 1996, when the PRC initiated what may be termed – definitely in hindsight – a dramatic breakthrough. Within a year or two the Chinese were signing production-sharing agreements (PSAs) with a number of governments, in a drastic departure from their past behavior. Beijing was no longer content with regular and traditional crude oil import but now wanted to establish its own "oil bases" – sometimes called "overseas bases," *haiwai jichu* – "so as to guarantee our country's long term and steady supply of crude oil import [*quebao woguo jinkou yuanshi de changqi wending gongying*]."[10] Signed with Kazakhstan, Iraq, Sudan, Venezuela and Peru (as early as 1993), these agreements paved the ground for China's "oil security" to this very day, and for many years to come. All had something to do with the United States, one way or the other.

In Kazakhstan CNPC won a tender, occasionally called "the contract of the century" (but later overshadowed by other oil deals), defiantly outbidding a number of major US oil companies such as Amoco, Texaco, and Unocal.[11] Since then China has greatly expanded its activities in Kazakhstan which include three PSAs and a pipeline, but a CNPC attempt to join the Kashagan oil consortium was blocked. In 2005 Chinese oil concessions produced nearly 132,000 barrels per day, but only 30,000 barrels per day were exported to China, by rail. In 2005 China also acquired the PetroKazakhstan Oil Company that controls addition 11 oilfields and explorations rights. When the second section of the oil pipeline – whose construction was launched on December 11, 2007 – will be completed on October 1, 2009, it will enable China to import some 200,000 barrels of crude oil per day. Iraq's oilfields were even more promising.

In 1996 Iraq, still under UN sanctions, approved a Chinese proposal to develop the al-Ahdab oilfield with an estimated reserve of 1.4 billion barrel. In 1997 China and Iraq signed a 50 per cent post-sanction PSA, to be implemented over 22 years with a $1.26 billion investment.[12] In addition, the Chinese were holding negotiations with Baghdad aimed at acquiring production rights in at least three other Iraqi oilfields, based on the assumption that the UN sanctions would be lifted soon. These PSAs were to become a crucial primary source of relatively cheap, steady and accessible oil supply to China – with a combined capacity of well over one million barrels per day, an incredibly high volume. However, one of the first measures taken by the US was to suspend all the oil agreements signed with Saddam Hussein, including China's. It is only recently that an initial breakthrough has become possible, enabling China to resume its activities and implement its oil PSAs in Iraq, following required modifications.[13] Needless to say, through these years the US has imported large quantities of Iraqi oil – in 2002-2006, for example, an annual average of 536,000 barrels per day according to EIA statistics, or an annual average of over 696,000 barrels per day, according to OPEC statistics.

In trying to predict the potential for friction and conflict within the triangle US-China-India, and primarily with the US, we have to distinguish between three kinds of crude oil suppliers. For one those that traditionally supply oil almost entirely to the US but not, or very little, to China and India. The prospects for conflict with the US over oil supply from these countries, e.g. Canada and Mexico, appear to be rather small. For another, those countries that do not supply oil to the US but supply a good deal of oil to China and India. The prospects for conflict with the US over oil supply from these countries, e.g. Sudan and Iran, likewise appear to be rather small. Finally, there are those countries that supply both the US as well as China and India. The prospects for conflict with the US over oil supply from these countries, e.g. Angola, Nigeria, Saudi Arabia and Venezuela, appear to be rather high. This is especially true with regard to those regions considered a US "reservation," such as the Persian Gulf as well as South America.

As mentioned above, China launched its pursuit of energy resources in South America in Peru, already in 1993, the year China became a net oil importer. Since then Beijing has expanded its activities in the continent, known as the US backyard, in many other sectors and countries, such as Ecuador and Venezuela. In 2006 Venezuela's crude oil export to China reached 80,000 barrels per day (twice the amount of 2005 of 39,000), about 2.3 per cent of China's total oil import. However, most of Venezuela's oil exports, in fact some two thirds, go to the US – despite the continued friction between the two countries. CNPC has been involved in Venezuela since 1997 in a number of projects. Given the political orientation of Venezuela, it is possible that China's share would be increased but it is unlikely that a real competition would develop with the US in South America.[14]

But it may well develop in the Persian Gulf because its oil reserves are the largest in the world, because of the relatively cheap production costs and availability, and also because of accessibility, the relative proximity to China and India and the relatively short shipping lines. Much of the future competition would concentrate anyway in the OPEC members, where the gap between production and consumption is going to stay wide for a long time to come. The US is trying to reduce its crude oil import from the Persian Gulf which, together with Saudi Arabia, accounted for 37.3 per cent of the US total crude oil import in 2001, 34.8 per cent in 2003 and only 27 per cent in 2006. The Persian Gulf is still China's main oil supplier and its share is expected to increase as other suppliers' reserves would decline.

Cooperation and Collaboration

Despite the potential for triangular conflict, the three sides have realized that it is in their interest to come to terms and avoid a possible confrontation. Still, the relations among them are not parallel. China and India really cooperate with each other in oil exploration, production and marketing, while the United States prefers involvement *in* China and India rather than *with* China and India. In recent years, however, there have been indications of growing readiness to regulate triangular oil relations to diminish, not to say avoid, trilateral friction and disruption of the oil market. In this respect the three countries represent an isosceles, not an equilateral triangle.

Sino-American Divergence

Given the fact that until 1993 China was still a net oil exporter, its emergence as an oil importer whose needs are growing consistently, is a relatively new phenomenon. This is why efforts of coordination and cooperation among the big oil consumers, who are at the same time potential competitors, have been so slow and reluctant, but they have begun to gather momentum. To be sure, the US and China have engaged in an energy dialogue ever since the establishment of diplomatic relations between the two in 1979. A number of structures have been created such as the US-China Oil and Gas Industry Forum, initiated in 1998, or the US-China Energy Policy Dialogue, launched in 2004. Bilateral energy issues have also been discussed in the China-US Joint Commission on Commerce and Trade (JCCT) meetings. These meetings have accelerated in recent years and even more so in recent months, but they somehow sidestepped and ignored potential competition and rivalry over the exploration, development and acquisition of foreign crude oil. Instead, the meetings have concentrated on bilateral domestic issues that mainly concern environmental problems such as improving energy efficiency and clean energy in China's industries; launching energy-saving mechanisms; promoting oil alternatives and bio-fuels; reducing carbon dioxide emissions; and the construction and management of strategic reserves.

In fact, much of this cooperation is ultimately directed at decreasing the two countries' growing dependence on oil import and at increasing their energy security during times of significant supply disruption."[15] Karen Harbert, Assistant Secretary for Policy and International Affairs in the US Department of Energy indeed said that the main issue was China's strained energy infrastructure and price controls, not diplomatic rivalry: "Competition for resources is not really an issue."[16] But it will be, and perhaps sooner than expected. Some argue that "the real conflict brewing between the two powers is not because of direct competition for physical barrels of crude, but rather because oil is inextricably linked to other foreign policy issues on which Beijing and Washington don't see eye to eye."[17]

And: "The Real risks are not from competition in the global marketplace. Rather they would arise when oil and gas development gets caught up in larger foreign policy issues, of which those involving Iran and Sudan are currently the most obvious," in Daniel Yergin's words. He urges the US and China "to ensure that commercial competition does not turn into geostrategic rivalry.[18] It seems to me that it may be the other way around. It is Sino-US geo-strategic rivalry that leads to a vicious competition for oil resources. On the other hand, the ultimate competition, though yet implicit, is for actual barrels of crude oil, with foreign policy issue serving as a cover-up. In this competition, China and India are the underdogs as Washington time and again betrays the principles of free trade.

By September 2006, a number of US oil companies had already invested $5 billion in twenty Chinese ongoing oil and gas exploration projects. China has invited major US oil companies not only to invest in China but also to welcome Chinese companies as partners in overseas projects, especially in offshore oil development. Jeffrey Jarrett, US Assistant Secretary for Fossil Energy urged Chinese and US oil companies to seek more cooperative opportunities as the best way to cope with the challenges created by the global energy shortage problem.[19] However, Chinese attempts to acquire energy assets in the US have been rejected. In 2005 CNOOC retreated from its $18.5 billion bid to acquire US oil producer Unocal Corporation after facing tough opposition from the US Congress. The Chinese complained that it will be quite inconvenient to seek government permission after rounds of [business] negotiations are completed.[20]

Beijing has tried to sidestep these obstacles by concentrating on US assets outside the US. In April 2007 it was reported that CNOOC and Sinochem were preparing to bid $1.5 billion for assets in West Africa that were to be auctioned by Devon Energy, one of the largest US oil producers.[21] No progress has been reported by the time of writing. Yet, some progress has been made in Sino-US partnership in overseas energy projects. US oil corporation Chevron has already joined CNOOC in the development of a gas-export venture operated by China off the coast of Western Australia, which delivered its first shipment of liquefied natural gas (LNG) to China in June 2006. Chevron is in talks with Chinese oil producers to cooperate on exploration and production projects not only inside China but also outside.[22] This act may have been the beginning of a beautiful friendship....

Sino-Indian Conversion

What is an exception in US-China energy relations has already become a practice in India-China energy relations. As mentioned above, Chinese and Indian oil companies have been cooperating in oil exploration and joint bidding for oilfields in a number of countries including Sudan, Syria, Colombia and Nigeria, not to ignore that in January 2007 CNPC has started construction of a 1,600-km natural gas pipeline that will span India's east to west coast. Built with India's Reliance, it should be completed by late of December, 2007.[23]

Although China and India have started their cooperation in the late 1990s in Sudan, its progress has been rather slow. The two countries competed with each other for energy resources overseas, driving up acquisition costs. In this race, quite often India not only lagged behind but eventually lost. In October 2004 ONGC Videsh lost a bid for an oil block in Angola, offering a signature bonus of $310 million. Sinopec won the bid by offering $725 million.[24] In August 2005 ONGC-Mittal lost a bid to CNPC to acquire PetroKazakhstan. In September 2005 ONGC Videsh suddenly withdrew from a bid for an oil asset in Ecuador, letting Chinese oil companies to win. The reason for these failures is not only money, of which China has plenty (whereas CNPC has invested some $50 billion in energy ventures abroad, ONGC invested only $5 billion). India could not catch up with China in the race for energy resources also because of the inability or unwillingness of its government to provide the necessary financial and moral backup and to take risks; because of its geographical disadvantage – lacking direct access to Russian and Central Asian energy resources (Iran, a potential source of energy, is separated from India by Pakistan, not a friendly neighbour). Also, India's cumbersome decision-making process and the organization of its energy market, all make it more difficult to compete with China.[25]

The breakthrough in Sino-Indian energy relations was in December 2005 when CNPC and ONGC have won an auction for PetroCanada Syrian oilfields, first time together. Following the sale, most observers said that a lasting union between the two countries was unlikely. It appeared that Delhi needed cooperation with Beijing much more than Beijing needed cooperation with Delhi. Kang Wu, of the East-West Center in Hawaii, commented: "There will be a mix of competition and co-operation; it will definitely not tilt fully towards cooperation."[26] By the end of 2006, however, the two countries had been definitely moving toward greater cooperation.

In January 2006 China and India signed five memoranda on energy cooperation aimed at turning China and India from strategic competitors to strategic partners, namely, to join forces, where possible, in bidding for all third-country oil assets and to exchange information in such bids.[27] A sign in this direction was the acquisition of Ominex de Colombia, a subsidiary of a US oil group, by a Sinopec-ONGC Videsh joint venture in August 2006. Again, skeptics underscored the marginality of the deal compared to the huge Chinese oilfield acquisitions and doubted the continued Sino-Indian energy cooperation,[28] but throughout 2006 the two countries continued to discuss possible joint bidding for other oil assets abroad.[29] These discussions culminated in the visit of India's Petroleum and Natural Gas Minister Murli Deora in China in December 2006. The two countries agreed to fully implement the provisions of the Memorandum on Cooperation in the field of Oil and Natural Gas, signed in January 2006.[30] Following the agreement, it was expected that China and India would accelerate joint bidding in third countries, but so far nothing has been reported.

Prospects: Rules of Engagement

From Washington's standpoint, its main problem with China and India is not that they are exploring all possibilities to guarantee a steady supply of oil to feed their growing economies, which are perfectly legitimate, but the way they do it. Occasional dialogues held between the US, China and India uncovered very different conceptions of energy security. Allegedly, the US has stressed supply diversity and reliance on the global oil markets based on gaining access to exporters. China (as well as India), however, have allegedly been trying to "lock up" equity deals through the acquisition of oil assets as a way to increase energy security. In other words (attributed to Spiro Agnew), for the US "the bastards have changed the rules without telling." Washington believes that oil equity deals are unlikely to bear fruit. As Karen Harbert, assistant secretary for policy and international affairs, the US Energy Department, said "It is not feasible for China to own all the resources and reserves it will need to fuel its economy."[31] Washington is also concerned that, because they have direct access to government gofers, Chinese oil companies are willing to overpay for crude oil and other energy resources and can afford to outbid major international oil corporation and offer a variety of bonuses and benefit packages that private companies cannot produce. Harbert said: "What we are concerned about is … [China's] very aggressive pursuit of assets around the world, if they are willing to put aside market principles."[32] Earlier she remarked: "The United States has an important role to play in encouraging China to adopt responsible energy policies and strategies that place China in full accordance with international norms."[33]

It is precisely this kind of a condescending and patronizing tone that drives China mad. But the question still remains: why are the Chinese so aggressive in their pursuit of oil and other energy resources? One answer has to do with culture and behaviour. Chinese authorities usually react not to actual situations but to potential ones, that is, not to the situation as it is but to the situation as it might be in the future if immediate and tough measures are not taken now. This pattern of behaviour applies also to China's oil policy. Even if China's present oil needs can be satisfied by traditional import policies, future needs have to be addressed now, in an aggressive and uncompromising way. Another answer is that, as mentioned above, China, for all its economic achievements and new international status, still feels threatened, encircled and intimidated. As Zhang Yuqing, Deputy Director of the Energy Bureau of the NDRC (China's National Development Reform Commission), sarcastically put it: "If we aren't allowed to go to this place or that place, then where should we go?"[34]

The answer is: more engagement. Testifying before the Foreign Affairs Committee of the US House of Representatives, three experts agreed that China and India should be brought into the global energy system and included in the IEA (International Energy Agency) whose membership is currently restricted to OECD countries (Organization for Economic Cooperation and Development). Daniel Yergin has pointed out that "It would be wiser – and indeed it is urgent – to engage these two giants in the global network of trade and investment rather than see them tilt toward a mercantilist, state-to-state approach." This is a key diplomatic strategy to secure the stability of US oil supply and at the same time to assure China and India that their energy interests will be protected in the event of energy shortfalls and turbulence.[35] Words, however, have still to be translated into deeds.

It is expected that the US-China-India competition for oil resources, relatively mild so far, would become less so as oil needs will increase (and they will), and oil resources will decrease (and they will). Within a decade or two, as marginal suppliers will run out of oil, this competition would inevitably concentrate on the Persian Gulf, perhaps also on the Caspian Sea, whose reserves could last for many decades. By that time the US-China-India competition could reach cut-throat dimensions and if regulation is not adopted sooner, some oil importers will have to face strangulation later.

Notes

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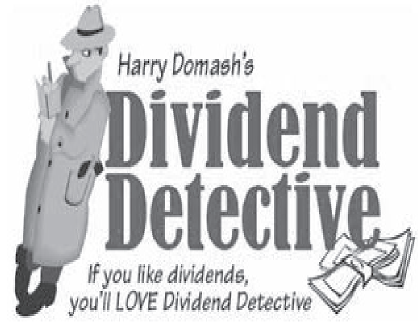
Indian Corporate Backdrop

Dividend Payout and Agency Issues



Santanu K.Ganguli

Empirical study based on a sample of 137 frontline Indian companies for five year period (2002-06) reveals that dividend payout ratio is around 30 per cent. Cross-sectional regression analysis suggests that availability of free cash flow from operation impacts dividend distribution, but not capital investment. Increase of leverage seems to have impacted dividend distribution in last two years (2005 and 2006) of the study and the finding is consistent with agency theory. Overall low payout not prompted by capital investment and leverage for first three years (2002-04) in particular, indicates possible agency problem characterised by personal benefit, wasteful expenditure and empire building by the management. The study reveals factors other than mitigating agency problem to influence dividend distribution.

The impact of dividend distribution by the companies on valuation has always been a subject matter of considerable debate, discussion and even controversy. Dividend distribution is subject to legal restriction meaning thereby that the Board of Directors can not declare any amount it chooses. In India, according to the Companies Act, 1956 dividend can be paid only out of profit after providing for the minimum rate of depreciation incorporated in the schedule XIV to the Companies Act. The logic is - dividend must be paid out of surplus in a way that it must not lead to erosion of equity from the standpoint of accounting measurement. Hence, dividend announcement by the Board 'per se' signals positive earning by the company. Again dividend distribution may happen in several ways. Declaration of cash dividend at a certain rate on the paid up value of shares by the Board in respect of a financial year is the commonest way of passing on a part of surplus cash to the shareholders. Another form of dividend distribution is the issue of bonus shares also called *stock dividend*. Further, there exists another way of dividend payment which is stock repurchase also known as buy-back of shares. According to Brealey and Myers (2003) 'Repurchases are like bumper dividends, they cause large amount of cash to be paid to investors.'

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The decision as to how much profit (after providing for depreciation) will be distributed by way of dividend – that is – in other words, what will be dividend payout ratio, primarily depends upon investment opportunities. A company with growth potential – likely to make substantial capital investment in near future may follow low or even 'zero' dividend payout policy. If the market can rightly perceive the potential of the company in terms of generating adequate future cash flow through such capital investment, the same should be reflected in the capital appreciation so far as the value of the shares of the company is concerned despite low or zero dividend policy. On the other hand, a mature company having substantial cash flow with no immediate project requiring heavy capital investment in hand should distribute cash among the shareholders. The dividend payout ratio of a mature company with a steady cash flow should be high with the relatively low but steady capital appreciation. If profits are earned and there is a lack of investment opportunities in positive NPV (net present value) projects, non-distribution or inadequate distribution by way of dividend not only results in erosion of value but also promotes a tendency to misuse the cash by the managers for personal benefit, wasteful expenditure and empire building [used to denote managerial preference to run large business rather than small one. Becoming large from small is not always a positive net-present value project. Acquisition leading to reduction of shareholders' wealth or failing to bring about synergy (in value creation) - is an example of empire building activity]. Tirole (2005) describes such phenomenon as 'extravagant investment.'

Review of Literature on Dividend Distribution

There exist a number of conflicting theories of finance and empirical explanations surrounding cash dividend and their impact on shareholders' wealth. According to Modigliani and Miller or MM (1961), dividend payment is a financing decision. It is the positive net present value (NPV) of the estimated future cash flow from operating and investment decisions that create value of an enterprise. It is immaterial whether a part of such value is distributed as dividend or not. Thus dividend payment is essentially distribution of value and not creation thereof. In a perfect world implying perfect capital market, 'nil' transaction and information cost, no tax impact, a given investment policy of the firm that do not undergo change frequently, dividend does not matter.

Lintner (1962) and Gordon (1963) argue that dividend is less risky than capital gain. There is an element of certainty as to dividend than capital gain that might not be realized. Thus, dividend lowers r_e-cost of equity. MM disagreed and said that investors are indifferent between dividend and capital gain. MM called Linter and Gordon's argument as 'bird-in-the hand fallacy.'

Black (1976) posed a question – Why does a firm pay dividend at all? And – why do shareholders insist upon dividend payment? If the capital gain is not taxed or taxed at a rate lower than the dividend then they (shareholders) will be able to avoid tax payment on dividend if the same is not paid. They will be better off by selling share at a convenient time and realizing capital gain attracting less or zero tax. The concept of paying dividend is a 'puzzle.' To answer why firms pay dividend – Miller and Rock (1985) suggest that dividend is relevant because it signals economic earning and earning prospects. Dividend speaks about genuine cash flow more loudly than the reported accounting earning and therefore is a practical way of reducing 'information asymmetry.' Thus hike in dividend rate is a way of conveying management's confidence about the continuance of earning quality and superior cash flow of the projects undertaken. Jensen (1986) suggests that dividend address 'agency problems.' According to agency issue unless the corporate profits are distributed as dividend the same may be used by the corporate insiders (management) for their personal benefits, wasteful expenditure and empire building. More specifically, according to Jensen – 'Payouts reduce the resources under manager's control, thereby reducing manager's power, and making it more likely they will incur the monitoring cost of the capital markets which occurs when the firm must obtain new capital. Financing projects internally avoids this monitoring ....' The problem of free cash flow (defined as – 'cash flow in excess of that required to fund all projects that have net present value when discounted at the relevant cost of capital') is- 'how to motivate managers to disgorge cash rather than investing it at below the cost of capital or wasting it on organizational inefficiencies.'

Laporta, Lopez-De-Sines, Shleifer and Vishney (2000) observe 'firms in common law countries, where investors protection is better, make higher dividend payout than firms in civil law countries do. Moreover, in common but not civil law countries, high growth firms make lower dividend payouts than low growth firms. These results support the version of the agency theory in which investors in good legal protection countries use their legal powers to extract dividends from firms, especially when reinvestment opportunities are poor.

Objective of the Study and Hypothesis

From 2003, Indian Capital Market has been witnessing an unprecedented bull run despite occasional volatility and jerks. As a result of the relentless Bull Run for last few years, market capitalization of Corporate India has multiplied manifold. The most common explanation of this Bull Run is- it is backed by 'growth story' of industrial sector. In other words, according to the analysts the run is backed by growth of company fundamentals – revenue, profit and operating cash flow growth. The Corporate India has demonstrated its potential of generating high earning capability. Some corporate houses have handed out generous dividend to the shareholders in recent years. Certain frontline companies (like Hero Honda Motors Ltd., HCL Technogies, Infosys, HLL, Bajaj Auto and so on) have paid as much as 400 per cent or more dividend for 2005-06. The objective of the study is to examine empirically the dividend payout behaviour of the frontline Indian companies in the light of the existing literature on agency theory.

In the context, we hypothesize that Indian firms distribute free cash flow by way of dividend to mitigate the agency problem.

Data Source and Research Methodology

Initially data were sought to have been collected from prowess database of CMIE (Center for Monitoring Indian Economy) in respect of BSE 200 Index companies of five financial years (2001-02 to 2005-06) for analysis. These 200 companies represent the top 200 companies in terms of market capitalization. However, we excluded the companies which - 1) went for listing in secondary markets after the financial year 2002, 2) are purely banking and finance/financial service companies, 3) state and central govt. commercial enterprises and 4) companies for which data were unavailable for continuous five financial years (that is – 2001-02 to 2005-06) – the study period. Altogether 137 companies out of 200 consisting of companies from all major industries like auto, cement, steel, pharmaceutical, chemicals, FMCG, construction, retail, IT, software and so on satisfied our conditions. These 137 companies constitute sample of frontline Indian companies for our study.

The methodology we put to use is the presentation of various measures of dividend payout, free cash flow and capital investment in summary form, and the undertaking cross-sectional multiple regression analysis for hypothesis testing.

Table 1: Statistics of PAT and Dividend Payment

Year	2001-02	2002-03	2003-04	2004-05	2005-06
Number of firms earning profit (PAT) and paying dividend	112	117	126	129	132
Number of firms having PAT and not paying dividend	12	15	8	6	3
Number of firms incurring loss and not paying dividend	13	5	3	2	2
Number of firms incurring loss and paying dividend out of past profit	Nil	Nil	Nil	Nil	Nil
Percentage change in PAT	14.67	26.53	38.12	36.27	27.19
Percentage change in dividend	22.46	28.03	45.05	12.55	35.50
Dividend Payout Ratio	32.34	32.73	34.37	28.39	30.24
Number of firms increasing dividend	67	86	110	103	116
Number of firms decreasing dividend	35	21	4	12	6
Number of firms with no change in dividend	35	30	23	22	15

Data Analysis:

A. Summary Statistics

1) Dividend Policy (2001-02 to 2005-06)

The Table – 1 contains the measure of dividend payment of the sample firms. The change in Profit after tax (PAT) and dividend are respectively measured by –

i) (Total PAT_t – Total PAT_{t-1}) / Total $PAT_{t-1,}$

ii) (Total $Dividend_t$ – Total $Dividend_{t-1}$) / Total $Dividend_{t-1}$

Cash Flow and Capital Investment

According to section 205 of the Indian Companies Act, 1956 read with the Indian Accounting Standard, dividend can be declared and paid only after provision made in the accounts in respect of depreciation, current and deferred tax liability. From finance angle it is not the accounting profit but the cash flow from operation available after tax also termed as net operating profit after tax (NOPAT), is the determinant for dividend payment. According to definition given by Jensen (ibid) - Free Cash Flow (FCF) = NOPAT – Fund needed for NPV project. If there is no NPV project, then obviously by definition, FCF = NOPAT. Again, NOPAT = PAT+Depreciation. NPV projects can be funded either by NOPAT (that is, internal generation) or borrowing or fresh issue of share capital or using all of them. If amount required for funding NPV projects is more than internal generation of fund, then the firm should resort to borrowing / fresh issue and thereby it will be enhancing shareholders value. In that case, mathematically FCF becomes negative (as NOPAT < Fund needed for NPV project). Again, a firm can go for 100 per cent payout even when there is NPV project. In that case it has to resort to borrowing or fresh issue entirely for funding the NPV project. Hence, it is the NOPAT which is free for investing in NPV project or distribution (partly) as cash dividend under law. No distribution of cash dividend is possible out of borrowing or in a manner that results in reduction of share capital as per prevailing law. For our study FCF during period t is proxied by NOPAT of said period (t). The summary statistics of free cash flow and capital investment are given in table 2. For the purpose-

i) FCF in period t is given by:-
FCF_t=(PAT + Depreciation)$_{t,}$

ii) Growth in free cash flow (FCFG) in period t is given by:-$FCFG_t$ = (Total FCF_t – Total FCF_{t-1})/ Total $FCF_{t-1,}$

Gross fixed asset in period t is denoted by GFA_t. Capital Investment in time t (CI_t) is proxied by growth of gross fixed asset of the said period (t).

Thus, CI_t = (Total GFA_t – Total GFA_{t-1})/Total GFA_{t-1}

Borrowing

High debt means pressure upon the managers for servicing the debt by timely repayment of principal and interest. Thus,

Table 2: Statistics of Free Cash Flow and Capital Investment

Year	2001-02	2002-03	2003-04	2004-05	2005-06
Percentage Growth of FCF	17.32	20.11	27.84	31.27	21.78
Number of firms registering FCF growth	74	109	117	107	121
Number of firms registering FCF decline	63	28	20	30	16
Percentage Growth of Capital Investment (CI)	18.55	7.37	7.59	15.90	24.53
Number of firms registering CI growth	117	125	115	123	126
Number of firms registering fall in CI	20	12	22	14	11

high borrowing reduces agency cost associated with free cash flow. There is close monitoring by the lender/s on performance and fund management. Dividend payout is likely to be less in case of high debt. The summary statistics of total borrowing is given in table 3. For the purpose, growth in total borrowing in time t is given by – (Total Borrowing$_t$ – Total Borrowing$_{t-1}$) /Total Borrowing$_{t-1}$

Table 3: Statistics of Borrowing

Year	2001-02	2002-03	2003-04	2004-05	2005-06
Percentage Growth of Total Borrowing	14.30	2.33	4.24	15.24	15.45
Number of firms witnessing borrowing growth	59	61	63	75	74
Number of firms witnessing decline in borrowing.	73	70	68	56	55
Number of firms with 'Nil' borrowing					
for two consecutive years or more	5	6	6	6	8

Interpreting Summary Statistics

Table 1 shows that though there has taken place an increase of PAT as well as total dividend payment over the study period, dividend payout ratio remains a little over 30 per cent in all the years except for 2004-05 when it is even less (28.39 per cent). In 2001-02 and 2005-06, growth in capital investment is marginally higher than growth in FCF. In other years (2002-03 to 2004-05), growth in FCF is much higher than growth in capital investment. High FCF growth together with low dividend payout ratio appears to be a pointer to agency problem in those three years (2002-03 to 2004-05).

Regression Analysis

To test our hypothesis we formulate the following regression model:

$$DIV_{it}/EQUITY_{it} = \beta_0 + \beta_1 FCF_{it}/TA_{it} + \beta_2 CI_{it} + \beta_3 LEV_{it} \quad \ldots\ldots(1)$$

Meaning assigned to the Variables and hypothesized relationship:-

1) The numerator of dependent variable ($DIV_{it}/EQUITY_{it}$) means dividend plus dividend distribution tax (DDT) provided in the audited accounts of the i-th unit in t-th year and denominator denotes paid-up equity share capital of the corresponding unit of the said year. As per the Indian tax law dividend payout is compulsorily associated with payment of DDT, hence cash flow for dividend must include DDT. Dividend payment is generally expressed with reference to paid up value of equity share in percentage term. We have taken the quotient $(DIV + DDT)_{it}$ / $EQUITY_{it}$ as dependent variable which means dividend per rupee of paid up value of share. No adjustment is necessary for bonus or right issue and share buy back during the study period because dividend rate will be adjusted based on operating cash flow availability, investment (in NPV project) opportunity and leverage to mitigate agency problem. This point can be clarified by an example. Say, a company has a paid up equity share capital of Rs.100 crore and it has a PAT of Rs.10 crore. Our argument is the company should pay hypothetically by way of dividend (plus dividend tax) entire Rs.10 crore by way of dividend in absence of positive NPV project and borrowing to mitigate agency cost. This means (Dividend + DDT)/Paid up equity should be 0.10 (10/100). If the company issues bonus share in the ratio of 1:1, the total paid up capital would be Rs.200 crore. If PAT in a year subsequent to bonus share issue again happens to be Rs.10crore, the company should fix the dividend rate at 0.05 (10/200). The idea is - dividend rate should be so fixed that addresses the agency problem associated with free cash flow. In other words, increase of share capital as a result of bonus or right issue or reduction through buy back should impact the dividend rate in such a manner that addresses the agency issue.

2) The numerator of the first control variable FCF_{it} means net operating cash flow after tax ($NOPAT_{it} = FCF_{it}$ in absence of NPV project) and is given by (PAT + Depreciation) of each unit (i-th unit) for each year (t-th year) and TA_{it} denotes corresponding total assets at the end of each

year. In computing total assets, we have not considered deferred tax assets and fictitious assets of material amount as these items are outcome of accounting adjustments. The greater the operating cash flow generated by employing the total assets, the bigger will be dividend payment. We hypothesize a positive relation between dependent variable and FCF/TA.

3) The control variable CI_{it} means capital investment and it is given by growth of gross fixed asset (GFA_{it}).

$$\text{Hence, } CI_{it} = (GFA_{it} - GFA_{i(t-1)}) / GFA_{i(t-1)}$$

Higher the CI, lower will be Div / Equity. We hypothesize a negative relation between dependent variable and CI.

4) The numerator of the third control variable LEV_{it} is represented by $Borrowing_{it}$ / TA_{it}. $Borrowing_{it}$ means total borrowing of each unit and denominator TA_{it} denotes corresponding total assets at the end of each year. Total assets have the same meaning as assigned in (2) above. Higher the total borrowing, that is – higher the leverage, lower will be distribution. Hence, we expect a negative relation between dividend and leverage.

The cross-sectional regression result is given in table-4. The t- Statistics are given in the parentheses.-

The Correlation metrics of the independent variables of the entire five years period to verify multi-co linearity are incorporated below in Table-5.

Table 4: Cross - Sectional Regression Result

Variables	2001-02	2002-03	2003-04	2004-05	2004-05
CONSTANT	0.103 (0.537)	-0.112 (-0.258)	-0.211(-0.253)	0.993 (2.121)	1.109 (2.122)
FCF/TA	5.726 (5.863)*	8.320 (6.244)*	15.810 (3.621)*	5.553 (2.497)*	7.781 (3.231)*
CI	-0.003 (-0.351)	-0.284 (-1.311)	-0.408 (-0.328)	-0.004 (-0.710)	0.130 (0.484)
LEV	-0.325 (-0.749)	-0.063 (-0.121)	-1.536 (-0.878)	-1.769 (-1.733)**	-2.484 (-2.329)*
R^2	0.27	0.29	0.14	0.12	0.20

*Significant at 5% level. ** Significant at 10% level.

The metrics do not indicate any possible multi-co linearity problem among the independent variables.

Findings and Conclusion

In this paper we tried to analyze the impact of free cash flow, capital investment and leverage on the dividend payout policy by 137 frontline Indian companies in the light of agency theory. According to it (agency theory), if free cash flow is distributed by way of dividend and fund is raised from external sources (borrowing or public issue) to finance projects, then external monitoring reduces agency cost. Hence, at firm level, the relevant independent variables for determining dividend payout should be availability of free cash flow, capital

Table 5: Correlation Metrics

Variables	FCF/TA	CI	LEV
FCF/TA	1	0.057	-0.478
CI	0.057	1	0.029
LEV	-0.478	0.029	1

investment and leverage from agency theory standpoint. Our findings suggest that Free Cash flow is a statistically significant explanatory variable for dividend distribution with respect to paid-up equity share capital for each year of the five years study period (2001-02 to 2005-06). But the summary statistics shows that dividend payout ratio remains at little more over 30 per cent on PAT in all the years except in 2004-05 when it is even less. Thus, rise in rate of dividend (on paid up value) by increasing number of firms (Table-1) is the result of higher operating cash flow (proxy for free cash flow in our study) and not due to higher payout (in fact payout ratio declined in 2004-05 and 2005-06 compared to earlier years). As expected, capital investment is negatively associated with dividend in all the years except in 2005-06. But such associations are found to be insignificant statistically. Leverage, though found to be negatively associated with dividend distribution but such association is statistically significant in last two years of study only when the growth of borrowing is substantially higher than that of the immediate preceding years. Hence, a relatively higher debt might have impacted dividend distribution and it is consistent with the agency theory.

Low dividend payout (around 30 per cent) when growth in capital investment is not significant - specially in 2002-03 and 2003-04 and so the borrowing growth, indicates that agency issue surrounding dividend distribution has not been properly addressed. Low R^2 values of the regression equations suggest that the overall linear association between dividend distribution and relevant independent variables, namely – free cash flow, capital investment and leverage are not strong enough to suggest that the management attempted to address agency problem when it came to dividend distribution. Hence, factors other than agency issue seem to have played a role in dividend payout decisions during our study period.

Limitations of the Study and Scope of Further Research

The study is based on a sample of 137 frontline companies of BSE 200 index companies in terms of market capitalization meeting certain criteria elaborated in 'Data Source and Research Methodology' section. The finding may be different if we take into account larger sample including mid-cap and small-cap companies.

Substantial scope of research exists as regards the role of free cash flow and leverage in recent mega acquisitions including cross border ones to investigate whether such acquisitions are wealth-enhancing or wealth-destroyers from the investors' standpoint.

Key Words: Dividend, Free Cash flow, Agency Problem, Net Operating Profit after Tax (NOPAT), Profit after Tax (PAT), Borrowing, Capital Investment (CI), Net Present Value (NPV).

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Work Flexibility in Singapore

Josephine Ho See Kheng and Subramaniam Ananthram

Work and family arguably are two aspects of people's lives. Modern day pressure related to the continuous engagement in balancing work and family responsibilities has given rise to the concept of work flexibility. Although work flexibility is the means to mitigate work and family conflicts, a huge gap still exists between the demands of work and family responsibilities. The paper argues that this inherent gap between the demands of work and family needs to be reconciled first, before mutual reconciliation can be achieved. Responses from Singaporean dual-career workers, where both spouses were actively involved in work, have been sought using a pluralistic methodology. A total of 122 respondents participated in the quantitative phase of the study and 11 face-to-face interviews were conducted in the qualitative phase of the study. The key findings of the study suggest that both employers and employees need to appreciate the importance of work and family responsibilities and reconcile their requirements by working towards a relational contract that can demonstrate mutuality in their relationship for both parties to have a win-win situation.

Work and family are arguably, the two most important aspects of people's lives and they often conflict (Skitmore and Ahmad, 2003). Paid employment (monetary return) represents one of the most central realms for working adults offering the major source of satisfaction of varying needs from basic necessities to luxuries depending on their family priorities and affordabilities (Andrews and Withey, 1976; Greenhaus and Beutell, 1985; Carlson and Kacmar, 2000). Modern day pressures of balancing work and family responsibilities in an environment of increasing divorce rates, uncertain economic cycles, advances in technology and work related travel commitments and the inherent dynamism in the macro environment have increased role demands and stress for employees who are continuously striving to integrate work and family (Joplin, Shaffer, Francesco and Lau, 2003). These demands of balancing work and family responsibilities for active employees often conflict with the economic requirements of employers who are interested in maximising the returns for the shareholders (Creagh and Brewster, 1998; Johnson, 2004). In an attempt to mitigate these complex and conflicting requirements between employees and employers, contemporary

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organisations consider offering flexible working arrangements (Reilly, 1998; Johnson, 2004).

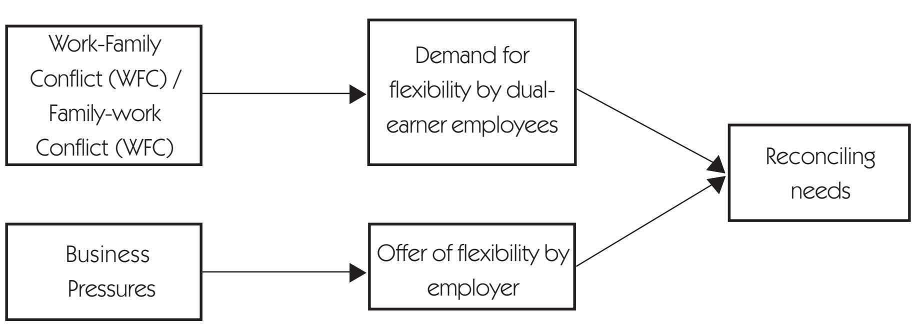
A number of researchers have argued that flexible working arrangements serve as a means of mitigating the employee-employer conflict (Aryee, 1992; Papalexandris and Kramar, 1997; Reilly 1998; Kim and Ling, 2001; Skitmore and Ahmad, 2003). While a number of studies and investigations have been conducted to provide approaches and effective strategies for flexibility initiatives in organisations (Kropf, 1999), few empirical studies have attempted to investigate factors that are associated with reconciling the different needs to employees and employers that give rise to 'mutuality.' In the Singaporean context, the work-family conflict has been reported in a number of studies (Aryee, 1992; Kim and Ling, 2001; Joplin et al., 2001; Skitmore and Ahmad, 2003). The studies identify that the most common forms of flexible working arrangements offered by organisations in Singapore, include flexi-time, compressed work weeks, part-time, job-sharing, tele-working and annualised hours which are further confirmed by the Ministry of Manpower statistics (2001). This paper attempts to further the understanding of the theoretical explanations for the offer of work flexibility by organisations in Singapore and whether these organisations are accommodating the balance of work-family priorities of dual-career employees.

The Ministry of Manpower Studies (2001) note the recent rise in Singaporean employees embracing dual-careers. The resurgence in the new generation of dual-earners puts increasing pressure on the employers to offer flexible working arrangements in order for their employees to balance their work and family priorities. Indeed, dual earners have more work-family concerns than singles, or married couples with one spouse staying at home (Lee and Chun, 1999); therefore the research presented in this paper focuses on a cohort of dual earners employed in Singaporean organisations. Consequently, one of the aims of the paper is to identify the role of employers and dual-career employees in reconciling their complex and conflicting needs through workplace flexibility arrangements and whether there is 'mutuality' in their relations in a Singaporean context. The paper develops a framework of the 'reconciliation of needs between employer and employees' by empirically identifying some antecedents that create this conflict. The framework and the theorised interactions between the variables outlined in the framework are discussed in detail next.

The 'Reconciliation of Needs' Framework

The framework in Figure 1 hypothesises that the "reconciliation" process between the employer and employee for the need of flexibility will be related to the dependent variables of *work-family conflict*, *family-work conflict* and *business pressures*. The framework explores two perspectives. The first perspective dealing with the demands of employees for flexibility in order to balance work and family and their ability to challenge the legitimate power and positional authority of the organisations to have their needs met. The second perspective explores the motives of employers in offering flexibility and whether their offer is aligned with what the employees need. Arguably, only when these different needs are reconciled that flexibility is able to mutually benefit both the employees and employers. The sections following the conceptual framework provide the theoretical underpinning for the variables and explain the linkages between them.

Figure 1: Framework of the 'Reconciliation of Needs' between Employer and Employee



Work-Family Conflict (WFC) and Family-Work Conflict (FWC)

WFC and FWC in this research are based on the premise that they are strongly correlated with one another but they are conceptually and empirically distinct constructs (Duxbury, Higgins, and Lee, 1994; Frone, Russell, and Cooper, 1992 cited in Noor, 2004). Early research by Kahn et al. (1964) cited in Greenhaus and Beutell (1985: 77) defines WFC as "a form of inter-role conflict where the role pressures from work and family are mutually incompatible in some respect." Netemeyer, Boles and McMurrian (1996: 401) add that "the time devoted to, and strain created by the job interfere with performing family-related responsibilities." This view was strongly upheld by Duxbury (2004). However, the impact is reverse for FWC as the time and strain factors created by the family will interfere with performing work-related responsibilities (Netemeyer, Boles and McMurrian, 1996). These conflicts lead to higher work/family distress when several tasks are required to be juggled at the same time to fulfill the same or different roles (Willams and Alliger, 1991 cited in O'Laughlin and Bischoff, 2005). These contentions provide explanations for the often difficult choice that an employer has to make between wanting an employee to channel time and energy into solving home dilemmas and using the same energy for the benefit of the workplace (Googins, 1991 cited in Skitmore and Ahmad, 2003). In other words, there is "a spillover in which the demands of one role exacerbate the stress in another role" (Edwards and Rothbard, 2000 cited in Netemeyer, Maxham III and Pullig, 2005: 132).

Demand for Flexibility by Dual-Earner Employees

When both spouses are in the workforce, couples will need to manage two jobs – one at work and one at home, which includes running a household and raising a family (Moen et al., 1999). It was found that women in dual-earner families tend to spend more time on household chores on workdays than do men which varies by the life stage they are in (Moen et al., 1999). This is also supported by other research studies which reported that women would have to bear the major responsibility for household and childcare matters although work-life conflict is an issue for both sexes (Longstreth et al., 1987; Lee-Gosselin and Grise, 1990; Loscocco and Leicht, 1993 cited in Lee and Choo, 2001; Posig and Kickul, 2004). If this inequality is being viewed as unfair by the partners then the tension or conflict between work and family would be high (Gilbert, 1988; Vannoy-Hiller and Philliber, 1991 cited in Burley, 1995). Contrary to this report, Wilkinson (1995), Lewis et al. (1999) and Warin et al. (1999) cited in Lewis (2001) that men, particularly among the younger generations are now more involved in parenting and are willing to modify work for family.

Tensions between work and family responsibilities have been responsible for affecting a person's well-being (Lee and Choo, 2001) and interfering with concentration at work, increased absenteeism, lateness and leaving work early (Grover and Crooker, 1995; Pitt-Catsoupes and Bankert, 1995 cited in Hall and Liddicoat, 2005). Statistics show that about 10,400 Singaporeans are admitted to hospital every year with a stroke showing a high correlation between stroke and stress (Quek, 2006). The effects of tensions will depend on their perceived balance between work and family life (Kang, 2001). Thus those with low perceived control over their life will have significantly higher levels of interference from work to family (Duxbury, Higgins and Lee, 1994 cited in Wallace, 2005) and they will demand for flexibility in order to cope with conflicts that arise from work or family (Adams 1993, Carnoy, 1999 cited in Hall and Liddicoat, 2005).

Business Pressures

The driving forces for organisation change at the macro level such as increased global competition, higher customer expectations, and growing importance of product innovation, more advanced forms of information technology and the changing demographics of the labour force are all demanding changes in the employment practices (Sharpe, 2002; Kochan and Verma, 1992). In order to remain competitive in the global marketplace, companies are focusing on delivering the needs of customer as quickly as possible through flexible, innovative and fluid processes as well as consolidating resources that will help to contain cost (Parasuraman and Greenhaus, 1997). Ulrich (1998) cited in Johnson (2004: 722) debates that the survival of business would depend on the "speed, responsiveness, agility, learning capacity and employee competence."

Organisations have become increasingly aware of the competing forces of economic, social and political pressures facing businesses today. In response to these pressures and to achieve sustainable growth, the cost of restructuring the business is passed onto employees in the form of downsizing, delayering, re-engineering and outsourcing. To reduce costs, there is an increased emphasis on creating flexibility to achieve better usage of labour. These pressures have reduced the security and predictability of employment relationships (Cappelli, 1999). For example, white collar and management positions as well as older and more educated workers are no longer protected from economic changes (Sharpe, 2002).

Offer of Flexibility by Employer

Flexibility can be viewed in the perspective of flexible employment which deals with shifting the size of the work forces according to consumer demand giving rise to the concept of non-standard employment arrangements part-time and temporary work, sub-contracting, and homework (Wooden cited in Callus and Lansbury, 2002). The concept of "flexibility" was advocated by some political leaders, business gurus and employers for the survival of business due to the increased global competition and volatile business conditions (Reilly, 1998).

Trade unionists, on the other hand, see the flexibility concept as a means to cut wage costs and increase employment insecurity which is linked to the ability of employers "to hire and fire" (Reilly, 1998: 8). This is also supported by many others who argued that "flexibility leads to low wage, low skills, low security employment" (Pollert, 1991 cited in Creagh and Brewster, 1998: 490) and that the structures of work have become so narrow and constrained that they do not meet the needs of today's more diverse workforce. This uncertainty about demand and labour requirements have driven organisations to make labour both cheaper and more easily variable in quantity (Atkinson, 1985 cited in Creagh and Brewster, 1998). Moreover, the rapid diffusion of information and communications technology has caused production systems, the methods of work and structures of organisations to be reorganised (Wooden cited in Callus and Lansbury, 2002) thus workers are required to be more highly skilled and sophisticated to handle a wider variety of complex tasks (Atkinson, 1985 cited in Creagh and Brewster, 1998). These changes have impacted on decisions based on when work is undertaken and how workers are employed (Wooden cited in Callus and Lansbury, 2002). The diversity brought by changes in the demographic workforce, for example, the ageing population and the increasing proportion of women in employment, changes in the social values as well as globalisation of economies and markets (Jackson and Ruderman, 1995; Way, 1999 cited in De Cieri et al., 2002) are driving organisations to offer flexibility as a response to the external pressures and in order to remain attractive to workers (Goodstein, 1994; Oliver, 1991; Dex and Scheibl, 2001; Lewis and Lewis, 1996; Lewis and Cooper, 1995 cited in Nadeem and Hendry, 2003; Fisher, 2000; Johnson, 2004).

Reconciling the Needs between Dual Earners and Employer for Flexibility

The reconciliation process depicted in the framework explicitly recognises that employers and employees have different needs (as identified in the previous sections) thus reflecting the need for both parties to continually negotiate, reconcile and match their differences. It is through this process that employers and employees will be able to identify 'middle ground' or 'mutuality' (Reilly, 1998). Firstly, the 'demand' variable in the framework depicts that employees are expected to take the initiative to make their needs known to the management in order to resolve their work/family conflicts and to satisfy their desires and needs such as balancing work and family commitments by taking up flexible working hours and saving commuting time and cost through tele-working (Reilly, 1998). Secondly, employers are expected to understand the demands of the employees and offer flexibility that would be able to meet those needs that are associated with workers' choice (Papalexandris and Kramar, 1997), for example, flexible hours for women wanting to fit work with their domestic needs (Reilly, 1998).

The ability of employees in demanding for flexible working depends on whether the resource is critical to the organisations such as skills, knowledge and positions which are central and difficult to substitute (Hickson et al., 1971; Pfeffer and Salancik, 1978 cited in Nadeem and Hendry, 2003). Research has found that work flexibility has been applied more to the career oriented and "white collar" jobs (Lewis and Lewis, 1996 cited in Sheridan and Conway, 2001) than workers on the production lines due to their increasingly longer and less predictable shifts (ACIRRT, 1999 cited in

Sheridan and Conway, 2001). This leaves organisations to decide whom they wish to retain and motivate hence there is no guarantee on the security of jobs which are more expendable (Lewis, 2001). The danger is that when flexibility is not applied to all employees, it may create workforce resentment (Johnson, 2004). However, some employees, particularly men may not take up work flexibility if this has an impact on their careers (Haas and Hwang, 1995; Raabe and Gessner, 1988 cited in Lewis, 2001; Johnson, 2004). These issues suggest that organisations will administer flexibility in accordance to the business conditions and needs of individuals and groups so that the practicalities of the flexible work arrangements are able to fit the organisation's business needs (Johnson, 2004).

The other variable in the framework depicting the offer of flexibility by employer looks at their motives and whether the offer is aligned with the needs of the employees. Generally, organisations are prompted by the need to achieve operational efficiency when making concessions to employees (MOM, 1999). In other words, the drive for the increased use of flexibility has come from employers (Meadows, 1996 cited in Smithson and Lewis, 2000). Examples are a short-term contract that is being repeated several times can be used to deny employment rights and avoid liabilities, atypical and zero hours contracts can be used as tools to cut costs (Reilly, 1998) and revised patterns of working hours actually conflict with domestic responsibilities (National Association of Citizens' Advice Bureaux, 1997 cited in Reilly, 1998).

Lewis (2001) contends that the new forms of work are apparently developed for a core workforce instead of the growing peripheral or contingent workforce. Research shows that investment in human capital is related to bottom-line business performance and "organisations are not responsible for 'creating balance' in people's lives" (Coffey and Tombari, 2005: 2). Doherty (2004) concurs with Evans (2001) cited in Yasbek (2004) that if the business case for flexibility were to evaporate and the economy has moved into recessions or downsizing, it is unlikely that employers would have voluntarily introduced flexible work arrangements simply to meet the needs of their employees or to promote equality. On the other hand, a UK research found that organisations may be forced to offer flexibility because employees are demanding it as an entitlement otherwise this would be in violation of their psychological contract (Management Today, 2003 cited in Smithson and Lewis, 2004).

These arguments surrounding the framework presented in Figure 1 demonstrate that the gap that represents the conflicting needs between employers and employees continue to exist and employees' need for balancing the conflicting demands of work and family have not been addressed (Burgess and Strachan, 1999 cited in Sheridan and Conway, 2001). In order to bridge this gap, organisations will need to align the needs of the business with the needs of the employees while soliciting the cooperation and commitment of employees to help achieve the corporate objectives through flexibility (Johnson, 2004). A pluralist methodology is employed to test the linkages postulated in the framework presented in Figure 1 with Singaporean dual-career employees, details of which are discussed next.

Methodology

Respondents and Site

The study employed a pluralist research design. Increasingly, scholars (Adler, Campbell and Laurent, 1989; Chaston and Mangles, 2001; Ellis and Watterson, 2001; Hauser, 1998; Hill, Miller, Weiner and Colihan, 1998; Offermann and Spiros, 2001; Teagarden, et al.1995; Wilk, 2001) are applying both quantitative and qualitative approaches to their investigations. The main reason why a pluralist approach is gaining currency is the recognition of a need to complement quantitative studies with qualitative research as a hybrid technique, which provides researchers with a deeper understanding of the pattern of statistical results (De Ruyter, Moorman, and Lemmink, 2001; Pearson and Entrekin, 1998; Sower, Duffy, Kilbourne, Kohers, and Jones, 2001; Trevelyan, 2001; Zotteri and Verganti, 2001). A number of researchers (Foss, 1996; Watson, 1997) have promoted a pluralist approach to research, and Mingers (2001: 240) has even claimed, "…rather than advocating a single paradigm, be interpretive or positivist, or even a plurality of paradigms within the disciplines as a whole, …research results will be richer and more reliable if different research methods, preferably from different (existing) paradigms, are routinely combined together."

Two types of survey respondents were used for this research. In the first part, a mail administered quantitative survey was conducted on dual-earners from different occupational groups and industries such as the manufacturing, service and construction sectors. The response rate was 88 per cent (or 122 completed surveys) after eliminating single parent and spouses who were not working. In the second part, a total of 11 one-on-one face-to-face interviews were carried out in organisations with and without flexible work arrangements and some of these participating organisations were formerly "Work-Life Excellence" award winners, a recognition given to organisations with family-friendly infrastructures and practices by the Ministry of Manpower. The qualitative interviews administered with employers were conducted in order to gain some first hand interpretation of the findings from the quantitative phase. This two tier methodology potentially minimised the chances of misinterpreting the results and provided interesting insights using experiential and anecdotal evidence from the employers' perspective.

Procedure

The employee questionnaire was used as the primary research instrument. The purpose of the survey was to find out whether conflicting demands from work and family were changing the attitudes and expectations of dual-earners to demand for flexible work options and whether these options were matching their needs. A convenient sampling technique was utilised to collect data. The survey used a self-reporting format to capture the respondents' present level of perceived work-family conflict. Respondents were assured that all findings would be kept completely confidential and that only data summaries would be used in the report. A secondary research instrument was formulated to collect data from employers based on the quantitative results obtained from employees. Each interview lasted between thirty and forty-five minutes and the responses were recorded with the permission of the participants after ensuring that these would be kept anonymous. The details of the demographic characteristics of the employee respondents are presented next, followed by employee side and employer side measures and results of the quantitative and qualitative analyses.

Demographic Profile of Respondents (Employees)

Table 1 presents the frequency of employee respondents from the quantitative phase of the study by gender, age, education, occupation and industry sector. Of the 122 employees who responded to the questionnaire, 71 were females (58.2 per cent) and 51 were males (41.8 per cent), with age category 30 to 39 registering the most participation at 46.7 per cent. This indicates that a large proportion of younger dual-career employees were working in organisations with flexible work options. The data showed a good mix of education and non-managers (83.6 per cent) formed the bulk of the participation. The service sector had the highest participation rate (67.2 per cent) highlighting that flexible work options were likely offered there more than other sectors.

Table 1: Demographics Percentage (n = 122)

Gender		**Education**	
Female	58.2	Secondary	30.3
Male	41.8	Trade/Diploma	33.6
		Tertiary/University	36.1
Age (in years)			
Less than 30	14.8	**Occupation**	
30 to 39	46.7	Management	16.4
40 to 49	27.8	Others	83.6
50 & above	10.7		
		Trade Sector	
		Manufacturing	19.7
		Services	67.2
		Construction	3.3
		Others	9.8

Employee Side: Quantitative Measures, Analysis and Results

Work-Family Conflict (WFC) and Family-Work Conflict (FWC)

Two independent measures developed and validated by Netemeyer, Boles and McMurrian (1996) were used to capture the dual aspects of interferences from work and family. Five items each measured the work-related and family-related strain factors. The items used a five-point Likert scale such that greater scores represented more perceived work-family conflict. Table 2 shows that the mean scores for work-related strains (2.66) were higher than family-related strains (2.41) which indicted that work-related strains produced more work/family distress when several tasks are required to be juggled at the same time to fulfill the same or different roles (Willams and Alliger, 1991 cited in O'Laughlin and Bischoff, 2005).

Patterns of Employment

Questions measured by category scales and sorting were adapted from Nadeem and Hendry (2003) to find the type of contract respondents were engaged in. Of the 122 participants, 51.6 per cent were working in permanent jobs, 34.4 per cent in flexi-time jobs, 8.2 per cent in part-time while tele-working (2.5 per cent), compressed work weeks (2.5 per cent) and job sharing (0.8 per cent) were less popular among the participants (Table 3-A). Contract on annualised hours did not find any representation in this table. Employees who were on permanent contract were mostly by employer's choice (21.3 per cent) or mutual agreement (20.5 per cent) whereas those on non-standard contracts, examples, flexi-time and part-time were mostly chosen as personal choices.

Table 2: Work Family Conflict Mean Scores (n = 122)

Items	Work-Related Strains	Family-Related Strains
Due to work-related duties, changes are made to plans for family activities.	2.96	
The demands of work interfere with home and family life.	2.69	
The amount of time the job takes up makes it difficult to fulfil family responsibilities.	2.59	
The job produces strain that makes it difficult to fulfil family duties.	2.54	
Things that are required to be done at home do not get done because of the demands of the job.	2.50	
The demands of family or spouse/partner interfere with work-related activities.		2.55
Things at work have to be put off because of demands on the time at home.		2.44
Home life interferes with responsibilities at work such as getting to work on time, accomplishing daily tasks, and working overtime.		2.41
Family-related strain interferes with the ability to perform job-related duties.		2.36
Things that are required to be done at work do not get done because of the demands of the family or spouse/partner.		2.28
Average Mean Score	**2.66**	**2.41**

Statistics from the Ministry of Manpower (2005) indicate that flexible working is still not prevalent in Singapore as the proportion of employees on flexible work arrangements has only increased marginally over time (Table 3-B). Part-time employment was the most predominant type registering the highest increase at 3.60 per cent of the workers in 2004 whereas others showed very insignificant growth.

It can be noted from Tables 3-A and 3-B that data from the employees survey in this paper were somewhat aligned with the statistics from the Ministry of Manpower indicating that the preferred ones are flexi-time (34.4 per cent) and part-time (8.2 per cent). Interviews with five of the employers with flexible work arrangements in their organisations (during the qualitative phase of the study) revealed that non-standard

Table 3-A: Type of Contract held by Respondents % (n = 122)

Type of Contract	Own Choice	Employer's Choice	Mutual Agreement	Total
Permanent	9.8	21.3	20.5	51.6
Flexi-time	18.0	4.1	12.3	34.4
Part-time	4.9	1.7	1.6	8.2
Teleworking	0.9	0.0	1.6	2.5
Compressed work weeks	0.0	1.7	0.8	2.5
Job Sharing	0.8	0.0	0.0	0.8
Annualised Hours	0.0	0.0	0.0	0.0
Total (%)	34.4	28.8	36.8	100.0

Table 3-B: Percentage of Workforce on FWAs* by Type of Work

Type of Contract	1998	2000	2002	2004
Part-Time	1.89	2.63	3.42	3.6
Flexi-time	0.57	0.26	0.22	0.3
Flexi-place	0.14	0.13	0.13	0.2

Source: Conditions of Employment 2004: Ministry of Manpower, 2005 *FWAs = Flexible Work Arrangements.

contracts such as staggered working hours, telecommuting, part-time and shift hours were offered to suit the different needs of the employees.

Table 4 shows more female were on permanent (30.3 per cent) and part-time (7.4 per cent) contracts whereas more males were found to be on compressed work weeks (1.6 per cent). Respondents who were holding non-management positions were more likely to be on some forms of flexible work arrangements than those in management position. It is interesting to note that respondents with tertiary education preferred permanent jobs and those with lower education such as secondary or trade qualifications were working on flexi-time, part-time and job-sharing. Those with lower education tend to be on part-time (4.1 per cent) compared to those with trade (2.5 per cent) and tertiary (1.6 per cent) education.

The survey data support a strong employee desire for flexible working. Table 5 illustrates that three-quarters of employees need a better balance between work and family and to have more control over their working time. Two reasons for flexible working were given by respondents: firstly, to enable working parents to spend more time with their children and secondly, to dictate own working time, particularly for agents who run their own business.

Table 6-A indicates that the out of 122 respondents, 61.3 per cent female and 57.6 per cent male agreed that flexible work options were significant to them.

Table 6-B illustrates that flexible working options help employee balance work and family (mean score of 3.83) and improve the quality of family life (mean score of 3.78) as well as personal life (mean score of 3.75). Slightly less significant are to increase job satisfaction at work (mean score of 3.50), reduce stress (mean score of 3.39) and perform better in job (mean score of 3.39). In the survey, the subjects are asked to express agreement or disagreement of a five-point scale. Higher scores represented more perceived significance or preference for flexible work options.

Table 4: Percentage of Workforce on FWAs by Gender, Occupation and Education (n=122)

	Gender			Occupation			Education			
Type of Contract	Male	Female	Total	Mgmt	Others	Total	Sec	Trade	Tertiary	Total
Permanent	21.3	30.3	51.6	9.0	42.6	51.6	13.1	16.4	22.1	51.6
Flexi-Time	17.2	17.2	34.4	4.9	29.5	34.4	12.3	12.3	9.8	34.4
Part-Time	0.8	7.4	8.2	1.6	6.6	8.2	4.1	2.5	1.6	8.2
Tele-working	0.8	1.6	2.5	0.8	1.6	2.5	0.0	0.8	1.6	2.5
Compressed Work weeks	1.6	0.8	2.5	0.0	2.5	2.5	0.0	1.6	0.8	2.5
Job-Sharing	0.0	0.8	0.8	0.0	0.8	0.8	0.8	0.0	0.0	0.8
Total	41.8	58.2	100.0	16.4	83.6	100.0	30.3	33.6	36.1	100.0

Note: Mgmt = Management; Sec = Secondary

Table 5: Frequencies on Preference for Non-Standard Contract % (n = 122)

Reasons	Frequencies (%)
Create better balance between work and family	75.4
Control over working time	73.0
Perform domestic commitments	52.5
Earn more money	48.4
Pursue other outside work interests	39.3
Allow time for study	30.3

Table 6-A: Significance of Flexible Working Options % (n = 122)

	Strongly Disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
Female	5.8	11.6	21.3	51.3	10.0
Male	1.9	10.7	29.7	46.1	11.5

Table 6-B: Significance of Flexible Working Options (n = 122)

Items	Mean Score
Balance work and family life	3.83
Improve quality of family life	3.78
Improve quality of personal life	3.75
Improve satisfaction at work	3.50
Help reduce stress	3.39
Help perform better in job	3.39
Improve work skills and competence	3.29
Cut down on absenteeism	3.14

Employer Side: Qualitative Analysis and Results

The quantitative results only presented a one-sided view of the employees on their work and family conflicts and demand for work flexibility as presented in the framework presented in Figure 1. The findings of these results were presented to 11 employers in one-on-one face-to-face interviews in order to gain a first hand insight into managers' perceptions on the employer-employee conflict. Two types of employers were involved at the qualitative sessions – one with Flexible Work Arrangements (FWAs) in their organisations from the property, manufacturing, high-technology and education sectors and the other without FWAs in their organisations from the electronics, water treatment, banking and insurance sectors. All respondents were asked to provide comments on the results of the survey and to share their views as an employer on work-life balance as well as the role of government in workplace reform. In addition, organisations with FWAs were asked to share their implementation experiences on work flexibility which included discussions on business pressures, benefits and costs and conflicting work flexibility needs between the employers and employees and how these were reconciled. Most of the questions were developed based on the quantitative results obtained from the employee survey. Overall responses obtained from the interviews were evaluated in descriptive and comparative manner by adopting a content analysis methodology. Table 7 elucidates the differences in the opinions of these organisations with and without flexible work practices.

Table 7: Summary of Employers' Responses taken from Employer Interviews

Responses of Employers	Organisations with FWAs	Organisations without FWAs
On work and family conflicts	§ Agreed employees sacrificed family time due to work § Less conflicting issues for those with work flexibility because can exercise personal responsibility.	§ Agreed employees worked long hours. § FWAs do not help to have more time with family. § Distress caused by excessive work but choice to work depends on employees.
On demand for flexibility by dual-career employees	§ Work flexibility provided as there was a demand for it. § Demand due to less time spent with children, to dictate own time and secure several jobs. § Clear performance targets set for employees with work flexibility.	§ Employees need flexibility as parents are not seeing their children enough. § Demand depends on employees' life stage. § Demand not given due to lack of trust if worked from home and difficult to track performance. § Work-life issue is employee's responsibility. § No demand for flexibility due to fear of being 'blacklisted.'
On business pressures that compel organisation to offer flexible work practices	§ Pressures due to increasing global and competitive market. § Flexibility can help employer to: o Remain attractive to workers; o Retain good talents; o Draw married women with children to workforce; o Improve family-friendly image; o Compete against 'big' players.	§ Question is not relevant to organisations without FWAs.

On business costs of providing work flexibility	§ Spent on providing virtual work environment. § Those already with good infrastructures did not spend much. § Cost of inconvenience due to reduced interaction and teamwork. § Cost to track attendance and motivating employees to perform. § Low overheads to track teleworkers.	§ Afraid that when implemented FWAs, need more resources to monitor attendance and track performance. § May disrupt workflow and cost more if overtime is required. § Need to invest in providing necessary infrastructures for example, teleworking.
On business benefits of providing work flexibility	§ Employees feel happier because can juggle work and family. § Employees are more willing to give more when family concerns are taken care of. § Lower turnover and absenteeism. § Better labour and cost savings. § Promote a sense of belonging and commitment to company. § Higher employee engagement level.	§ Question is not relevant to organisations without FWAs.
On benefits related to work stress, job satisfaction and performance	§ Agreed that employees are facing more stress at work § Better work attitude and job performance with work flexibility.	§ Agreed that employees are facing more stress at work. § Cannot reduce stress if employee has no work discipline. § Stress is also affected by employees' income stability. § Less stress if employees can finish work early and have more rest at home.
On the offer of work flexibility	§ Inputs of employees considered before offered flexible work options. § Gave what employees requested but depends on type of jobs. § Problems reconciling needs when FWAs are not applied across functions and some groups received more benefits than others. § FWAs must fit into employees' needs and not threaten job and income stability otherwise there is resistance.	§ FWAs abused by some employers example, part-time becomes less regular and unpredictable. § Employers are motivated by business bottom-line and not employees' welfare.

Role of government in workplace reform	§ Government will not mandate FWAs due to pro-business environment. § More foreign firms and multi-national corporations took up work flexibility due to government incentives and leading. § Government should provide more incentives for organisations to go flex and enable employees to achieve work-life balance.	§ Government to take the lead and prove the impact on productivity. § More should be done by the government, example, mandate some pro-family policies. § Not government's responsibility unless FWA is mandated. § Mindset of managers not ready to accept flexibility. § Question on career advancement if work flex is taken by employee.
On whether workplace reform measures would encourage work-life balance and overseas migration	§ Workplace reform might encourage work-life balance but is not a significant push factor because it is a cultural thing to work long hours. § Some will migrate for better work-life balance.	§ Some migrate for children's education and some to escape the 'stifling' work environment. § Migration to enjoy a higher quality of life, not due to lack of workplace reforms.

Views of Employers on Work and Family Conflicts

Respondents from organisations with FWAs shared that they expect their employees to have less conflicting issues balancing work and family commitments as they exercise personal responsibility when working on FWAs. However, those interviewed did not deny that most of their employees do work beyond the regular hours and as a result, plans for the family are sacrificed and working parents do not see their children enough. A senior executive of a local bank argued that although work/family distress is attributed to excessive overtime, the choice to work late depends on the employees. He said, *"The more the employee chooses to work late, the more he is indicating to the employer that he is able to work late…but employees with internal locus of control will decide whether to let work takes over his time and energy."* The executive further added that both employee and employer would need to work out a win-win solution if work demands have become excessive. However, if managers lack the trust in their employees, non-standard contracts would not resolve the conflicting demands between work and family. He stated, *'Managers are not well-versed in management by objectives…not around means not working. They worry about how employees spent their time…employees must show their face in the office. Most Singaporean managers are theory X managers.'*

Views of Employers on the Demand for Flexibility by Dual-Career Employees

Table 5 indicated that three-quarters of employee respondents who participated in the quantitative survey required a better balance between work and family and wanted more control over their working time. Employers at the interviews were asked to provide some insights into these findings. Employers who offered FWAs explained that the push factor that prompted employers to implement FWAs was to meet the demand of employees for work flexibility. In contrast, employers without FWAs felt that it would be difficult to track the employees' performance if they worked from home. These employers would prefer to do away with ambiguity like flexi-hours and give "time-off" to meet urgent needs. However, this does not mean that organisations with FWAs would allow employees to report work at anytime - they have clear guidelines to track their employees' performance so that flexibility would not be made at the expense of the organisation's objectives or productivity.

A senior executive from a local bank had a different view when he shared that employees might not take up flexibility if it has an impact on their careers. The manager explained, *"Organisations value hard work and long hours…it is the culture that employees do not go back on time for fear of* *being blacklisted and bypassed for promotion."* Despite this, the respondent added that there will still be a demand for flexibility by dual-earners as employees have different priorities at different stages of their lives, for example, working parents with younger children would need to have more flexibility than those with grown-up children. Hence, organisations will administer flexibility if there is a demand from employees. An employer in a Japanese electronics firm, however, felt that organisations are only interested in the bottom-line business and are unlikely to provide flexibility simply to meet the demands of their employees. She said, "Work-life balance is the responsibility of the individual and not the employer…individuals are expected to make their own arrangements if they were to join an organisation without flexible working schemes."

View of Employers on Business Pressures

Employers at the qualitative interviews agreed that business pressures did play a part in compelling them to adopt work flexibility. A respondent shared that one of their concerns is to retain good talents thus flexibility was offered to remain attractive to workers and to project their image as being pro-family. A manager of a high technology firm concurs that their organisation offers part-time work to married women with children to help them balance work and family commitments. Another organisation from a chemical plant uses flexi-time to ease the stress that their employees may have to cope with the rigid start and end working times. A respondent from the renowned education institution expressed that work flexibility is important to position them in the market as well as compete with the "bigger players." The manager stated,

"Our organisation is new and currently still ramping up our staff numbers. We need to review how we can position ourselves to potential candidates as we are not as established as our competitors."

View of Employers on the Business Cost of Providing Work Flexibility

There were mixed responses from the participants on the impact of cost in providing FWAs. For instance, a manager from a high-technology firm commented that their company spent on providing a virtual work environment for their employees such as teleconferencing but the cost of inconvenience is harder to manage, for example, project-based jobs may need face-to-face interaction and conflict might arise because of reduced interaction and teamwork in the organisation. One organisation which already has an existing infrastructure and a virtual working environment said "it costs just a little more and these are the additional phone lines reimbursement arising from working from home and the provision of laptops which were already provided for their work anyway." Another organisation similarly shared that certain non-standard contracts hardly cost much except the need to track attendance to ensure employees clock in the required hours. An organisation with property agents who are mostly teleworking said that they saved on office space and overhead costs.

Organisation without FWAs had their reservations as they felt that flexible work schedules might disrupt workflow and monitoring attendance and tracking performance would be a hassle. Moreover, to support flexible working, organisations need good infrastructure which employers may not be willing to invest. A manager from an electronics firm expressed that

"Flexible work schemes may look good on paper but they are difficult to justify. Employers would prefer to give out bonuses instead of putting them into work-life balance."

View of Employers on the Benefits of Providing Work Flexibility

Table 8-A indicates that out of 122 respondents, 35.6 per cent female and 24.1 per cent male agree that flexible work options were significant to them.

Table 8-B illustrates that flexible working options help employee balance work and family (mean score of 3.83) and improve the quality of family life (mean score of 3.78) as well as personal life (mean score of 3.75). Slightly less significant are to increase job satisfaction at work (mean score of 3.50), reduce stress (mean score of 3.39) and perform better in job (mean score of 3.39).

Organisations with FWAs shared that work flexibility is introduced as part of their company philosophy to adopt an overall holistic positioning in helping employees balance work and family. A respondent noted that work life balance has resulted in lower turnover for their organisation as employees feel happier working when they are able to juggle

Table 8-A: Significance of Flexible Working Options Percentage (n = 122)

	Strongly Disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree	Total
Female	3.4	6.8	12.4	29.8	5.8	58.2
Male	0.8	4.5	12.4	19.3	4.8	41.8
Total	4.2	11.3	24.8	49.1	10.7	100.0

Table 8-B: Significance of Flexible Working Options (n = 122)

Items	Mean Score
Balance work and family life	3.83
Improve quality of family life	3.78
Improve quality of personal life	3.75
Improve satisfaction at work	3.50
Help reduce stress	3.39
Help perform better in job	3.39
Improve work skills and competence	3.29
Cut down on absenteeism	3.14

between work and family. This organisation also saw better labour input and cost savings obtained through flexible working hour. Another respondent concurred that when organisations are concerned about the family needs of employees, they perform better in their jobs. She added that, "We allow them to work from home so that they can have more time at home. We are flexible with them, and in return, they are willing to put in the necessary hours and are more focused to get their jobs done … they do what they can for the day … this resulted in good attitude from employees." Besides these advantages, the respondents shared that they were able to reap other benefits such as promoting a sense of belonging and commitment to the company, increasing the engagement level at the workplace and reducing absenteeism.

Most respondents felt that the hectic work life makes it necessary for employees to have work life balance in order to cope with home and workplace pressures and to be productive at work. They shared that recent statistics showed employees are spending more time at work and stress levels have increased. The work stress, as illustrated by a property director is partly attributed to the indiscriminate delegation of work by superiors to the lower ranks thus making it impossible for employees to achieve work-life balance. However, some managers from the electronic sectors cautioned that non-standard contracts would not be able to improve job satisfaction and reduce stress if the employee does not have work discipline and free time is not spent productively. This suggests that non-standard contracts would not be able to enhance the productivity of employees and reduce stress at work unless the employees themselves are able to cope with conflicts that arise from work or family.

Views of Employers on Offer of Flexibility

Both Tables 5 and 6 demonstrated that employees' demand for flexibility is related to their work, family and personal needs. The strong demand from employees for non-standard contracts added pressure to employers to provide work flexibility options in order to satisfy the needs of their employees. An employer of a manufacturing firm shared that they get the inputs of their employees as they try "to give what the employees are requesting…as far as possible, all employees are eligible to be considered for available FWAs but some jobs will not be suitable for FWAs." Their difficulty was in applying FWAs fairly across functions and to avoid workforce resentment as some occupational groups might benefit more than the others. The manager stated, "General direction is…as far as work can be done remotely and so long as work is not compromised…we do not mention out-front which occupational groups are eligible for FWAs. Certain functions that need face-to-face interaction like HR may be difficult to work from home but flexi hours may be possible, example start early, end early."

A manager from a high technology industry explained that FWAs that are catered to meet the needs of the employees must be able to fit into their domestic needs and not threaten their job security and income stability otherwise employees would resist taking up work flexibility. Nevertheless, some respondents felt that employers are more motivated by the bottom-line rather than the welfare of the employees when offering non-standard contracts, for instance, part-time work can become less regular and unpredictable that it actually conflicts with domestic responsibilities.

In summary, employers do not have a "one size fits all" solution to meet all the needs of the employees but some suitable FWAs allow their employees to more effectively manage their time. This highlights that it is important for both employers and employees to work out mutual arrangements that would benefit both parties before implementing any FWAs.

Discussion

The framework presented in Figure 1 represents a simplified model of reconciliation of needs between dual-career employees and employers based on their complex and often conflicting expectations. Using a pluralistic approach, the paper found strong support for Singaporean dual-earners wanting some degree of flexibility in work arrangements. 61.3 per cent female and 57.6 per cent male employees expected FWAs in order to successfully manage their work and family roles. The paper explained that a large proportion of the respondents felt constrained by their existing work commitments and the dual-earners wanted FWAs in terms of reduced hours to spend more time with their family. Some respondents were unable to bargain for FWAs owing to restrictions placed by their organisations and given that they were dual-earners, were reluctant to take pay cuts or put their careers at risk given that they needed both jobs to maintain their respective families. Employees working on non-standard contracts found FWAs beneficial in balancing between home and work through variable working hours or part-time contracts as well as cutting commuting time or costs through teleworking. Conversely, there were some employees who worked longer hours through FWAs in order to increase family income and arguably find a greater sense of self-fulfilment. As they have economic concerns in meeting living expenses and earning a stable income, they placed a higher priority over their jobs than family needs. In summary, dual career parents were more likely to show greater interest in utilising the flexible working options; however their ability to take action depended on their skills and competencies. Regardless of the reasons for choosing FWAs, finding a suitable work family life balance is a challenge for most dual-career earners.

As dual-earner families face demanding jobs, tensions in balancing work and family commitments need to be understood by employers in order to arrive at some middle ground. It was felt that the burden of reconciliation of needs was on the organisations (employers) as contributors of FWAs than the employees who were recipients of the associated benefits of FWAs. Face-to-face interviews with employers offering FWAs revealed that the role of balancing these needs involved the interplay between the employee's needs, the workplace culture as well as the business strategy and external-internal pressures faced by the organisation was a very delicate matter. While employers understand that a host of factors based on the organisational characteristics such as the nature of work, the image of the organisation wants to create, and cultural attitudes toward family will influence the adoption of the type of FWAs offered, they recognise the importance of balancing the conflicting demands of work and family priorities. Indeed, business conditions may change over time and organisations will need to be flexible and maintain the best mix of practices in order to achieve the long-term goals of the organisation as well as that of its employees. In effect, both parties will have to work together to understand the needs that are mutually satisfying and the Singaporean government needs to take an active role in mandating reforms on the offer of FWAs.

There has been a concern as to whether the Singaporean Government has provided enough support in terms of work/life reconciliation as the labour market is experiencing a drastic increase in dual-career couple families at work. Female participation in the labour force has been increasing over the recent years expect for the age group of 15–24 which was largely attributed to the increased tendency of married females to re-enter the labour market (MOM, 2006). The Straits Times (2006) reported that 77 per cent of women aged 30 to 34 now work compared to 65 per cent a decade ago and the government wants to encourage flexible working hours and the home office option as organisations experienced fewer resignations when such schemes were adopted. One of the reasons quoted in the survey conducted by MOM on why women held back on re-joining the work force was because they could not find suitable part-time working arrangements as they had wanted to spend more time with their children (MOM, 1995).

An examination of the national laws enacted and policies passed in the last three decades shows that the Singapore government aims to raise the legal status of women in society and to increase the female labour force participation rates (Lee, Campbell and Chia, 1999). The government has installed policies relating to maternity, childcare and part-time work to encourage women to remain in the workforce, and at the same time, have more babies because of the declining birth rate and tight labour market. Efforts were undertaken by the government to encourage employers to promote pro-family policies as measures to help employees better manage their work and personal needs so that they can become more productive and remain motivated while the organisation is able to retain valuable staff and enhance employee efficiency and morale (MOM, 2006). For this purpose, the government has allocated S$10 million to the Work-life Works! (WOW!) Fund to facilitate the development and implementation of work-life strategies at the workplace. The government will co-fund up to 70 per cent of the cost incurred for approved projects up to a cap of S$30,000 per organisation to defray the costs of introducing strategies that would help employees achieve work-life balance (MOM, 2006). Organisations that successfully demonstrate such commitment are conferred with the Work-Life Excellence Award and the Work-Life Achiever Award.

Despite these efforts, there have been few takers for the S$ 10 million WOW! Fund and so far, only 70 organisations have been conferred with the Work-Life Excellence Award in 2006 to acknowledge their commitment to and excellence in implementing work-life strategies. Quek (2006:1) explained that though the grant was attractive, "when it comes to putting together a nuts and bolts flexi-time programme that allows people an alternative to the traditional nine-to-five [job], many backed off nervously." This sentiment was shared by the managers at the interview sessions that 'backed-off' from implementing the programme in spite of the rewards. In other words, public support for the work/family interface has not yet matched the support from private organisations; therefore the government has a greater role to play in creating work-life awareness and funding work-life initiatives by stepping up the national provisions to help reconcile the work and family life. Provisions such as paid paternity leave, the right to career breaks and part-time work at senior level are initiatives that need to be strongly considered in this regard.

Practical Implications

This report has practical implications to both employers and employees in reconciling both their needs as a host of factors based on the organisational and employee characteristics such as the nature of work, the image the organisation wants to create, and cultural attitudes toward family would influence the adoption of the type of flexible work practices. Interview reports gathered from the employers showed that it may not be possible to fulfill the flexible needs of the employees entirely because organisations are motivated by efficiency and profitability when considering the offer of flexibility. Firstly, even if organisations do provide FWAs to their employees, they may not necessarily apply them to all employees as suitability of the arrangement depends on the nature of the employee's job and personality. Secondly, work tends to be re-organised to increase efficiency and profitability for the organisations thus the concept of flexible workforce has been applied to help employers adjust the number and timing of hours worked. Thirdly, there would be some forms of flexible work arrangements that the employers are forced to offer due to labour shortages in order that flexible work patterns are able to attract different types of employees (Reilly, 1998).

At the interviews, some employers reported that they have to differentiate the type of workforce to be on flexibility and selection is based mostly on job nature and skills, particularly skills which are scarce and hard to retain. Employees with more values are being offered FWAs as this may be a means to secure greater commitment to the organisation and to motivate them to take on increased workloads due to cost-cutting measures (Holt and Thaulow, 1996; Scheibl and Dex, 1998; Dex and Scheibl, 1999 cited in Lim, 2005). Employees with compatible demands are also able to put unilateral pressure on the organisation to comply with their demands (Nadeem and Henry, 2003) and the employer would have no choice but to accede to their requests. The most popular arrangement granted was flexi-hours (according to Table 3) which included permanent employees on flexible hours. However, some of these arrangements could be offered at the cost of business efficiency due to the extra administrative burden required in monitoring attendance. While it is justifiable to respond to the wishes of the core workers, the contingent workers may not have the choice to select the type of arrangements that would suit their flexible needs. Their services are used to adjust in size through varying in working hours or in numbers employed to meet changing market demands (Reilly, 1998). In times of financial difficulty, flexible work practices are prioritised to suit the production needs of the employers. Organisations need greater flexibility in scheduling their working hours to optimize their manpower resources due to the rapid changing market demands and volatile business cycles. Employees, on the other hand, may run the risk of retrenchment and be deprived of their overtime earnings if the take home pay constitutes a large proportion of the overtime pay (Tan, 2006). Thus the flexibility needs of this group of employees may be ignored. Examples are the revision of patterns of working hours may not fit into the domestic needs of the employees and many short-term contracts are renewed many times to deny employment rights and avoid liabilities (Reilly, 1998). Thus it is not surprising that there is a one-sided benefit in introducing work flexibility although an organisation could be granted the accolades of being "caring" and "family-friendly."

In other words, employers may not direct their efforts primarily to satisfy employees' needs otherwise family-friendly policies may be abandoned on economic grounds once the fad has waned. This view was also supported by the employers during the interviews that they first consider the costs and benefits they perceive flowing from the implementation of FWAs and the advantages must outweigh the extra administrative burden imposed by family-friendly arrangements. The promotion of work flexibility seems to have been represented from the employers' perspective with work patterns imposed on employees without meeting their diverse needs. The gap that remains has implications for organizations in terms of their not being able to perform to their full potential. Thus in order to have mutually satisfying outcomes for the employees and employers, the process of change needs to be approached from a partnership perspective.

In general, this exploratory study provided evidence that organisations that provide work flexibility to their employees still lack mutual satisfaction in their relationship as the gap between the employers and employees remain to be addressed. Thus this paper reports a number of challenges for organisations, whether they are providing work flexibility or not, to understand the underlying principles in offering flexibility and in aligning with what the employees need as well as applying what make sense for the organisation before mutual satisfaction can be achieved. Management needs to view good work-life practices as an integrated and holistic approach for day-to-day operations rather than just another new fad or campaign. The success will depend on whether organisations have incorporated good work-life practices to sustain the performance of its employees and the organisation in the long run.

Conclusion

The empirical results measuring the framework of 'reconciliation of needs' demonstrates the conflicting priorities between employees and employers in Singapore. The working relationship in which these two parties attempt to create 'mutuality' requires continuous reconciliation in order to reach middle ground. While dual-career employees strive for work-life balance, employers are continuously engaged in increasing wealth for their organisations. Arguably, any mutuality in this complex and often conflicting relationship will be dependent on strategies and techniques in motivating a workforce than demands flexibility in their working arrangements, especially dual-career earners. The Singapore government is working towards creating awareness of the importance of work-life balance among employers by offering schemes and assistance programmes to organisations that encourage work-life strategies. Singaporean employers and employees need to reappraise and renegotiate their psychological contracts by developing closer relational contracts and the government has a significant role to play in mitigating these relationships.

Key Words

Work-family conflict, Family-work conflict, Work flexibility, Dual-career employees

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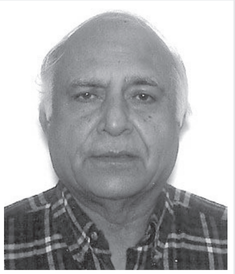
Expats' Experientiality

Jitendra M.Mishra and Ram Mishra

Some outdated myths and beliefs limit women gaining expatriates' (expats) experience/status and hold women back from climbing the corporate ladder. Currently women represent fifty per cent of all college undergraduates and thirty per cent of MBA's. The number of American women expatriates doubled in 1993 to 10 per cent; 12 per cent in 1994; 13 per cent in 1995; 14 per cent in 1996, and 18 per cent in 2002 according to Global Relocation trends, compared to only five per cent in 1992. The typical expatriates tend to be male, 82 per cent (GMAC-GRS 2002 survey). In the year, 2002 women (Steven 2001) held only 11 per cent of Board seats on Fortune 1000 companies. Women still have long way to go to get to the upper echelon of the work force; they only account for 2.4 per cent of chairpersons and CEOs of the Fortune 500 firms (Ruhe and Allen 1999). The *glass ceiling* plays a key role in the assignment of men and women as expatriates. Global or international experience, in a global economy, is necessary, for promotion to the executive suite. This paper examines some of the challenges and myths concerning women expatriates and proposes some solutions.

Currently women hold up only 11 per cent of the board seats on Fortune 1000 companies, even though they constitute most of the work force. Congressman John Dingell says that "it is compelling evidence that the glass ceiling remains a powerful obstacle to women in the work force, and it suggests things may be getting worse, not better" [Steven 2002]. The glass ceiling may be getting worse, but before the glass ceiling existed, there was the concept of a glass wall. According to Lopez, a glass wall deprives women of the experience they need in order to succeed vertically. Women are being inadvertently separated. Women go one way and men go another way. Few women are assigned to line jobs. Sixty per cent of human resource managers feel that putting women in line jobs is risky [Lopez]. With the increased global competition, organizations have no choice but to make the best use of their human resources, including their women employees. If women are not sent on international assignments as often as men did, their chances of moving up the corporate ladder are limited, thus contributing to glass ceiling.



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An Overview of Women as Expatriates

During the 1980s, only five per cent of American expatriates were women and the number remained stable through the year 1993. However, the Global Relocation Trends Survey Report stated a positive trend. The number of women employed as expatriates doubled in 1993 to 10 per cent, 12 per cent in 1994, 13 per cent in 1995, and 14 per cent in 1996. In the year 2002, the number of female expatriates increased to 18 per cent and by 2005, to 20 per cent (Martinez, 2006). Although women represented 47 per cent of the workforce, only 14 per cent received international assignments (Solomon, 1998). Since expatriates tend to be selected from the upper/middle/senior ranks of management — where women are still striving to achieve equality — these numbers are understandable (Solomon, 1998). For instance, in the year 2002 women (Steven, 2001) held only 11 per cent of Board seats on Fortune 1000 companies. Women still have a long way to go to get to the upper echelon of the work force; they only account for 2.4 per cent of chairpersons and CEOs of Fortune 500 firms (Ruhe and Allen, 1999). For example in 1998, 30 per cent of students enrolled in MBA programs were females, but only 14 per cent were chosen by corporate America for foreign assignments. The *glass ceiling* plays a key role in the assignment of men and women as expatriates. Once again, the female is at a disadvantage. The next section of our paper focuses on this issue.

The Glass Ceiling and Glass Walls

Does the glass ceiling affect the female's opportunity to be chosen as expatriates (expats)? Moreover, if chosen, does her status as a female affect her experience as expatriates (expats)? According to ILO News (2004), "women are entering the global workforce in record numbers. For example, in 2003, 1.1billion of the world's 2.8 billion workers were female. Meckman (2002) suggests that commonly held myths about women as expatriates (expats) are present throughout the world. Mary van der Boon suggests that the typical European businessperson wants to maintain his dominant position by excluding the women from informal networks and interactions; thus female managers in Europe who were to achieve top management status lacks as a mentor. For example, less than nine per cent of Germany's top managers are female and few German companies provide programs that encourage the promotion of women to the ranks of top management (van der Boon, nd). The perception that upward mobility of female and minorities is thwarted grows stronger at higher levels as women and minorities bump up against the glass ceiling. Glass ceiling is an intangible barrier in the organization that prevents female and minorities to rise up in organizations above a certain level or to any higher position. Lower job satisfaction translates into higher resignation rates, with a resulting loss of valuable talent and greater training costs because of high turnover. At the organizational level and ages, the turnover rate for African Americans is approximately 40 per cent higher than it is for whites. For women the rate is more than twice as high as it is white men.

The *glass ceiling and glass walls* are not just a catch phrase; it reflects undeniable reality. The notion of *glass* walls refers to the channeling of women and minorities unto non-revenue generating areas of the organizations. Areas such as community relations, HR and less likely to areas of marketing, finance leading to senior management positions. Women hold only 11 per cent of the senior-level jobs in the organizations, and African Americans and other minorities fare even worse. Passed jointly with the Civil Rights Act of 1991 was the Glass Ceiling Act of 1991.

Data from the late 1980s found that only about five per cent of American expatriates were women. This under representation of women on global assignments seems to be changing for the better, as reported above. More recently, Dr. Rosalie Tung, Professor of International Business at Simon Fraser University, found that 13.9 per cent of the expatriates in her study were female [Tung 1998]. Despite these positive changes, women are still under-represented on global assignments. International experience is considered a basic requirement for promotion.

Women comprise only 14 per cent of the expatriates [1996 Global Relocation Trends Survey Report]. Expatriates are often selected from upper-middle to senior corporate ranks, where women are still striving to achieve gender parity [Women Expats 1998]. The number of female expatriates is growing. Catalyst's research shows that only five per cent of expatriates were women prior to 1993. The Global Relocation Trends Survey Report also indicates a positive trend. The percentages of international women assignees were 10 per cent in 1993, 12 per cent in 1994, 13 per cent in 1995, and 14 per cent in 1996. The progress is slow, and the number shows an upward trend. Some organizations are making special efforts to recruit and promote women expatriates. Nancy Adler of McGill University, Montreal, feels that the "global arena may be more receptive to female managers than the domestic one."(Adler). If women are not sent on international assignments as often as men are, their chances of moving up the corporate ladder are limited, thus contributing to the glass ceiling. The following table gives the results of a 2002 survey of multinational worldwide. 77 per cent of the responding firms from more than 130 countries were headquartered in the USA.

Table 1

Category	PCN (42%)	HCN (16%)/ TCN (42%)
Gender	Male (82%)	Female (18%)
Age (years)	30-49 (60%)	20-29 (17%)
Marital Status	Married (65%)	Single (26%) Partner (9%)
Accompanied by	Spouses (86%)	Children (59%)
Duration	1 year (52%)	Short-term (9%)
Location	Within Europe (35%)	Within Asia-Pacific (24%)

Source: Based on Data from Global Relocation Trends: 2002 Survey Report, MAC Relocation Services, National Foreign Trade Council and SHIM Global Form, GMAC-GARS, 2003

The above report shows that women managers are at a disadvantage. The above data shows that Parent company nationals (PCNs) usually select male members. 82 per cent for foreign assignments were male and only 18 per cent for foreign assignments were female. Males tend to be married 65 per cent while female tend to be young between the ages 20-29 and 26 per cent of them are single.

Table 2 shows the differences in salaries based on education (Bachelor's degree) and Master's degree between men and women. (Redwood, 1996). The issues and problems facing women are well known. Women are not sent on international assignments as often as men are. Because of lack of global experience, the chances of women moving up the corporate ladder or the pay scale and are limited thus contributing to the glass ceiling.

TABLE 2: Salary by Gender and Education

Race/ethnicity by gender of executives, administrators, and managers of private-for-profit companies with Bachelor's of Master's degrees: 1990.

Race / Ethnicity	Bacher's Degree		Master's Degree	
	Male	Female	Male	Female
Non-Hispanic white	$47,181	$31,338	$57,371	$38,391
African American	($15,180)	($754)	($10,137)	($4,385)
Chinese	($5,924)	($2,032)	$1,481	$7,292
Filipino	($7,992)	($3,045)	($7,204)	($7,160)
Japanese	$22,406	($373)	($13,071)	$1,533
Asian Indian	($1,872)	($6,096)	$5,997	($6,970)
Korean	($4,400)	($5,559)	($5,801)	($10,576)
Vietnamese	($2,768)	($6,267)	$5,923	($4,350)
Other Southeast Asian	($20,211)	($6,679)	($20,694)	**
Hawaiian	($11,252)	($8,066)	($14,079)	**
Other Asian/Pacific Islander	($6,853)	($1,688)	($12,734)	($11,695)

**results very unreliable due to extremely small sample size

It is time to examine some of reasons for the glass ceilings that affect the opportunities and experiences of women as expatriates. Briefly, we feel five reasons exist for the small number of women expatriates.

Cultural Biases against Women

The first is the assumptions that women are *less mobile* because of the family and childcare responsibilities. Going overseas is a hard thing to do without family support. Things are made much easier when a family is behind you. Foreign women are not expected to conform to the standards dictated by local culture. They are foreign and therefore not expected to conform to the same standards that local culture dictates for women. This allows them better opportunity to perform under less stressful conditions. Much of Japan's business-generating activity occurs on the golf course. In other cultures, there is heavy consumption of alcohol in business meetings [Solomon 1998]. In these situations, women just need to improvise with new ideas for the atmosphere of business sessions.

Lack of Desire by Women with Families

The second is an assumption that women with families do not have any desire for a foreign assignment. According to Adler, "Women look forward to adding global experience and want to participate more on global task forces, take short-term assignments, and increase their international business experience." [Adler] Women are not only as eager as men to go abroad but in some cases are more eager. Adler's sample indicated 84 per cent were interested in global assignments. [Adler].

Currently women represent 50 per cent of all U.S. college undergraduates and 30 per cent of MBAs. These represent growing numbers from the last ten years. The question has been raised: What role models do women have as they are preparing for the international business world? Inadequate role models for women have had negative effects on professional self-images and have even led to declines in self-esteem of college women. The importance of role models is almost immeasurable. An analysis of 388 cases published in 19 international college-level test and casebooks found that only nine (2.3 per cent) cases portrayed women in significant roles [Ruhe and Allen 1999].

Biases of Male Managers

The third reason is that males are just biased. Men do not think women can handle the pressures of the international assignments. The biases of U.S. male managers make them doubt women's abilities. U.S. males doubt the abilities of women more than American women or German and Mexican managers of either sex [Koretz 1999]. There are no justifiable reasons for the biases after seeing that many studies have shown women managers are just as effective, if not more effective, than their male counterparts.

Supervisor-Subordinate Relationship

Stroh shows that the most important factor in being selected for an international assignment is one's supervisor [Stroh et al. 2000]. A study by Varma et al. indicates the impact of supervisor-subordinate relationships on the selection of female employees for international assignments. Varma et al. propose that supervisors classify their subordinates into two groups—those in the 'in-groups' and those in the 'out-groups.' The 'in-group' people are given greater responsibility in the organization [Linden & Graen 1980]. They are the objects of the supervisor's attention, receive more information, exert greater influence, have more confidence, and are of greater interest to their superiors [Dansereau et al. 1975; Varma and Stroh 2001]. The members of the 'in-groups' are characterized by high trust, interaction, support, and formal/informal rewards [Dienesch and Liden 1986; Legace, Castteberrry and Ridnor 1993]. Supervisors fail to give the members of the 'out-group' the support and information they need to advance. 'Out-group' members receive limited resources and limited attention, develop negative expectations, and react accordingly [Varma and Stroh 2001]. Since women are likely to receive less information because of their 'out-group' status, they may not be aware of international opportunities. One way to remedy this situation is to indulge in upward influencing behaviour and self-enhancement (making supervisors aware of one's competencies or achievements).

Violence and Safety Concerns

The fifth and final reason deals with the safety issue in the countries of assignments. Female executives frequently travel or live abroad for business and they are more at risk than their male counterparts are. A study by Travel Data Center found that women victims of violent crime — especially personal assault — far out-number that of male executives. Violence is something that happens in every part of the world. There is no getting away from it. Women, however, are believed to be more vulnerable than men are and therefore more at risk than males traveling in the same areas.

Reasons for Sending Women on Global Assignments

MNC's (Multinational Corporations) should consider some of the following reasons for sending more and more women on global assignments. Preparing women for international assignments has become an important concern for MNCs (multi-national corporations) and business educators. The commercial activity has become globalized, and there is a corresponding increase in the need for international managers. The Human Resources Department should give the female expatriate a chance to speak with and ask questions of women who have experienced life in another country.

Women comprise nearly half of the workforce in the US, of which half hold managerial positions, yet only 13 per cent are currently being sent on overseas assignments. The commonly held myths, (first defined by Nancy Adler over twenty years ago) are still very much present. Most MNCs (Multinational Corporations) still assume that women are not interested in working overseas and that they do not want to be international managers. MNCs (Multinational Corporations) continue to be afraid that women might not be successful on an overseas assignment and that foreign cultures' prejudices against them will make in effective. (Expatriate magazine 2002). Based on Paula Caligiuri of the SAGE (Self-evaluation for Global Endeavours) there are four sets of variables: personality characteristics, family and company support, and host nationals' attitude towards women. These factors are predictors of a female expatriate's success.

Cornelius Grove, et al have suggested that women expatriates (expats) have an advantage over men in overseas assignments as they are "...accustomed to operating in a system in which majority of power is held by people unlike themselves, i.e., men. Further, women's personal characteristics enable them to function in an unfamiliar environment. Further, women are open minded, outgoing, flexible, adaptable, enjoy challenges and have positive outlook on life.

There is newfound evidence that a "second glass ceiling" is arising. It is nearly standard belief that in the workplace, males are better prepared for competitive work, while women are better at cooperative work [DeAngelis 1997]. This, in result, severely hinders the responsibility believed to be handled by female managers.

Male managers also are given the message that they are more valued in the long-term. The stock options differential shows this fact. Stock options are usually given to highly desired/prized managers [DeAngelis 1997]. In addition, because many executives do not value their female managers, they are not given a wide variety of duties and tasks as many male managers are. This, in turn, slows their development and limits the amount of knowledge and information they can acquire [Stichter and Parpart 1990].

Despite all the stereotypes found in the workplace, there is evidence that women in fact do have many qualities deemed important in being successful managers. Studies published in the *Applied Psychology Review* ranked women higher than men in attaining the best from their employees and creating a common-ground atmosphere within an organization [DeAngelis 1997]. Females were ranked higher than men in terms of individualized consideration, where employees' needs were considered and inspired to their highest potential and where they served as a role model and in intellectual stimulation. This measures a manager's ability to challenge work and examine issues from a variety of perspectives [DeAngelis 1997]. Overall, woman managers should expect to face various barriers when they attempt to climb the corporate ladder. These prejudices and biases, although often unintentional and unconscious, are nearly impossible to extinguish without exact understanding.

Female and Relocation

Martinez (2006) suggests that relocation is problematic for the female with a spouse and family but 80 per cent of women have never turned down relocation assignments according to a 2000 Catalyst study (Martinez 2006). The figure for males was 71 per cent, so in this study women were less likely to turn down relocation assignments. Other studies have concluded that women are more likely to be interested in global assignments than men are. (Adler 1997; Hill and Tillery, 1992). "Women look forward to adding global expat experience and want to participate more on global task forces, take short-term assignments and increase their international business experience" (Adler, 1997).

What tends to hold women back from top management positions is the male stereotyping and preconceptions of women, exclusion from informal networks of communication and lack of influential mentors. MNCs (Multinational Corporations) are becoming more aware of the facts underlying the lack of women expatriates (expats) in the global workforce.

What Organizations Can Do

- Companies need to make a commitment to "walk the talk" and provide international relocation opportunities to all eligible employees, both males and females.

- Companies need to ensure that their recruitment and selection policies encompass women of all home based and international assignments because it is illegal for organizations to deny a woman a global assignment based on her gender (Cava and Meyer, 1993)...

- Companies need to develop formal mechanisms, such as feedback sessions and performance appraisals that actively solicit women's opinions regarding the international assignment (from selection to repatriation) so to improve their selection and support policies. Failure to provide women expatriates with a variety of resources and support by the formal organization deprives women of avenues of success on global assignments.

- Companies should select the BEST person regardless if gender and be open to sending women on overseas assignments. Companies should make sure that supervisors do not subtly discourage women from pursuing international assignments and establish focus groups of dual career employees to assist them in developing ways to bridge the gap [Stroh et al. 2000].

What Women Can Do

- Go for it! Clearly communicate your interests in being considered for these assignments as well as your qualifications and make supervisors aware of your qualifications.
- Be assertive, persistent and proactive. Ask criteria used to make selection decision.
- Openly discuss the areas that represent the differences in perceptions between them [Stroh et al. 2000].

Old assumptions will not move the corporate culture or the global business effort forward. Corporations must aggressively and compassionately address the problems so women expatriates (expats) are no longer an anomaly. With increased global competition, organizations have no choice but to make the best use of their resources including women employees. No organization or company can afford to waste valuable labor simply because it is wearing a skirt.

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Intrapreneurship: A Strategic Tool

Rajasekaran B.

The global economy is no doubt creating profound and substantial changes for organizations and industries throughout the world. Markets, consumers, competitors and technology are constantly changing. As a result of increased global competition, organizations have been forced to rethink how they produce and deliver products and services. The challenge for a company to remain a growing concern is to establish a competitive advantage. In this context, Intrapreneurship is of great interest for corporations as a means to enhance the innovative abilities of their employees and, at the same time, increase corporate success through the creation of new corporate ventures. This paper presents an overview of the concept of intrapreneurship, its impact on organizational performance, and strategies to foster Intrapreneurship in an organization.

Fast-changing business environments, changing business structures and rules of competition are becoming part of the ordinary life of most companies. The real challenge for a company to remain a going concern is to establish a competitive advantage. The only way to accomplish that is through differentiation and continuous innovation – whether it is related to the creation of new products and services, production, organizational processes or business models. According to, for example, Morris and Kuratko (2002), the answer to today's hyper-competitive environments is adaptability, flexibility, speed, aggressiveness and innovativeness, which they boil down to one word – *entrepreneurship.*

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The need for entrepreneurial behaviour seems imminent in a world of continuous evolution and increased competition (Veciana Verges, 1996), becoming a valuable asset for all sorts of organizations.

Intrapreneurship is the term used to describe the entrepreneurial behaviour inside established organizations (Morris and Kuratko, 2002).

Zahra (1991) has observed that "Intrapreneurship may be the formal or informal activities aimed at creating new businesses in established companies through product and process innovations and market developments ... with the unifying objective of improving a company's competitive position and financial performance."

Entrepreneurship has long been associated with small businesses and new ventures (Carland, Hoy, Boulton and Carland, 1984). However, in recent years, entrepreneurship researchers have increasingly recognized that entrepreneurial activity can and does take place in large businesses (de Chambeau and Mackenzie, 1986; Adams, Wortman and Spann, 1988; Ellis and Taylor, 1988; Morris, Avila and Allen, 1993).

Brandt (1986) presents the position that the entrepreneurial process has applicability to organizations of all sizes. In the large firm setting, the term generally used is intrapreneurship.

Corporate entrepreneurship or intrapreneurship is often seen as a school within entrepreneurship theory (Cunningham and Lischeron, 1991).

Corporate Entrepreneurship plays a pivotal role in the importance of the competitive positions and transformation of corporations, their markets and industries and in identifying opportunities for value creating and value adding innovations (Lumpkin and Dess, 1996).

This paper presents an overview of what is intrapreneurship, what impact does it have on a firm's performance and how to foster intrapreneurship in an organization.

What is Intrapreneurship?

The concept of intrapreneurship may appear straightforward, but researchers use different definitions and names for the entrepreneurship phenomenon within existing organizations. Terms such as Intrapreneurship (amongst others, Pinchott, 1985), Corporate Entrepreneurship (amongst others, Burgelman, 1983, 1984), and Corporate Venturing (MacMillan et al., 1986) have all been used to describe the same phenomenon.

The concept of entrepreneurship within existing organizations has evolved over the last thirty years, especially over the last two decades, and is known under many different 'labels,' including corporate entrepreneurship, internal corporate entrepreneurship, intrapreneurship, entrepreneurial management, and strategic entrepreneurship.

The concept of corporate entrepreneurship was coined and established by Pinchott (1985). His book outlined guidelines and recommendations for people inside organizations to bring forth and develop new ideas into actual business venture.

Pinchott (1985) defined intrapreneurship as entrepreneurship inside large corporations.

De Chambeau and Mackenzie (1986) say that "Intrapreneurial activity ranges from the development of a new product to the creation of a more cost-efficient process."

Jennings and Young (1990) define corporate entrepreneurship as the process of developing new products and/or markets.

Hornsby, Montagno and Kuratko (1990) describe intrapreneurship as a means to increase corporate success through the creation of new corporate ventures.

McGrath, Venkataraman, MacMillan and Boulind (1992) describe corporate entrepreneurship as a means for firms to change their pool of competencies to increase long term economic viability.

Hornsby, Naffziger, Kuratko and Montagno (1993) refer to the development of new business endeavours within the corporate framework.

Carrier (1996) defines intrapreneurship as the introduction and implementation of a significant innovation for the firm by one or more employees working within an established organization. Antoncic and Hisrich (2001) describe intrapreneurship as a process that goes on inside an existing firm, regardless of its size, and leads not only to new business ventures but also to other innovative activities and orientations such as development of new products, services, technologies, administrative techniques, strategies and competitive postures.

In 'corporate entrepreneurship,' the term 'corporate' is often associated with large corporations, whereas entrepreneurial activities are also important in small and medium-sized organizations. In this context, 'intrapreneurship,' which does not indicate anything about the size of the company, is shorthand for intra corporate entrepreneurship, which simply indicates entrepreneurship within an existing organization.

Based on the above, intrapreneurship seems to be the most appropriate label for the concept of entrepreneurship within an existing company, as long as the company is only dealing with internal resources in its own possession.

The broad and widely used definition of intrapreneurship is entrepreneurship within existing organizations. A more specific and widely accepted definition of entrepreneurship in this sense is 'the process of uncovering and developing an opportunity to create value through innovation and seizing that opportunity without regard to either resources or the location of the entrepreneur' (Antoncic and Hisrich, 2001).

Impact of Intrapreneurship on Organisational Performance

Intrapreneurship is a topic with a high attraction to many managers in companies of any size nowadays. In the last two decades intrapreneurship is more and more recognized as an important element in organizational development.

Already the early years of the 1980s researchers discovered the importance of entrepreneurship and its role in organizational renewal, innovation, and the creation of new businesses (Antoncic and Hisrich, 2001; Hornsby et al., 2002; Pinchott, 1985). It became a subject of interest because of its effect on revitalization and performance of the firm (Kuratko et al., 1990).

Many studies focused on the organizational factors that influence intrapreneurship (Hornsby et al., 2002; Pinchott, 1985), and on the effect of intrapreneurship on company performance (Lumpkin and Dess, 1996; Zahra and Gravis, 2000), and on the characteristics of individuals in the organization.

Covin and Slevin (1991) focused on corporate entrepreneurship as an overall approach within a company, indicating a direct relation with organizational performance. They argue that this is so because strong entrepreneurial orientation or intensity positively influences: organizational vision and mission; objectives, strategies and structure; organizational operations; and eventually, organizational culture.

Intrapreneurship is a strategy for stimulating innovation by making better use of entrepreneurial talent. When effectively promoted and channeled, intrapreneurship not only fosters innovation, it also helps employees with good ideas to better channel the resources of a corporation to develop more successful products.

As Covin and Slevin (1991) argue that the impact of entrepreneurial orientation will vary according to its intensity, hopefully encouraging managers to undertake entrepreneurial actions with a comprehensive knowledge of organizational behaviour. In other words, there are many ways in which corporate entrepreneurship can improve performance, beside its own financial results, and organizations can benefit considerably by inducing entrepreneurial orientation.

Barrett and Weinstein (1998) put it, "the renaissance in entrepreneurial thinking is a strategic way of marshalling all the resources of the firm in optimizing organization-wide performance."

Many researchers observed that corporate entrepreneurship is brought into practice as a tool for business development, revenue growth, profitability enhancement and pioneering the development of new products, services and processes (Kuratko et al., 1990; Lumpkin and Dess, 1996; Miles and Covin, 2002; Zahra, 1991; Zahra and Covin, 1995; Zahra et al, 1999).

The challenges facing business organizations today is to build sustained competitive advantage. The ability of the organization to manage discontinuities creates the potential for competitive advantage. Competitive advantage is realized, among other things, through continuous innovation and proactiveness, that is, the pursuit of new business opportunities and generation of novel ideas about business. (Tidd, Bessant and Pavitt, 1999).

Morris and Kuratko (2002) say that the implementation of entrepreneurial practices within companies, known as intrapreneurship, can help the organization meet the challenges and can transform firms into revolutionary companies.

According to Hornsby et al., (2002) the impact of intrapreneurship from an organization's point of view are -

- *Profit*: companies can increase their profit by exploring new opportunities.
- *Strategic renewal*: intrapreneurship can bring new insights, new approaches for reaching customers and markets.
- *International success*: via intrapreneurship companies can try to attain international success.
- *Technological innovation*: the objective of intrap eneurship can be the stimulation of innovation.
- *Knowledge about future revenue streams*: companies can learn about (extra) revenue streams in the (near) future via intrapreneurship.

Fostering Intrapreneurship in an Organization

Intrapreneurship is a complex, mutually interrelated process between many actors and many units within and outside of the company that need support. Organizational climate and management that foster intense working relations between the people, that elicit people's innovation capacity, tolerate risk, and support personal growth and development, are all important. Therefore, high investment in leadership and social development is needed.

On the company level even the physical working conditions should be supportive for intrapreneurship, because they can encourage as well as hinder it. Resource availability, reward systems and organizational arrangement that help to create individual intrapreneurship and intrapreneurial co operation are all facilitators as well. The senior management should also give its visible support to and show commitment in organizational renewal.

In sum, to foster intrapreneurship, an organization should establish a conducive intrapreneurial environment, should have appropriate leadership characteristics and top management's commitment.

Intrapreneurial Environment

Companies interested in developing and preserving entrepreneurship should strive to create a corporate environment in which those who believe in the attractiveness of opportunities feel encouraged to pursue it (Pinchott, 1985). In such an environment, a process of self-selection takes place, whereby entrepreneurs "bubble up" to the surface (Sathe, 1989).

Hisrich, Robert D. and Peters, Michael P., (2002) summarized the overall characteristics of a good intrapreneurial environment as follows:

Organization operates on frontiers of technology,
New ideas encouraged,
Trial and error encouraged,
Failures allowed,
No opportunity parameters,
Resources available and accessible,
Multidiscipline teamwork approach,
Long time horizon,
Volunteer program,
Appropriate reward system,
Sponsors and champions available, and
Support of top management.

Intrapreneurial Leadership Characteristics

The quality of leadership represented by top management plays a very critical role in driving innovation in firms and in mastering its dynamics (Kipp, 2001; Kuczmarski, 1998; Schoen, 1968; Utterback, 1994; Van De Ven, 1986). Firm success is determined by the collective leadership of top management teams (Reich, 1987) with skills complementing each other (Timmons, 1979).

According to Hisrich, Robert D. and Peters, Michael P., (2002) the following individual characteristics have been identified that constitute a successful Intrapreneur:

Understands the environment Visionary and flexible,
Creates management options,
Encourages teamwork,
Encourages open discussion,
Builds a coalition supporters, and
Persists.

Establishing Intrapreneurship in the organization

An entrepreneurial organization will institutionalize practices that establish an organizational environment in which innovation is considered an accepted and appropriate response to organizational problems (Russell, 1999). These practices build commitment and enthusiasm by creating a shared, sense a purpose and meaning in the organization (Roberts, 1984).

An organization desiring to establish intrapreneurship must implement the following steps for its creation:

1. Secure a commitment to intrapreneurship in the organization by top, upper and middle management levels,
2. Establish a mentor/ sponsor system,
3. Use technology to make it more flexible,
4. Establish an intrapreneurial culture by using a group of interested managers to train as well as share their experiences,
5. Develop ways to get closer to its customers,
6. Learn to be more productive with fewer resources,
7. Establish a strong support structure for intrapreneurship
8. Link rewards to the performance of the intrapreneurial unit, and
9. Implement an evaluation system that allows successful intrapreneurial units to expand and unsuccessful ones to be eliminated.

Conclusion

Technological and market changes seem to occur faster than we expect, and Peter Drucker's old saying that the only constant thing in business is change seems truer than ever. Intrapreneurship is a powerful source for change and innovation, fostering creativity and a constant search for new solutions to all kinds of problems. It can help organizations meet several challenges and can transform firms into revolutionary companies. It can improve corporate competitive positions as well as help overcome the lack of innovations and staleness affecting many organizations.

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Cyber Retailing
Indian Profile

Ramesh H.N.

Retailing cannot be overlooked for its contribution to the economic development of a nation. In recent years, lot of professionalism is used in the sector for acquiring, maintaining and retaining the customers. In fact, many industrial houses have entered into the retailing with twin objectives. One of the objectives is to provide superior service to the customers for building brand loyalty for which intermediaries may not be so effective. Another reason is to reap the superior profit in the terminal market. But retailing is not as easy as one perceives, an effective retailing requires a lot of sacrifice. This article highlights the importance of retailing, scope and types of retailing and the retail mix and retail marketing strategy for successful retailing. The article notes the negative and positive impact of information technology on retailing.

Retailers are the most important link in the customer value delivery system. The retailers are in close contact with the ultimate customers. The marketer uses retailers as an important tool for collecting customers' information. The retailers better judge the customers' likes and dislikes, needs and wants, buying behaviour, and motives. Retailers are important sources of information for consumers, as company executives wouldn't meet the final customers on one to one basis. In consumer goods market customers rely on retailers to provide most of the products they buy and wholesalers to get the products from the manufacturer to the store. In recent years retailing and wholesaling are flourishing. Retailers directly interact with the customers; as retail strategy is different from wholesale or manufactures strategy. Because, if a retailer loses a customer to a competitor, the retailer is the one who suffers. Producers and wholesalers still make their sale regardless of which retailers sell the product.

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In India, many firms have been practising exclusive retailing for the past several years. In recent years, however, the idea has proliferated fast. More and more companies are now recognizing the inadequacy of the traditional wholesaler-retailer's trade channels and are going in for exclusive retail network.

Scope of Retailing

Retailing consists of all business activities associated with the sale of goods and services to ultimate consumers. Or the activities involved in the direct sale of goods or services to consumers are called retailing. The retailers are businesses that manage the exchange at the point where the customers make the purchase. Retailing involves retailer – traditionally a store or establishment and non-store organization - that deals with consumers who are acquiring goods or services for their own use rather than for resale.

However, the definition of retailers includes some less than obvious service marketers, such as hotels, movie theaters, restaurants etc. And even an intermediary calls itself as "factory outlet."

"Wholesale club" or a shopping channel, it is retailing if its purpose is to sell to the ultimate consumers. In effect they are purchasing agents for customers. Furthermore, today, many companies sell on the Internet are retailers, because these retailers are e-commerce firms, they are often called e-tailors. Although most retailing is done in retail stores, in recent years non-store retailing- selling by mail, telephone, door to door contact, vending machines, the Internet and numerous electronic means has grown tremendously.

The act of buying is one of the retailer's most important functions. The buyer – this is an official job title in most retail operations- must know the market well enough to be able to predict what consumers want and what price they will pay for it.

Viewed in the context of the channel of distribution, retailers are the important final link in the process that brings goods or services from producers to consumers. Poor marketing on the part of the retailers can negate all planning and preparation that have gone into other marketing activities.

Value Addition in Retailing

Retailing is an important link between the first and the last owner. The first owner is the producer and the last owner is the customer. Retail technologies are becoming critically important as competitive tools. Progressive retailers use computers to produce better forecast, control inventory cost, order electronically from suppliers, send e-mail between stores and even sell to customers within stores.

Retailing as an important business activity has economic significance in terms of its contribution to the nation's GDP. There are millions of retailers in the country provide good number of employment opportunity to the people. As retailers operating in terminal markets they provide a valuable service to the consumers.

For producers, retailers are like extended arm for delivering the products and services. The important services provided by a retailer to a producer are- cater the consumer needs and align the product assortment to serve the market, provide both forward and backward information, take part in the storage of goods, collection of payments, retail promotions on behalf of the producers etc.

Retailing in Global Scenario

As many as ten per cent of the world's billionaires are retailers. The industry accounts for over eight per cent of GDP in western countries. It is one of the largest employment producers. According to the U.S.Department of Labour, more than 22 million Americans are employed in the retailing industry in over two million retail stores. Retailing in more developed countries is a big business and better organized than what it is in India. According to a report published by Mckinsey and Co. along with the Confederation of the Indian Industry, the global retail business is worth staggering US$6.6 trillion. In the developed world, most of it is accounted for by the organized retail sector. The service sector accounts for a large share of GDP in most developed economies. And the retail sector forms a very strong component of the service sector. In short, as long as people need to buy, retail will generate employment. Globally, retailing is a customer-centric with an emphasis on innovation in products, processes and services.

Retail Industry in India

Retailing is India's largest industry in terms of contribution to GDP. There are also un-accounted number of low cost Kiosks and pushcarts/mobile vendors. Total retail sales area in India

Table-1: Top 10 Retailers World Wide

1	Wal-Mart Store, Inc.	USA
2	Carr four Group,	France
3	The Home Depot, Inc	USA
4	The Kroger Co.	USA
5	Royal Ahold,	Netherlands
6	Metro AG,	Germany
7	Target Corporation,	USA
8	Albertson's, Inc.	USA
9	Sears, Roebuck and Co.	USA
10	Kmart Corporation	USA

(Source: Retail Forward, Inc.)

Table-2 Size of the Retail Market in India

Types of Product	Total Retail Rs. billion	Organized Retail Rs. billion
Food grocery	6,422	50
Textiles & apparel	980	185
Jewelry & Watches	554	30
Consumer Durables	415	43
Pharmaceuticals	364	10
Home solutions	351	32
Books, music & gifts	115	15
Others	1,159	11
Total	10,360	475

(Source: Merrill Lynch, India Retail Report 2007.)

was estimated as more than 328 million square meter. Food sales constitute a high proportion of the total retail sales. The retail share of food items in organized retailing is about 62 per cent in 2007. However, non-food sector also registered high growth sales.

Retailing in India accounts for over ten per cent of the country's GDP and it is around eight per cent of employment. It has emerged as one of the most dynamic and fast paced industries with several players entering the market. The heavy initial investments required make break even hard to achieve, there fore, it attracts big retail giants in the recent years. However, the future is promising; the market is growing, and it is expected to grow at a compound annual rate of 40 per cent per annum by 2010. To support this, government policies are becoming more favourable and emerging technologies are facilitating operations.

Major Retailers and Retail Formats in India:

India's top retailers are largely food and grocery stores this is followed by lifestyle, clothing and apparel stores. The past trends and business models in the west retail giants such as *Pantaloon, Shoppers' Stop* and *Lifestyle* are targeted metros and small cities and almost doubling the number of stores. Important retail formats operating in India are:

Specialty Stores

Chains such as the Bangalore based Kids Kemp, the Mumbai books retailer Crossword, RPG's Music World and the Times Group's music chain Planet M, are focusing on specific market segments and have established themselves strongly in their sectors.

Discount Stores

As the name suggests, discount stores or factory outlets, offer discounts on the MRP through selling in bulk reaching economies of scale or excess stock left over at the season. The product category can range from a variety of perishable and non-perishable goods.

Department Stores

Large stores ranging from 20000-50000 sq ft, catering to a variety of consumer needs. Further classified into localized departments such as clothing, toys, home, groceries, etc. Departmental Stores are expected to take over the apparel business from exclusive brand showrooms. Among these, the biggest success is K Raheja's Shoppers' Stop, which started in Mumbai and now has more than seven large stores (over 30,000 sq ft) across India and even has its own in-store brands for clothes called Stop.

Hyper marts/Supermarkets

Large self-service outlet, catering to varied shopper needs is termed as Supermarket. These are located in or near residential high streets. These stores today contribute to 30 per cent of all food and grocery organized retail sales. Super Markets can further be classified into mini supermarkets typically 1,000 sq ft to 2,000 sq ft and large supermarkets ranging from 3,500 sq ft to 5,000 sq ft. having a strong focus on food and grocery and personal sales.

Convenience Stores

These are relatively small stores 400-2,000 sq feet located near residential areas. They stock a limited range of high-turnover convenience products and are usually open for extended periods during the day, seven days a week. Prices are slightly higher due to the convenience premium.

Food Retailers

There are a large variety of retailers operating in the food-retailing sector. This is not surprising considering the enormous size of the market for food. However, traditional types of retailers, who operate small single outlet businesses mainly using family labour, dominate this sector. In comparison, supermarkets account for a minuscule proportion of food sales. This is because of the strong competitive strengths that traditional retailers possess. These include low operating costs and overheads, low margins, proximity to customers, long opening hours, and additional services to customers' greater numbers of higher income Indians prefer to shop at supermarkets because of convenience, higher standards of hygiene and the attractive ambience.

Health and Beauty Products Retailers

With growth in incomes, Indians have been spending more on health and beauty products. As in the case of other retailing sectors, small single-outlet retailers also dominate sales of health and beauty products. However, in recent years, a couple of retail chains specializing in health and beauty products have sprung up. At present, they account for only a tiny share of sales of these products. However, as Indians spend more on such products in future; their business will undoubtedly expand substantially. There is also scope for entry of more such chains.

Clothing and Footwear Retailers

Numerous clothing and footwear shops are to be found in Indian cities and towns, especially in shopping centres and markets. These are a mix of traditional and modern stores. Traditional outlets are small and cramped with little emphasis on alluring displays. They basically stock a limited range of cheap and popular items. In contrast, modern clothing and footwear stores are spacious with sample products attractively displayed in windows. Just as in the case of food retailing, there are also a huge number of retailers selling clothing and footwear in makeshift stalls or on footpaths. Because of their rock-bottom prices, which are much lower than prices of branded products, they attract a large number of low-income customers.

Home Furniture and Household Goods Retailers

Small retailers dominate the home furniture and household goods retailing sector in India. Despite the large size of this market, very few modern and large retailers have established specialized stores for these products. However, there is considerable potential for the entry or expansion of specialized retail chains and it is likely that this will further expand during the next few years.

Durable Goods Retailers

The entry of a large number of foreign consumer durable companies into the Indian market during the post liberalization, foreign investment and import policies transformed this sector dramatically. A much larger variety of consumer electronic items and household appliances became available to the Indian customer. Competition among companies to sell their brands provided a strong impetus to the growth for retailers operating in this sector.

Leisure and Personal Goods Retailers

Rising household incomes due to economic growth spurred consumer expenditure on leisure and personal goods in India. There are specialized retailers for each category of products in this sector. A few retail chains also emerged particularly in the retailing of books and music products. Another key feature of this sector is the popularity of franchising arrangements between established manufacturers and retailers.

Dynamics in Retailing

Globalisation, higher disposable incomes and information technology have been fuelling the high consumption. The market competition has introduced the competitive arena of branding in the retailing business. Faced with the increasingly difficult task of reaching out to the consumers, retail stores are taking the branding rout to develop distinct identity of their own. The own brand retail stores are similar to company owned stand-alone showrooms in that they stick to their own labels. However, they have to build a brand image around their own retail stores. *Wal-Mart, Shopper-Stop, Nilgiris, Cafyday Benzer, Sheetal* and *Amarson's* are examples of leading retail stores. *Kid's Kemp, Big Jo's* and other regional retail stores in India developing the retail brand of their own. Retail services are important area for brand building in retailing. Retail service adds value for building brand equity. The new philosophy of retail marketing is 'we do not sell but help you to buy.' The concept of goods once sold will be exchanged is changed to 'we are responsible for every thing we sell.'

Customization, car parking space, customer complaint cells, children's entertainment while parents shop, music and decor have become the norm of retailing. Shoppers Stop even has doctor on hand to cater to emergencies. Retailers are coming out with new strategies like large retail chains, selling their own brands and selling multi-brands, enhanced customer convenience etc.

Retailing Mix Management Strategies

Retailing mix describes how price and selection are traded off against other retail factors- service, location, store personality and ambiance, marketing communication, and quality.

Service in retailing describes the personal attention and amenities a store provides to its customers. It includes the help of trained sales staff, credit, gift-wrapping, installation and tailoring. Some major stores and shopping centres even offer childcare services so parents can shop without distraction.

Location in providing customer convenience is one of the top criteria people use in choosing where to shop. This is especially true for food, drug, other convenience products, and discount stores that sell primarily mass consumption products.

Personality and ambience are used to have a distinct image of the stores that are a result of many factors beside price and quality. Retailers often talk about atmosphere and ambience when describing their image. Atmosphere reflects the environment both outside and inside the stores it includes window display signage, décor, furniture, store layout, lighting, music etc.

In retailing, marketing communication is information about merchandise for sale is communicated largely through advertising and in store promotion material.

Quality service, location, marketing communication, merchandise selection and price all come together when consumer makes a decision about quality and what to buy. Quality is relative, is evaluated in relation to price. The best value is maximum quality for minimum price.

Advent of new technologies in marketing and sales has posed an opportunity as well as threat for retailing. The challenge faced by the traditional retailing today is the competition from no-store retailing. Non-store retailing or e-tailing is growing at a high speed at the cost of traditional retailing. Therefore, traditional retailing requires a new approach in terms of new retail marketing mix. The important success factors of retailing are:

1. *Strategic Planning*: Retailer must have a strong marketing plan and strategy. The selection of target market and development of the marketing mix are important aspects of retail strategies. Product assortment, price strategies and retail marketing communication need special attention.

2. *Physical facilities*: Experts are in the opinion that the key factors responsible for success of a retailing are location. The ultimate success retail store is governed by favourable location that alone can assure a sustained prosperity. Exterior and interior appearance and good layout also play an important role in the success of a retail store.

3. *Price*: Appropriate pricing strategy, reasonable quality and due customer service are the important strategic issues in retailing. High price, better service requires skilled and highly motivated sales people at the boundary spanning level. Lower price and limited service demands control over marketing expenses as gross margins are small.

4. *Promotion*: Unique promotional campaigns are considerable importance in retail marketing. Retailing is the toughest three feet i.e. retail counter in the channel of distribution. If the promotion doesn't cross the three feet all other sales efforts will be in vein. Eg. If, points of purchase, window displays, other in-store promotions etc., do not cross the perceptual threshold of the customer; customer will not prefer the brand in retail store.

5. *Buying*: A retailer can acquire highly desirable product assortment, indicating good values to his customers through shrewd buying practice and sound decision making ability. Since, retailer is a reseller; he should act as expert buying agent on behalf of his customers. Intelligent buying decisions give rich dividend in retail marketing.

6. *Services*: Retailers give non-price competition essentially through personalized services. Prompt and courteous service, quality assurance, sale on approval, money back guarantee, service after sale, free home delivery, grant of credit, securing goods to satisfy individual taste and likings, offer of an expert advice to customers, and comfort and convenience in the store are customer service components in retailing. The customer's patronage goes to those retailers who aim at securing profit through customer service.

7. *Efficient management:* Better planning, organisation and control can offer efficient retail operations. Proper selection, training, remuneration and motivation of sales force will also assure higher efficiency. If a retailer plans his inventories in details, buy and sell according to plan, he can easily reach the goal more effectively.

Information Technology and Retailing

The biggest impact on the retail sector in recent times by far has been the explosion in e-commerce, a phenomenon that has set new sights on the retail landscape. It also estimates that the Internet now influences one in five in-store retail purchases as well. In addition to buying online, many consumers use websites to browse for gift ideas, research products, and comparison shop, which is why it has become impossible for retailers to ignore the power of the online shopping channel.

Though, the Internet doesn't appeal to every consumer, a lot of shoppers still prefer a trip to the mall rather than spending their recreational hours surfing online. But, there is no escaping the fact that the instant accessibility of the web and being able to shop for bargains from the comfort of your own home, 24/7, is adding an extra convenience that traditional stores are finding increasingly hard to compete with. Some consumers choose not to shop online for various reasons. Many people like to touch and feel merchandise before they buy it; others want the instant gratification of selecting a product and taking it home immediately.

The preferred medium for some retailers is multi-channel retailing – the best of all worlds with store, online or catalog shopping on offer to consumers. However, even though this gives people more of choice in the way purchases their goods from a company, maintaining consistent service through all the mediums is proving a hurdle for some. Retailers are beginning to understand how to integrate their websites and their stores, creating a synergy that one channel could not accomplish on its own. For example, many retailers now allow online purchases to be returned to stores or permit customers to buy merchandise online and pick up at a retail location. Other retailers offer online kiosks in their stores so merchandise that might be out of stock in a particular area can be shipped to a customer free of charge. As the Internet continues to expand and grow, retailers will continue to challenge themselves to find ways to make the shopping experience even more seamless for shoppers.

Technology can also offer benefits in a less visible way. Sophisticated systems that allow retailers to keep a more accurate track of their inventories as well as other back-end systems that track goods and improve the supply chain are becoming a must-have. Many retailers are striving to acquire one-to-one marketing with their customers. However, some understand that the best way to improve the customer's shopping experience is to adhere to the fundamentals of retail, inventory management, pricing, merchandising, and exceptional customer service.

Another area where technology is helping to drive sales is in the use of in-store kiosks, a practical multi-channel tool that combines the in-store experience with the web. The main lure for customers is the ability to access deep information about a product and, in many cases, order the merchandise via the kiosks and have it shipped home.

Conclusion

Though successful retailing is sometimes attributed to a company's ability to drive out costs through the use of technology, many would argue that success in retail still comes down to having the right people in place to lead the company and to serve the customer. Retailing being a services industry, required to use extended marketing mix elements- product, price, promotion, physical distribution, people, process and physical evidence. Due to the free movement of retail formats across the world, the competition in retailing has reached a new level. There fore, today retail management has gained more importance.

India is one of the leading destinations for world-class retailing. Metro and mega cities in India have already received the feel of the world-class retailers. But, again the challenge is how to reach large size of the population still living in semi urban and rural areas with high potential to spend on world-class products and services.

A combination of good prices and quality products available when consumers need them are the main driving factors in retail management. While discounters and department stores were waging a war on price, the luxury sector relying on quality and selection to lure their very loyal customers. The emergence of luxury merchandise as a must-have category along all retail formats has made high-end apparel, jewelry and electronics more accessible to a wider range of consumers. Information technology is another factor boosting retailing in a big way.

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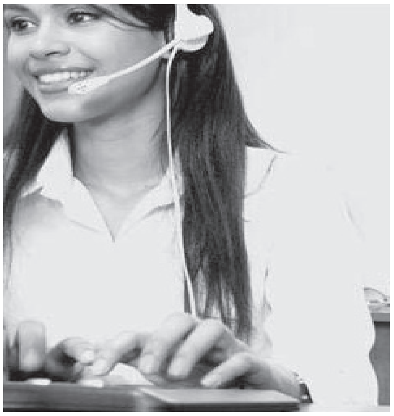
Job Satisfaction
Fatigue Variables



Hardik Shah and Hiral Shah

In today's economy, outsourcing is a necessity, cutting costs and enhancing efficiency. The Outsourcing industry in India has been growing 70 per cent a year and is now worth $1.6 billion, employing 100,000 people. As per McKinsey analysts, the industry has to grow only 27 per cent till 2008 to deliver $17 billion in revenues and employment of a million people. The industry prospects look greener despite attrition rate, low satisfaction, high fatigue, low productivity and high stress, but job satisfaction and fatigue have not been properly investigated into. This acted as motivation for us to conduct this research work and explore the area.

Outsourcing is not a new concept. It has been practised by MNCs for decades, but is the latest phenomenon to grip India. The Outsourcing Industry covers a very wide spectrum from low end IT enabled services such as Call Centres and Transcription Services to medium and high end outsourcing such as software development and design of hardware products. Nowadays, India is considered as one of the major offshore locations. Robust communication infrastructure, a large English-speaking workforce, low labour costs, appropriate time-zone difference with the West and the brand equity built by the software services sector are compelling reasons for choosing India as the outsourcing destination. As we know that Call Centres are relatively recent phenomenon which, by the dissemination of telecommunications and information technologies, enables telephone service representatives to deal quickly and remotely with customer needs by connecting the representative to the customer's account information on his/her computer as the call is relayed to the headset. As Call Centres can be centralized in locations far from the customers of a business, they allow firms to cut costs by reducing the number of local service

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outlets. In the first step, let us define what a Call Centre is. This is not a completely straightforward task, as there are considerable variations between types of Call Centres, which are spread across several sectors of the economy, and which perform different functions for different organizations, both within and across sectors. The broadest definition in the Call Centre literature is that provided by Norling (2001), who states "a Call Centre is any communications platform from which firms deliver services to customers via remote, real-time contact." The basic features include following:

1. The work is controlled by automatic systems which virtually and simultaneously distribute work;

2. Strict control over the pace of work and strict monitoring of the employee performance;

3. Employees are in direct contact with the customer through dealing with in-bound calls, making out-bound calls or a combination of the two.

For many employed in the Call Centre sector, the daily experience is of repetitive, intensive and stressful work, based upon Taylorist principles, which frequently results in employee "Fatigue." These descriptions are hardly surprising, in a way, given that Call Centres are established by organizations to create an environment in which work can be standardized to create relatively uniform and repetitious activities so as to achieve economies of scale and consistent quality of customer service. This means, in other words, that workplaces are organized in ways that weaken employee autonomy and enhance the potential for management control, and a loss of control is generally understood to be an important indicator of fatigue and dissatisfaction. There is almost universal consensus that Call Centre work creates fatigue and stress. Even in studies that report the observation that some staff actually enjoys their work, mention of fatigue and stress is still the norm, and a significant portion of the Call Centre literature is devoted to detailing the sources of fatigue and stress in Call Centre work. It was also found that pay, promotion, fatigue and stress are major reasons for leaving the organization (Data Quest Survey, 2004). Call Centre Managers are continuously trying to find the solutions in order to increase their satisfaction from the job and reduce their feeling of fatigue. As there existed the research gap in order to find the relationship between components of job satisfaction and fatigue in order to understand the factors contributing to higher JS and fatigue. We tried to explore this gap in order to develop various strategies for increasing JS for employees and reduce the level of fatigue they feel which may lead toward higher productivity. Our study helped the Organisation to develop and reframe the various strategies affecting human resources for better utilization of their human resources and keeping them satisfied and helping them to cope with the fatigue they felt at workplace.

Literature Review

According to many studies, occupational stress, fatigue and job satisfaction are widespread problems in western societies and lately in the Indian society too. Since new management approaches seek constant development by placing the human factor in the foreground, and since institutions can only progress based on the views, attitudes, and perceptions of their human resources, the number of studies related to employee satisfaction has increased very rapidly (Witt and Beokermen, 1991; Jenkins, 1993; Judge and Watanabe, 1993). We know that satisfaction of the employees is crucial for achieving organisational excellence. Similarly we all experience fatigue at workplace which reduces the satisfaction feeling for the employees. For the managers in the organisations it is very important to reduce fatigue and add to job satisfaction feelings. It has been found that some of us experience fatigue either for longer periods, or at greater intensity, than others. To quote the late Geoffrey Rose (1992) – "the real question in population studies is not 'Has he got it?' but 'How much of it has he got (Fatigue and Job Satisfaction)?" We tried to address the question with special reference to Call Centre employees.

Fatigue is a general term used to describe the feeling of being tired, drained or exhausted. Fatigue may be due to mental, physical or emotional reasons (Higginson, 1934). It may affect the ability of an employee to carry out his/her duties in a pleasant and safe manner. For example, fatigue has been identified as a major factor in transport accidents, job dissatisfaction and job burnout. Numerous population studies confirm that fatigue is always in the top group of somatic symptoms, and in many studies 'the commonest factor.' The exact prevalence clearly depends upon measurement and definition, but invariably when many symptoms are being considered together, fatigue emerges as a sum total of mental and physical exhaustion. Fatigue as defined by the physiologist - 'loss of power over time,' first described by Mosso and his ergograph (1906), is very different from the Rigour Fatigue experienced by Call Centre employees. However fatigue is also a feeling state and it is fundamental to our modern understanding of fatigue that we now realise that the feeling of fatigue is distinct from, and barely overlaps with, the behavioural aspects of performance decrement and Job Satisfaction. The number of synonyms that exist for fatigue: lack of energy, weakness, effort, sleepiness, tiredness, lassitude and so on indicate the magnitude of fatigue. Similarly, general fatigue appears to be twice as common as exhaustion, or nearly ten times commoner than feeling "generally run down." (Guilford et al., 1940). In both the community and primary care settings fatigue is like somatic or psychological symptom, which follows a normal distribution. The difficulty in measuring fatigue stems from its multi dimensional nature. For example, fatigue can be a mechanism, beloved of neurophysiologists, open to precise definition and measurement, and exemplified by such conditions as myasthenia gravis. Fatigue can also be a mechanism studied by neuro-psychologists here one may encounter studies of progressive failures of cognitive performance on formal testing, or perhaps attempts to use information processing theory to explore the idea that fatigue can be explained by the limited capacity of the nervous system. Stein et al. (1998) had explained fatigue with five different components namely General Fatigue, Physical Fatigue, Emotional Fatigue, Mental Fatigue and Rigour Fatigue covering all the possible aspects of fatigue. Based on their 'Multidimensional Fatigue Symptom Inventory-SF (MFSI)' we tried to explore its relationship with job satisfaction components.

Understanding that the "Job Satisfaction" is a major concern for all Call Centres, and it is duty of HR-Managers to address it properly. Some of the common signs and symptoms of problems areas are too much control at workplace, routine nature of work and peer pressure. If we become aware of such areas, we have to be more effective in dealing with areas of concern sooner rather than later. Learning to become more aware of factors of dissatisfaction for employees is the first major step in order to manage them effectively. It is often helpful to monitor them in regular manner so that we can match the satisfaction level. It has been felt that such concerns are directly affecting the performance of employees in Call Centers, they must be addressed carefully and effectively, and they, in turn, shall bring the higher level of job satisfaction with higher level of individual output for the organization. Job Satisfaction is defined as the pleasurable emotional state resulting from the appraisal of or *satisfaction* about one's job values. It results primarily from the interaction of one's values and one's perception of the job and its environment (Locke, 1976). Tiffin and McCormick (1971) found that Job Satisfaction was influenced both by the extent to which the work done by a person intrinsically interesting to him and by his attitude towards the total work situation, including the Organisation, his supervisor and colleagues. Recent trends towards more holistic views of psychology make clear the importance of work in the individual's overall enjoyment of life and fatigue he felt. A miserable employee cannot leave the dissatisfactions of an unhappy job at the office at the end of the day. Desai (1979) related Job Satisfaction to physiological needs, status, need for belongingness and interest in work and employee personality and concluded that it might be affected by the fatigue an individual feel from the job.

Cox et al (2000), and Maslach and Leiter (1997) are among those who associate these problems with fundamental changes occurring in the workplace and in the nature of work in the past few decades, i.e. the shift from physical workload to mental workload. Many factors must be taken into account to understand this process. The increased utilisation of information and communications technology, globalization of the economy, changing structure of the work force, and increasing flexibility of work are also adding to the mental workload creating mental fatigue for them. Employees in the Call Centre run high risk of experiencing excessive mental workload because of the emotional and mental demands both from customers and immediate bosses which they face in their daily jobs. Schaufeli and Enzmann (1998) mentioned that increased individualization, anonymity, and disconnectedness are reasons for occupational stress and burnout, which are the core job characteristics of any Call Centre employee causing fatigue for them. They also postulated that a further reason why these problems are more visible today than they were decades ago is that people are now more inclined to describe their problems in psychosocial terms. Does Fatigue adversely affect the Job Satisfaction level? What kind of relationship exists between Fatigue and Job Satisfaction? What are possible strategies to avoid fatigue and increase satisfaction level? These are some questions to which we tried to find answers in this paper.

Research Methodology

The question is whether all these factors of Job Satisfaction/Dissatisfaction are any way related with the feeling of fatigue of employees of the sample organisation? If yes then what kind of relationship exists between these variables? Can we analyze this relationship and develop an understanding of the impact of fatigue on the Job Satisfaction for the employees of Call Centre orgnisation? In order to answer these questions we have conducted the study with following hypothesis.

Hypothesis

The hypotheses for the current study are mentioned below:

H0: There is no significant correlation between Job Satisfaction and Fatigue.

H1: There is negative correlation between Job Satisfaction and Fatigue.

Tools: We have used following tools for our data collection purpose:

- Job Satisfaction Scale (Spector, P.E., 1994).
- Multidimensional Fatigue Symptom Inventory-SF (MFSI) (Stein, K., Martin, C., Hann, M. and Jacobsen, B. (1998).

Sample: The sample consists of 59 employees drawn from one single organisation (CALL INDIA Ltd.). We have distributed approximately 100 questionnaires and received 70 out of which 59 were complete in all respect for further analysis.

Procedure: The data is collected from random sample as per the design of the study. Both questionnaires together were given to the respondents in their natural work setting. The researchers visited the organisation and called 10-15 people in a group to a conference room located in the organisation's premises. The instruction was given by the investigator to all the respondents regarding the method to be adopted for recording the responses. The doubts were cleared then and there by the investigator. The filled in questionnaires were collected and based on the data, and the data sheets were prepared on each group. Further, the data were computed using SPSS package.

Results and Discussion

We have analyzed the data with the help of SPSS packages. We have used descriptive statistics, correlation analysis and regression analysis for our study in order to anlayse the data and make inferences. The Table-1 describes the descriptive statistics for the sample taken. It shows that there is Average cum high level of Fatigue (mean 134 out of maximum 150) and Low level of JS (mean 107.13 out of maximum 180). In depth analysis of Components of both fatigue and JS is shown below in Table-1. From the Table-1 and Figure -1 we can also conclude that overall fatigue is high due to Physical Fatigue (25.47), Mental Fatigue (24.80) and Emotional Fatigue (24.00) for the employees. From the Table-1 and Figure-2 we can conclude that job dissatisfaction comes from Nature of Work (6.92), Bad Supervision (6.95) which is due to routine and boring work, autocratic supervision and high level of work control in order to achieve higher level of targets. Even the satisfaction level with colleagues and communication made to them and fringe benefits to them are less for the sample taken.

Correlation Analysis

We have used correlation analysis in order to test our hypothesis that Fatigue and Job Satisfaction are negatively correlated. From the below mentioned Table-3, we can say that Fatigue and Job Satisfaction are negatively correlated (-0.468**). As we can see that correlation is negative and significant. So we can decide to accept the H1 and reject H0 for the taken sample. It was very clear from the Table-1 that General Fatigue and Nature of Work are found to be negatively related [-0.613(**)] means that General Fatigue level is high due to less satisfaction from the work employee is doing. Similarly, due to constant supervision and repetitive nature of work Physical Fatigue increases [-0.444(**)]. Emotional Fatigue is high if people are dissatisfied with Nature of Work and Variable Pay which

Table-1 Descriptive Statistics

Variables	Minimum	Maximum	Mean	Std. Deviation
General Fatigue	11	25	20.10	3.71
Physical Fatigue	14	30	25.47	4.01
Emotional Fatigue	9	30	24.00	5.27
Mental Fatigue	16	30	24.80	4.41
Rigour Fatigue	6	24	12.77	4.48
Total Fatigue	36	134	80.23	21.61
Pay	4	19	10.33	3.35
Promotion	4	20	9.97	3.54
Supervision	4	16	6.95	3.14
Fringe Benefits	4	20	10.23	3.41
Variable Pay	4	17	9.10	3.85
Work Condition	4	19	10.83	2.94
Colleague	4	16	7.42	2.62
Nature of Work	4	17	6.92	2.98
Communication	4	18	8.48	3.70
Total Job Satisfaction	78	131	107.13	12.99

Figure-1 Fatigue Variables

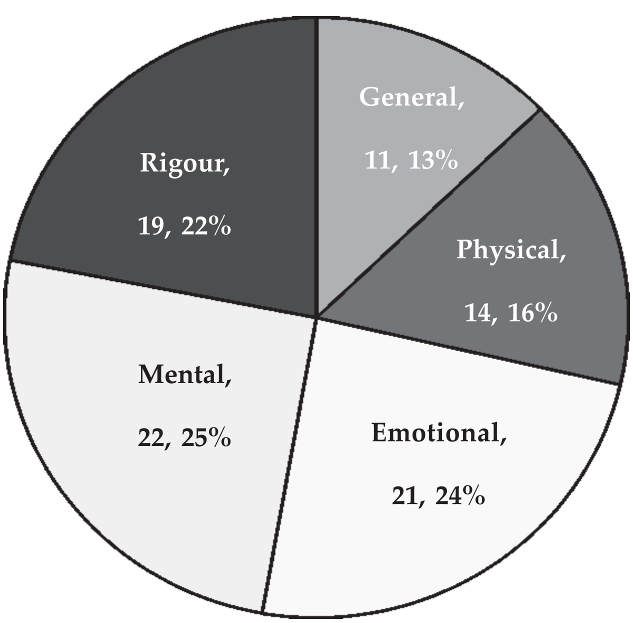
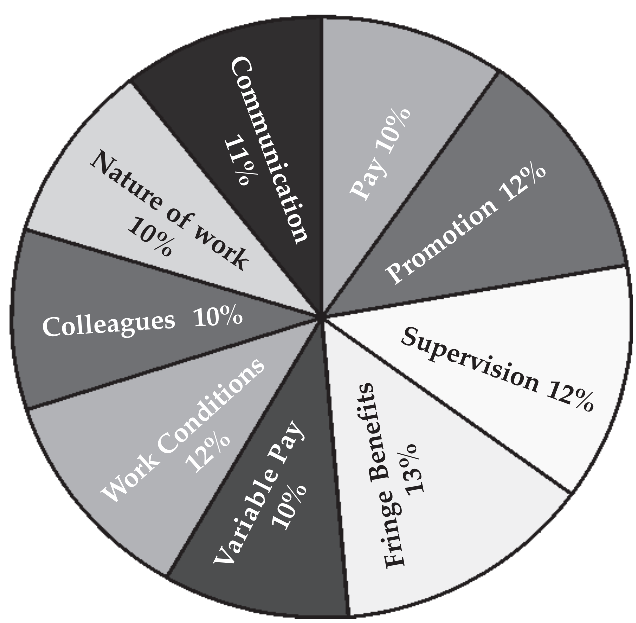


Figure-2 Job Satisfaction Variables

JS Variables



they receive [-0.490(**) and -0.419(**)]. Mental Fatigue is created due to not having satisfaction with Variable Pay and Colleagues having inverse correlationship [-0.451(**) and -0.311(*)]. In the case of correlation between Job Satisfaction variables with Rigour where it found to be positively related meaning that if you improve the nature of Work or communication, Rigour Fatigue will also going to increase for the job [.519(**) and 0.467(**)]. It may be due to the extra efforts employee has to put in order to be benefited.

Regression Analysis

Regression analysis is used for further analyzing the data and knowing the predictors of Job Satisfaction in terms of Fatigue variables. From the below mentioned Table-3 it can be inferred that Fatigue is predicting 66.8 per cent of variance in Job Satisfaction which is quite high as compared with other past studies. The model also found significant as seen form T– value and F-Value (5.113, 8.696) and its significance mentioned in Table 3. From this, it can be inferred that Fatigue is significant predictor for the Job Satisfaction. It has also supported the alternative hypotheses H1.

Suggestions to the Managers for coping with Fatigue and adding to Job Satisfaction

Since Fatigue is an inevitable fact of life that we can't always prevent, our efforts need to be focused on how to cope with it more effectively. What follows is a description of a three pronged approach to fatigue management which includes behavioural/practical techniques, relaxation techniques and cognitive/thinking techniques. Similarly, Job Satisfaction is also based on the different roles an individual plays in the orgnisation,

Table-2: Correlations between Job Satisfaction and Fatigue Variables

	General	Physical	Emotional	Mental	Rigour	Total Fatigue
PAY	-.443(**)	-.287(*)	-.372(**)	-.281(*)	.295(*)	-.360(**)
Promotion	-.327(*)	-.179	-.262(*)	-.168	.334(**)	-.197
Supervision	-.510(**)	-.415(**)	-.415(**)	-.311(*)	.331(**)	-.434(**)
Fringe Benefits	-.470(**)	-.296(*)	-.338(**)	-.210	.281(*)	-.337(**)
Variable Pay	-.550(**)	-.320(*)	-.490(**)	-.451(**)	.349(**)	-.487(**)
Work Condition	-.359(**)	-.319(*)	-.197	-.193	.157	-.292(*)
Colleague	-.327(*)	-.295(*)	-.236	-.347(**)	.441(**)	-.246
Nature of Work	-.613(**)	-.444(**)	-.419(**)	-.362(**)	.519(**)	-.426(**)
Communication	-.451(**)	-.270(*)	-.358(**)	-.260(*)	.467(**)	-.285(*)
Total JS	-.619(**)	-.424(**)	-.476(**)	-.392(**)	.481(**)	-.468(**)

** Correlation is significant at the 0.01 level (2-tailed). * Correlation is significant at the 0.05 level (2-tailed).

Table-3: Regression Model Summary

Model	R	R Square	Adjusted R Square	B	Beta	T value	F value	Std. Error of the Estimate
1	.668(a)	.446	.395	-.780	-.783	5.113	8.696	16.81446

a Predictors: (Constant), Rigour, Emotional, Physical, Mental, General

b Dependent Variable: Total Job Satisfaction personal and society/national life. Based on our impersonal talk with employees and literature we are suggesting different interventions to reduce fatigue and to increase job satisfaction for the employees.

- Flextime scheduling is a option that allows employees, within specific parameters to decide when to go to work. This plan may reduce absenteeism, leave and increase individual job satisfaction for the employees.
- It was found that employees have higher physical and mental fatigue. Flexible work schedule with shorter breaks will be the right option to reduce fatigue among employees. Initiate a policy which gives more free breaks and with less time intervals. Organisation provides three time break (20 Minutes) for physically and mentally refreshment. Four time breaks (15 Minutes) can be a good option so employees can cope with physical fatigue and mental fatigue like: head ache, muscle ache, back pain and tension. This initiative may also increase job satisfaction and individual efficiency among employees. Job sharing can be a good option for compatible pair of employees who can successfully co-ordinate the intricacies of one job. It will reduce the fatigue and pressure. This plan also helps to maintain the balance between work life and personal life.
- Employees feel tired, fatigued and not relaxed while they are working in night shift. Organisation should start using Pick-up and drop facilities in order to reduce Rigour and General fatigue.
- Employees are less satisfied with variable pay. Managers may initiate the policy of 'Profit Sharing Plan' that distributes compensation based on some established formula designed around an Organisation's profitability. This type of initiative increases job satisfaction in terms of Money.
- If employees are less satisfied with fringe benefit, they can be offered some other benefits like:
  - Discount coupons of multiplex and hypermarket.
  - Health coverage plan
  - Extra vacation Time
- To improve team co-ordination and team efforts, growth reward plans to be developed and needed to be implemented which may help for better team co-ordination and team like behaviour.
- Sensitivity Training or T-Group training needed to be provided which may improve the situation for these employees. It will help to integrate teams towards achievement of organisational performance by improving organization performance and job satisfaction for employees.
- There existed issues in terms of bad supervision which may be addressed by providing training for team leaders or floor managers to meet the requirement of proper supervision.
- Managers must give preference to face-to-face or phone call as a mode for counseling particularly for the performance issues.
- 'Feng shui' is a Chinese system for arranging office surrounding. Initiate this type of new arrangement to live in harmony and balance with nature. Mental fatigue, stress and boredom can be reduced by implementing this design in work building. i.e. Fish tank, flower and plants etc. Certain other ergonomics needs to be changed like distance between chair and table, kind of chair, the degree for computer and eye contact in order to reduce Fatigue.
- Employees have suggested that they should start celebrating special days like chocolate day, rose day, traditional or sari day at workplace to provide friendly atmosphere at workplace.
- Employees are less satisfied with promotion policy so revise some parameters like creating more opportunity at different level.
- They need "ON-THE-JOB" Motivation which keeps them physically and mentally healthy. They can feel energetic and enthusiastic on the job which increase job satisfaction among them. These below are the illustrative suggestions in this direction:

- Appreciation by E-mail
- On the job Announcement of Achievement by employee during breaks only.
- Sending greetings on special occasion to employees by internet.
- Sending Reminder about workshops, conferences or education programs (Expo) in city and also motivating them to be a part of it.
- Keeping track of situations that seem to make you feel more tired such as talking for long time or talking to rude consumer.
- Trying to avoid conflict with administration, colleagues and immediate bosses.
- Finding ways to break up your activities into shorter time periods, or allow yourself time to rest between calls.

Conclusion

This study has touched the tip of the iceberg; there is scope for further research in this domain. Further research is possible by individually taking 'on' and 'off' the job factors of satisfaction/dissatisfaction and studying their relationship with fatigue. This research focused on Call Centre employees that can be extended further by exploring fatigue and job satisfaction relationship in other professions such as those of doctors, lawyers, armed forces etc. The study contributed to the theoretical construct in terms of establishing the relationship between fatigue and Job Satisfaction variables which were found to be significantly negative. The study also found that fatigue is negative predictor of Job Satisfaction. The study is clearly indicative of different issues for Call Centre employees in Indian context. There are different on the job ad off the job factors leading to dissatisfaction and fatigue for them which were explored in this study. We know that there is no single cure or magic bullet that can eliminate *fatigue*. High operational demands, human physiology, and individual differences are too complex for a simple mechanistic approach. By examining each component of the work setup where there are issues like time pressure to sale, constant monitoring, quality vs. quantity calls, routine work, bad ergonomics, rivalry among different team etc. leading to fatigue. However, one can identify areas in which current scientific knowledge regarding *fatigue can be improved and further linkages in terms of creating satisfaction or dissatisfaction from the job can be utilized by using this current study.* We strongly believe that if we can reduce the fatigue and increase Job Satisfaction by various innovative and encouraging strategies as suggested for the organization as well as for the self then the performance of the organisation might be increased dramatically. It is also believed that if the suggested steps are being taken the Call Centre managers then definitely it will lead to 'happy employee….and …productive employee with no fatigue at all'- kind of situation for the organisation which definitely will add a completive edge for the organisation.

Key words: Fatigue, Job Satisfaction, Call Centre.

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Iranian Angle
Worth of Audit Report

Mahdi Salehi and Bizhan Abedini

The auditing of financial statements is essential to every firm, because shareholders and stakeholders can rely on financial statements regarding financial decisions such as investment, divestment and portfolio being audited. However, over the entire world, because of several scandals at national and international levels the audit practice became undermined. Further, the results of this study also show that the Iranian banking sector does not rely on audited financial statements or audit practice. The survey comes to the conclusion that for reinstating the importance of auditors, as first legislators should issue new financial reporting standards as well as revise the old standards.

Auditing of financial reporting status is a very old phenomenon. The function of formal auditing of financial reporting existed since many years back. Whenever the advance of civilization brought about the requirement of one person being entrusted to some extent with the property of another, some kind of check upon the fidelity of the former was advised. Auditors and auditing both have been referred to in Italy and England in the thirteenth century (Brown, 1905). In view of this fact, audited financial statements are essential to both shareholders as well as stakeholders. In other words, for capital markets to function well, it is essential that investors are able to get a scorecard on how companies are performing. The scorecard is presented in the form of financial statements that are standardized across companies and follow certain guidelines. Financial statements are useful to the extent that they are credible. Auditors play an important role in ensuring that accounting statements follow the generally accepted guidelines and are accurate. No doubt, auditors are independent and will detect and reveal any material omissions or misstatements in the financial statements.


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In normal circumstance when banks looking for a company's audited financial statements, what are the criteria to find out if the company is doing well. However, the recent scandals at the national and international levels have undermined the audit practice totally. Many studies have investigated factors impacting auditor reporting, e.g., Antle (1984) works on management advisory services (Dopuch and King, 1991), low balling (DeAngelo, 1981a,b,c; Dopuch and King 1996), mandatory rotation (Dopuch, King and Schwartz 2001; Gietzmann and Sen 2000), auditor switching (Teoh 1992), auditor size (DeAngelo 1981), and auditor reputation. The audit failures that have been reported have led to major criticism of the auditing profession worldwide by exposing the weaknesses of the profession in terms of safeguarding shareholders' and stakeholders' interests (Brandon et al., 2004; Cullinan, 2004; Fearnley and Beattie, 2004; Ghosh and Moon, 2005; Gwilliam, 2003; Higson, 2003; Krishnan, 2005). Therefore, this survey attempts to clarify what the banking sector's perception is regarding the audit practice at the time of financing firms. The reminder of this paper briefly explains about the history of banking in Iran, review of literature, and research methodology and conclusion.

History of Banking in Iran

Banks are often described as our economy's engine, in part because of these functions, but also because of the major role banks play as instruments of the government's monetary policy. Banks are privately-owned institutions that generally accept deposits and make loans. Deposits are money people leave in an institution with the understanding that they can get it back at any time or at an agreed-upon future time. A loan is money lent out to a borrower to be generally paid back with interest. This action of taking deposits and making loans is called financial intermediation. A bank's business, however, does not end there. Most people and businesses pay their bills with bank checking accounts, placing banks at the center of our payments system. Banks are the major source of consumer loans — loans for cars, houses, education as well as main lenders to businesses, especially small businesses. Banking operations had been carried out in Iran by temples and princes before the advent of the Achaemenid dynasty. Bank Sepah was the first bank to be established with Iranian capitals in 1925 under the name of Bank Pahlavi Qoshun, in order to handle the financial affairs of the military personnel and set up their retirement fund. In the spring of 1979, all Iranian banks were nationalized and banking laws changed with the approval of the new interest-free Islamic banking regulations. Text: Before a bank in its present form was established in Iran, banking operations had been carried out in traditional form, or in other words, in the form of money changing. Following a boost in trade and use of bank notes and coins in trade during the Parthian and Sassanian eras, exchange of coins and hard currencies began in the country. The bank notes were called 'Shahr-Rava' which meant something that was in use in cities. Before the printing of first bank notes by the Bank Shahanshahi (Imperial Bank), a kind of credit card, called Bijak, had been issued by money dealers. It was in fact a receipt of a sum of money taken by money dealers from the owners of Bijak. With a boost in trade during the rule of Safavid dynasty, particularly during the reign of Shah Abbas the Great, money changing risked up again and wealthy money dealers started their international activities by opening accounts in foreign banks. Money changing continued until the establishment of the New East Bank in 1850. The New East Bank was in fact the first banking institute in its present form established in Iran. It laid the foundation of banking operations in the country. It was a British bank whose headquarters was in London. The bank was established by the British without receiving any concession from the Iranian government. The bank continued its activities under the name of Bank Iran until 1933 when it was incorporated into the Bank Keshavarzi (Agriculture Bank). Bank Sepah was the first bank to be established with Iranian capitals in 1925 under the name of Bank Pahlavi Qoshun, in order to handle the financial affairs of the military personnel and set up their retirement fund. In April 1927, the Iranian Parliament gave final approval to the law allowing the establishment of Bank Melli of Iran. But, due to problems arising from preparing a 150 million Rial capital needed by the bank, the Cabinet ministers and the parliament's financial commission approved the articles of association of the bank in the spring of 1928. The Central Bank of Iran was established in 1928, tasked with trade activities and other operations (acting as the treasurer of the government, printing bank notes, enforcing monetary and financial policies and so on). The duties of the CBI included making transactions on behalf of the government, controlling trade banks, determining supply of money, foreign exchange protective measures (determining the value of hard currencies against Rial) and so on. In June 1979, Iranian banks were nationalized and banking regulations changed with the approval of the Islamic banking law (interest free), and the role of banks in accelerating trade deals, rendering services to clients, collecting deposits, offering credits to applicants on the basis of the CBI's policies and so on was strengthened. In short, today there are around 17 commercial banks in Iran of them eleven are state-owned and six are privately owned. All the banks must follow Islamic banking principles whereby usury is forbidden. Rather than interest rates, profit rates are set on deposits and expected rates of profit on facilities are set on loans. In terms of both assets and capital, the banking sector is dominated by Bank Melli Iran (National Bank of Iran). In recent years, six privately owned banks, Bank Kafarin, Bank Parsian, Bank Eqtesad-e-Novin Bank Saman, Bank Pasargad and Bank Sarmaye have commenced operations in Iran for the first time since the nationalisation of the Iranian banking sector in 1952. Table No. 1 shows the types and numbers of Iranian banks.

Table No.1: Type and Numbers of Iranian Banks

GOVERNMENTAL BANKS		PRIVATE BANKS
Commercial Banks	**Specialized Banks**	**Commercial Banks**
Names of Banks	Names of Banks	Names of Banks
Tejarat	Tosehsaderat	Egtesadnovin
Refah	Sanat va madan	Persian
Sepah	Keshavarzi	Pasargad
Postbank	Maskan	Saman
Saderat	——	Sarmayeh
Melat	——	Karafarin
Melli	——	——
Total 7	4	6

Research Problem

The importance of audit independence streams basically forms the need to give credibility to a firm's financial statements. Such practice is believed to increase the confidence of the users of financial statements in their various investment, divestment and portfolio activities. Several empirical studies (e.g. Lavin, 1977; Firth, 1980a; Dykxhoorn and Sinning, 1982) have been suggested that there was a relationship between auditor independence and the investors' reliance on the audited financial statements to make decisions. Further, the impetus for this study stems from the arguably questionable nature of the audit process and the value of the audited financial statements which are summarized in report. Since, the inception of the compulsory audit, the audit report has been under discussion and criticism and it has been an important part of the audit expectations gap. Owing to the wide criticism of the audit profession within the context of business and audit failures, the value of the audit report continues to be scrutinized and criticized. For example, Gwilliam (1987) argued, a number of studies have suggested that the average investor pays little attention to the audit report.

Review of Literature

As mentioned by Arens et al. (2006) the demand for audit services is triggered by many factors, including the remoteness gap between the users of the financial statements and the preparers of these statements; the conflict of interest between the users of the financial statements; the complexity of the economic transactions; and the expected effect of the financial statements on decision making. Therefore, the authors tried to bring briefly various literatures that relate to this research.

Firth (1980b) used questionnaires to discover whether bank lending decisions and credit analysts' reactions were affected by qualifications and the type of qualification.

The questionnaires contained a set of financial statements from a hypothetical company which was accompanied by either a clean or one of different types of audit qualifications.

The results indicate that certain types of qualifications, specially the going concern and asset valuation qualification, affected bank lending and credit analysts' decisions. He also concluded that these results indicate that the audit report should contain more detail in respect of such qualifications in order to help readers of the report to assess the significance of the qualification for their decision making.

Guillamon (2003) used experimental methodology to investigate the importance of the audit report in investment decisions made by dealers and brokering companies and lending decisions made by credit institutions. In other words the aim of the research was to investigate the influence of the auditor's opinion (clean, qualified, adverse and disclaimer) on investing and financing decisions. The researcher used the survey method, that is, the researcher used a questionnaire through which the respondents were asked about the source they consider relevant when making decisions. The findings of the study indicate that the auditor's opinion represents a useful source of information when making investment and financing decisions.

Ireland (2003) conducted a study to investigate the association between published audit reports and observable company characteristics in the UK. The researcher used a multi-nominal logit model to analyze the determinants of both going concern and non-going concern related to audit modifications, including modifications for disagreements and limitations on scope. The findings of the study showed that the determinants of audit reports differ between types of audit modifications. In addition, it appears from the study that subsidiary companies hiring large auditors are significantly less likely to receive non-going concern related modifications, whereas non-subsidiary companies hiring large auditors are significantly more likely to receive going-concern related modifications.

Carcello and Palmrose (1994) found that only 30 per cent of bankruptcies are preceded by a going concern audit report. In other words, 7 in 10 bankruptcies have a 'false negative' or clean audit report. Of course, as already noted, there are only around 40 bankruptcies of publicly listed companies per year, so the absolute number of false negatives per year is quite small. Strictly speaking, bankruptcies not preceded by going concern audit reports are not necessarily audit failures since the objective of an audit is not the prediction of bankruptcy.

Frankel et al. (2002) who report evidence that companies which pay their auditors relatively more non-audit fees have larger abnormal accruals and are more likely to meet or beat analysts' forecasted earnings. Together these two findings imply that auditors treat clients with larger non-audit fees more leniently, and that such clients have greater scope to manage earnings to meet benchmark targets, which suggests both lower audit quality and lower earnings quality. At face value, the results offer evidence in support of the SEC's proposed ban of non-audit services for audit clients.

Objectives of Study and Research Methodology

The purpose of this study is to gauge the relative importance of financial statement items as viewed by financial statement users, namely, bankers in Iran. In the other words, the objective of this paper is determined which factors are very important for Iranian banks at the time of paying loans and financing Iranian corporations and firms. In view of this fact, there are several factors related to measuring risk of loans return. The objective of this paper is determined that how much is the importance of financial statements audited compared mortgage collateral and other factors.

The participants numbering 266were randomly selected from 17 Iranian banks. For collecting reasonable data five Scales questionnaire were designed and developed. Out of 266 questionnaires distributed amongst the participants just 131 usable questionnaires were collected as shows in Table No.2 below.

With regard to the above table, in returning the questionnaire Sarmayeh Bank stood first with 64.28 per cent and Refah Bank stood last with a percentage of 31.25.

What are the factors that are very important at the time of allocating loans to firms? The five scale questionnaire anchored "Bank Policy" (1), "Mortgage Collateral" (2), "Financial Statements Audited" (3), "Customer Experimental Evaluation" (4) and "Customer Resume" (5). The suitable test for analyzing these data is Chi-Square Test, therefore, this test employed in research.

Testing of Hypotheses

The first hypothesis is:

H1: According to financial statements audited, the Iranian banks pay loans to companies;

According to filed survey the collected results shown in Table No.3.

The above frequency table shows the frequency distribution regarding the first hypothesis. The table shows 24.40 per cent of loans pay according to the bank policy, and which bank evaluation stood at last with a percentage of 16.80.

Table No.2: Distribution and Return Numbers of Questionnaires

No.	Names of Banks	No. Distributed	No. Return	Percentage of Returns
1	Melli	18	9	50.00%
2	Melat	16	7	43.75%
3	Saderat	16	8	50.00%
4	Sepah	15	8	53.33%
5	Refah	16	5	31.25%
6	Tejarat	17	7	41.18%
7	Postbank	15	5	33.33%
8	Tosehsaderat	16	8	50.00%
9	Sanat va madan	18	11	61.11%
10	Keshavarzi	18	9	50.00%
11	Maskan	17	8	47.09%
12	Egtesadnovin	14	8	57.14%
13	Persian	15	7	46.66%
14	Pasargad	13	7	53.85%
15	Saman	14	8	57.14%
16	Sarmayeh	14	9	64.28%
17	Karafarin	14	7	50.00%
	Total	266	131	100.00%

Table No.3: Frequencies Distribution of First Hypothesis

Statement	Frequency	Percentage
Bank Policy	32	24.40
Mortgage Collateral	25	19.10
Financial Statements Audited	29	22.10
Banks Evaluation	22	16.80
Firms Financial Resume	23	17.60
Total	131	100.00

Table No.4: Result of Testing First Hypothesis

Hypothesis	Chi-Square	Sig.
Hypothesis No. One	2.702	0.609

Table No.5: Result of Testing Second Hypothesis

Hypothesis	Chi-Square	Sig.
Hypothesis No. Two	9.954	0.504

The results of Table No.4 show that there is no significant difference with regard to H1, therefore, the H1 was rejected and H0 accepted. In other words, the Iranian bankers do not rely on financial statements audited. However, this result shows that the third parties not rely on financial statements audited; therefore, the credibility of the auditor is undermined.

Therefore, according to the result of the first, the second hypothesis postulates that:

H2: from the view points of Iranian bankers the amount of total assets is a major criterion for firm financing.

According to Table No.5 there is no significant difference, therefore, H2 is rejected and H0 is accepted. In other words, according to bankers' perceptions the total assets are not very important factor at the time of firm financing.

The frequency table shows the distribution of results which are shown in Table No.6.

According to Table No. 6 from the view points of bank sectors the most important item at the time of financing is the amount of total assets with a percentage of 26.70. However, the table also shows that the market share price is not very reliable according to 11.50 per cent respondents.

It is very incredible that this much audited financial statement is less value from the view points of bankers. Therefore, it is interesting to know that according to them are the weaknesses of the financial statements audited. Table No.6 shows these weaknesses.

According to Table No.7 from the viewpoints of the respondents the major deficiency of audited financial statements is manipulation of financial statements (29.80 per cent). However, the table also shows that this type of audit report has less effect on the weakness of financial statements.

Also this survey shows that which industries are being paid more loans by the Iranian banks. Table No.8 gives a clear picture on this subject.

Table No.6: Importance of Financial Statements

Statement	Frequency	Percentage
Profit and Loss Statement	21	16.00
Total Assets	35	26.70
Income	31	23.70
Liabilities	29	22.10
Market Share Price	15	11.50
Total	131	100.00

Table No.7: Weakness of Financial Statements Audited

Statement	Frequency	Percentage
Manipulation of Financial Statements	39	29.80
Weakness of Financial Standards	37	28.20
Earning Management	9	6.90
Un-similarity in Financial Reporting	36	27.50
Type Audit Report	10	7.60
Total	131	100.00

Table No.8: Industries Absorbing Loans

Statement	Frequency	Percentage
Trade	28	21.40
Industry	33	25.20
Housing	29	22.10
Agriculture	28	21.40
Services	13	9.90
Total	131	100.00

This table shows that maximum loans are allocated to the industry sector, and least loans are allocated to services sector. Further, moderately level loans are allocated to housing, trade and agriculture, respectively.

Conclusion

In view of the above fact, the external auditors add credibility to financial statements. The audited financial statements are the major criterion to decision making, investment, divestment and portfolio. However, the results of this survey indicate that the Iranian banking sector does not rely very much on audited financial statements. It means that not much importance is given value to the audit practice in Iran according to bankers' view point. For solving this problem it is suggested that Iranian legislators should issue new financial reporting standards and re-new old auditing standards. Auditors also need to pay more attention to their practice, especially keeping in view the auditing and accounting standards guideline; otherwise not only the auditors' prestige but also proper loans allocation and our capital market are jeopardized.

Key words: External audit, Banking sector, and Iran.

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Career Choices: Eves in Banks

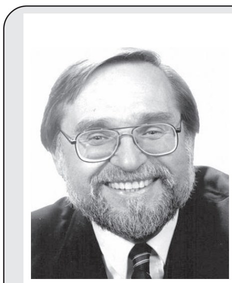
Camera Eye on Turkey

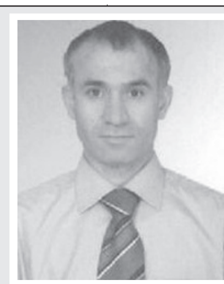
Ronald J.Burke, Mustafa Koyuncu and Lisa Fiksenbaum

This research examines potential antecedents and consequences of different career priority patterns among managerial and professional women working in a large Turkish bank. Two career priority patterns advanced by Schwartz (1989, 1992) have been considered: career-primary and career-family. Previous research conducted in other countries has compared these career priority patterns. Data have been collected from 215 managerial and professional women using anonymously completed questionnaires, a sixty-seven per cent response rate. Career-priority and career-family women were similar on personal demographic and work situation characteristics. However the two groups were significantly different on a variety of other measures. Career-priority women were more satisfied with their jobs and careers, had more optimistic career prospects, were more work engaged, exhibited higher levels of workaholism and reported higher levels of psychological well-being. These findings are somewhat different from those obtained in previous research suggesting possible country and culture differences.

There has been considerable recent interest in the prospects for career advancement of managerial and professional women in both developing and industrialized countries (Davidson and Burke, 2004). There is widespread agreement that women continue to have difficulty in reaching the ranks of senior levels of management, despite having appropriate education, increasing years of service, the passage of time, and generally similar levels of job performance (Burke and Nelson, 2002; Burke and Mattis, 2005).

Schwartz (1989) suggested that since women typically shoulder more responsibility for childbearing and childbirth than their male colleagues, with the result that they have less time and energy available to devote to their careers, organizations might more flexibly offer alternative career options to these women for a short period of time. One option, for women without children, would support the pursuit of demanding careers by these women in the same way as ambitious men currently do. A second option would offer some women less demanding roles for a short period of time so they can devote more time to their children and family





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obligations, then return to more demanding roles as their children get older. She referred to the former as career-primary women and the latter as career-family women (Schwartz, 1992).

Burke and his colleagues developed a measure of career priority patterns along a career-primary and career-family continuum to examine both potential antecedents and consequences of these patterns. They have since collected data in Canada, Bulgaria, Turkey, Norway and Singapore (Burke and McKeen, 1993; Burke, Koyuncu and Fiksenbaum, 2007; Burke and Richardsen, 1996, Burke and Kong, 1996; Burke, 2000). The present study replicates this work in Turkey using data collected from managerial and professional working in banking. Previous Turkish research has indicated that, consistent with findings reported in other countries (Davidson and Burke, 2004), managerial and professional women in Turkey face obstacles in achieving senior management jobs (Aycan, 2004; Ozbilgin and Woodward, 2004; Woodward and Ozbilgin, 1999), and that even though banking has a lot of women employees, women in banking also face career obstacles (Collinson, 1987; Crompton and Sanderson, 1994).

The present study, part of a larger comparative investigation of work experiences and career success of managerial and professional women, replicates earlier research first conducted in Canada by Burke and McKeen (1993). Turkey, compared with Canada, is both larger and less industrialized and has a different historical, political, and economic context. Would various career priority patterns be relevant in Turkey? Where would Turkish managerial women place themselves on this continuum? Would the correlates of career-priority be similar to those found in a North American sample?

A number of variables suggested to impact women's career development and women's well-being were included. Tharenou (2005) has highlighted the importance of individual factors (e.g., education, work experiences, personality) social factors (e.g., support and encouragement) and organizational factors (e.g., organizational level) in women's advancement. Others (e.g., Nelson and Burke, 2000) have focused on work stress and health among managerial and professional women. In addition, the role of work-personal life integration in the lives of these women has received increasing attention (Gordon and Whelan-Berry, 2005; Ruderman and Ohlott, 2002; Maniero and Sullivan, 2006). Each of these broad areas was incorporated into the present study.

Method

Respondents

Data were collected from 215 females in managerial and professional jobs in a single large Turkish bank. Table 1 shows the demographic characteristics of the sample. The majority were 35 years old or younger (59 per cent), married (61 per cent), had children (75 per cent), had one or two children (71 per cent), held bachelor's university degrees (48 per cent), were in lower or middle management jobs (72 per cent), had worked continuously (61 per cent), had worked part-time (57 per cent), worked between 41 – 50 hours per week (72 per cent), worked for the bank 5 years or less (44 per cent), had five years or less of job tenure (64 per cent), and worked in units with 20 or fewer employees (43 per cent).

Table 1: Demographic Characteristics

Age	N	%	Marital Status	N	%
30 or less	71	33.0	Married	131	60.9
31 – 35	56	26.1	Single, Divorced, Widowed	84	39.1
36 – 40	54	25.1			
41 and above	34	15.8			
			Parental Status		
			Children	114	75.0
			No children	38	25.0

Length of marriage					
5 years or less	56	42.1			
6 – 10	30	22.6	**Number of Children**		
11 – 15	20	15.0	1	50	43.9
16 or more	27	29.3	2	31	22.2
			3	19	16.7
			4 or more	14	12.3
Education					
Elementary	2	9			
High school	29	13.5	**Hours worked**		
Bachelor's degree	147	68.4	40 or less	35	16.3
Master	30	14.0	41-45	72	33.5
Doctorate	7	3.3	46-50	83	38.6
			51-55	11	5.1
			56-60	14	6.5
Organizational level					
Non-management	12	5.6			
Lower management	83	38.6	**Worked Part-time**		
Middle management	72	33.5	Yes	122	56.7
Senior management	48	22.3	No	93	43.3
Worked Continuously			**Years Bachelor Dig.**		
Yes	132	61.4	1990 or before	43	20.0
No	83	38.6	1991-1995	34	15.8
			1996-2000	82	38.2
			2001 or later	56	26.0
Job Tenure					
5 years or less	137	63.7			
6 – 10	60	27.9	**Total Dur. of Breaks**		
11 or more	18	8.4	No Breaks	132	61.4
			2 years or less	36	16.7
			2 - 5 years	31	14.4
Unit Size					
20 or less	93	43.3	6 years or more	16	7.4
21 – 30	63	29.3			
31 – 40	34	14.8	**Present Employer**		
41 or more	27	12.6	5 years or less	52	44.2
			6 - 10 years	65	34.4
			11 years or more	46	21.4

Procedure

Questionnaires were sent to a random sample of 320 women managers and professionals using a list provided by a private sector bank employing 6000 women and men in several cities. Respondents completed the questionnaires anonymously and returned them to the research team. A total of 227 complete questionnaires were received; the final response rate was 67 per cent (N=215) when incomplete questionnaires were eliminated. The questionnaire was translated from English to Turkish using the back-translation method.

Measures

A variety of single item and multiple item measures were used.

Career Priority Pattern was measured by the following question and scenarios.

The following paragraphs describe two professional women. Please answer this question using your current employment.

Ayse: Ayse's career is the most important thing in her life. She is ready to make the same trade-offs made by men who seek top management position. She has made a career decision to put in extra hours, to make sacrifices in her personal life, and to make the most of every opportunity for professional development.

Leyla: Leyla wants to pursue a career while actively participating in a personal life and the rearing of children. She is willing to trade some career growth and compensation for freedom from the constant pressure to work long hours and weekends.

I am… (circle one number)

Exactly Like Ayse	A Lot Like Ayse	Somewhat Like Ayse	Halfway Like Ayse & Leyla	Somewhat Like Leyla	A Lot Like Leyla	Exactly Like Leyla
1	2	3	4	5	6	7

Personal Demographics and Work Situation

These included age, marital and parental status, number of children, level of education, hours worked, organizational level, organizational and job tenure, unit size, and whether the respondent had worked continuously since completing their education or had ever worked part-time.

Personality Characteristics

Type A Behaviour

Two aspects of Type A behaviour, Achievement Striving (AS) and Impatience-Irritation (II) were assessed using the Revised Jenkins Activity Survey (Pred, Helmreich and Spence, 1987; Spence, Helmreich and Pred, 1987). Both scales consisted of six items. Respondents indicated the alternative that best described them or their opinion on a five-point Likert scale. An item on the AS scale (α =.90) was "How seriously do you take your work," an item on the II scale (α = .43) was "Do you usually get irritated."

Proactive Personality

Bateman and Crant's measure of proactive personality (1993) was used. This role contained 17 (α = .65) items (e.g., "If I see something I don't like I fix it!). Respondents indicated their agreement with each item on a five point scale (1 = Strongly agree, 3 = Neutral, 5 = Strongly disagree).

Optimism

Optimism was measured by an eight item scale (α = .63) developed by Scheier and Carver (1985). Respondents indicated their agreement with each item (e.g., "I always look at the bright side of things") on a five point scale (1= Strongly agree, 3=Neutral, 5=Strongly disagree).

Workaholism Components

Spence and Robbins (1992) identified three workaholism components based on an extensive literature review: Work Involvement, Feeling Driven to work and Work Enjoyment. Their measures had desired psychosomatic properties and were used in this study.

Work Involvement (α = .45) had 7 items (e.g., I get bored and restless and vacations when I haven't anything productive to do).

Feeling Driven to Work (α = .89) had 8 items (e.g., I often feel that there's something inside me that drives me to work hard).

Work Enjoyment (α= .88) had 10 items (e.g., My job is more like fun than work).

Validating Job Behaviours

Three measures representing potential behavioural manifestations of workaholism were included. Job Stress (α= .57) was measured by nine items (e.g., "Sometimes I feel like my work is going to overwhelm me") developed by Spence and Robbins (1992).

Perfectionism (α = .59) was measured by eight items (e.g., "I can't let go of projects until I'm sure they are exactly right") developed by Spence and Robbins (1992).

Non-delegation (α = .91) was assessed by seven items (e.g., "I feel that if you want something done correctly you should do it yourself") also developed by Spence and Robbins (1992).

Work Engagement

Three aspects of work engagement were measured using scales developed by Schaufeli and his colleagues (2002) and Schaufeli and Bakker (2004).

Vigor was measured by six times (α=.86). "At my work I feel bursting with energy."

Dedication was assessed by five items (α =.85). "I am proud of the work that I do."

Absorption was measured by six items (α=.89) "I am immersed in my work." Respondents indicated their agreement with each item on a five-point Likert scale (1 = Strongly disagree, 3 = Neither agree nor disagree; 5 = Strongly agree).

Organizational Life Experiences

Six aspects of work life were measured by scales developed by Maslach and Leiter (1997).

Workload was measured by six items (α = .26). One item was "This job demands more than I can fit into a work day."

Control was measured by three items (α= .67). "I am my own boss when it comes to pursuing the tasks that I am assigned."

Reward and Recognition was assessed by four items (α= .86). "The recognition and reward people receive reflect their contribution to the organization."

Community was measured by five items (α = .83). "This organization does a good job of responding to the distinct cultural perspectives of its client population."

Fairness was assessed by six items (α= .87). "Respect is evident in relationships within the organization."

Value-fit was measured by five items (α = .34). "This job provides me with the opportunities to do work that I feel is important."

Responses were made on a five point Likert scale (1 = Strongly disagree, 3 = Neither agree nor disagree, 5 = strongly agree). The measures of workload and value-fit were dropped from further analysis because of their low reliabilities.

Work outcomes

Job satisfaction was measured by a seven item scale (α = .46) developed by Kofodimos (1993). An item was "I feel challenged by my work." Respondents indicated their levels of satisfaction on a five-point Likert scale (1 = very dissatisfied, 3 = Neutral, 5 = Very satisfied).

Career satisfaction was measured by a five item scale (α=.76) developed by Greenhaus, Parasuraman and Wormley (1990). One item was "I am satisfied with the success I have achieved in my career. Respondents indicated their levels of satisfaction on a five point Likert scale (1 = Very satisfied, 3 = Neither satisfied or dissatisfied, 5 = Very dissatisfied).

Intent to Quit (α = .90) was measured by two items (e.g., "Are you currently looking for a different job in a different organization?") using a yes/no format. This scale had been used previously by Burke (1991).

Psychological Well-Being

Psychosomatic Symptoms were measured by nineteen items (α = .72) developed by Quinn and Shepard (1974). Respondents indicated how often they experienced each physical condition (e.g., headaches) in the past year on a four-point frequency scale (1 = Never, 4 = Often).

Emotional Exhaustion

Emotional exhaustion was measured by a scale from the Maslach Burnout Inventory (Maslach, Jackson and Leiter, 1996). The scale had nine items (α= .86). One item was "I feel emotionally drained from my work." Responses were made on a seven-point frequency scale (1 = Never, 7 = Daily).

Results

Analysis Plan

Two groups of managerial and professional women were created to reflect the career-primary and career-family patterns. Women scoring 1 or 2 on the measure of career priority formed the career-primary group (N=87, -40 per cent); women scoring 6 or 7 formed the career -family group (N=34, -16 per cent).

Descriptive Statistics

Respondents endorsed each of the seven responses. The mean was 3.3. (sd = 1.10); a value similar to those obtained in four other countries in which this measure was used, but slightly lower than the value obtained in the other Turkish study, suggesting that this sample of Turkish managerial and professional women had similar career priority patterns to managerial women in at least four other countries.

Demographic Characteristics

Table 2 presents the comparison of career-primary and career-family women on a number of personal demographic and work situation characteristics. Few of the differences were statistically significant. Career primary women were younger and less likely to be married.

Table 2: Demographic Characteristics

	Career-Primary			Career-Family			
Demographics	X	SD	N	X	SD	N	P
Age	33.6	5.45	87	36.2	6.51	34	.05
Marital	1.5	.50	87	1.7	.45	34	.05
Parental	1.5	.50	87	1.5	.51	34	NS
Education	3.1	.60	87	3.3	.90	34	NS
Worked PT	1.3	.43	87	1.2	.41	34	NS
Worked continuous	1.7	.44	87	1.7	.46	34	NS
Job tenure	4.8	3.32	87	5.1	3.53	34	NS
Bank tenure	7.0	4.76	87	6.9	3.84	34	NS
Unit size	20.2	8.16	87	20.8	7.10	34	NS
Hours worked	48.0	5.62	87	48.4	5.18	34	NS
Organizational level	2.7	.95	87	2.6	.81	34	NS

Personality Factors

Table 3 presents the comparisons on four measures of personality. Significant differences were observed on all four. Career primary women scored higher on optimism, the measure of Proactive personality and AS and lower on II.

Organizational Experiences

Table 4 presents on the comparisons of career-primary and career-family women on four measures of organizational life experience. Significant differences were present in only one of the four. Career-primary women reported higher levels of fairness. Career-primary women also tended to report higher levels of Reward and Recognition (p<.10). The two groups of managerial women indicated similar levels of workload.

Workaholism

Table 5 shows the comparison of the two career priority patterns on three workaholism components (top half), and three job behaviours associated with workaholism (bottom half). Career primary women scored higher on all three workaholism components (work involvement, feeling driven to work, work enjoyment) and on two of the three job behaviours (Perfectionism, non-delegation). Career primary women indicated lower levels of job stress as well.

Table 3: Career Priority and Personality Factors

	Career-Primary			Career-Family			
Personality Factors	X	SD	N	X	SD	N	P
Optimism	15.2	4.34	87	17.2	3.58	34	.05
Proactive Personality	34.6	7.56	87	37.4	5.91	34	.05
AS	16.4	7.15	87	24.8	6.53	34	.001
II	16.1	3.63	87	11.8	3.96	34	.001

Table 4: Organizational Experiences

	Career-Primary			Career-Family			
Organizational Experiences	X	SD	N	X	SD	N	P
Control	7.1	3.18	87	8.4	3.52	34	NS
Reward	7.5	3.25	87	7.6	4.01	34	NS
Support	10.2	4.75	87	10.8	5.55	34	NS
Fairness	18.1	6.62	87	13.6	6.97	34	.001

Table 5: Career Priority and Workaholism Components and Behaviours

	Career-Primary			Career-Family			
Workaholism Components	X	SD	N	X	SD	N	P
Work Involvement	20.8	4.31	87	25.4	2.60	34	.001
Driven	18.8	7.71	87	26.8	7.63	34	.001
Work Enjoyment	21.4	8.58	87	29.7	9.45	34	.001
Job Behaviours							
Perfectionism	16.0	4.26	87	18.9	5.84	34	.01
Non-delegation	19.0	8.61	87	28.0	6.84	34	.001
Job Stress	22.3	4.21	87	23.5	5.50	34	.001

Work Engagement

Table 6 (top half) presents the comparisons of the two career priority patterns on three measures of work engagement. Career-priority women scored significantly higher on all three. The bottom half of Table 6 shows the comparisons of the two groups on three work outcomes. Career-priority women indicated significantly higher levels of job and career satisfaction. The two groups of managerial and professional women had similarly low intention to quit.

Psychological Well-Being

Table 7 shows the comparison of career-primary and career-family women on two indicators of psychological health. Career-primary women reported significantly fewer psychosomatic symptoms and lower levels of emotional exhaustion than did career-family women.

Table 6: Career Priority, Engagement and Work Outcomes

	Career-Primary			Career-Family			
Work Engagement	X	SD	N	X	SD	N	P
Vigor	12.0	5.28	87	19.3	5.65	34	.001
Dedication	9.1	3.20	87	12.5	6.13	34	.001
Absorption	12.0	5.28	87	17.0	6.82	34	.001
Work Outcomes							
Intent to Quit	3.3	.92	87	3.4	.92	34	NS
Career Satisfaction	14.4	4.74	87	17.7	5.14	34	.001
Job Satisfaction	13.3	3.35	87	16.1	4.09	34	.001

Table 7: Career Priority and Well-Being

	Career-Primary			Career-Family			
Well-Being	X	SD	N	X	SD	N	P
Psychosomatic Symptoms	47.9	7.91	87	51.7	6.61	34	.05
Exhaustion	21.9	7.44	87	32.1	9.11	34	.001

Discussion

This discussion will consider the following content: areas of similarity between career-primary and career family women, areas of difference between career-primary and career-family women and speculations as to the causes of these differences, and a comparison of findings reported here with previous conclusions.

The two groups of managerial and professional women were similar on a host of personal demographic and work situation characteristics (see Table 2). They had similar levels of education, had similar family circumstances (parental), similar levels of job and bank tenure, were at similar organizational levels, worked the same hours per week and had similar levels of part-time work and career breaks. As might be expected career family women were more likely to be married however.

However, the similarity stops there. Career-priority and career-family women were significantly different on most other measures used in the research, with career priority women reporting consistently more favourable outcomes. Career-primary women indicated more positive organizational experiences (Table 3), higher levels of work engagement (Table 6), higher levels of workaholism (Table 2) and greater psychological well-being (Table 7).

We can only speculate on the reason for these consistent and significant differences. One possibility is that career priority women are freely and fully able to commit to their work and careers with little or no guilt about possibly neglecting their family responsibilities. A second is that career primary women are able to marshal more support for their efforts to integrate their careers with their families from their spouses and families.

Finally, let us consider how the present findings fit those reported previously. Career priority women in Norway (Burke and Richardsen, 1996) earned more money, worked more hours, per week, were more job-involved and had more optimistic future career prospects. No differences were found on job and career satisfaction, intent to quit or on psychological well-being. Career priority women in Singapore were at higher organizational levels, were more job-involved and less likely to have worked part-time. No differences were observed on the measures of work and career satisfaction and psychological health (Burke and Kong, 1996).

Career-primary women in Canada were at higher organizational levels, worked more hours per week, earned more income, were less likely to have worked part-time or to have work breaks, and were both more satisfied on a number of work outcomes and indicated higher levels of psychological health.

In the present study, career priority women did not differ from career family women on personal demographic or work situation characteristics (unlike some of the comparisons in other countries) but were consistently different on most other measures (more so than in most of the other countries). That is, career-priority women reported more favourable outcomes compared to career-family women in Turkey than in any of the other countries studied.

It is important to note that the respondents worked in different sectors and in more sectors in most of the previous studies of career family patterns. In addition, the economic factors and both historical and cultural workers were likely to differ in the five countries studied (Hofstede, 2001; House, Hanges, Ruiz-Quintanilla, Dorfman, Javidan, Dickson and Gupta, 1999; Kabasak and Bodur, 2002).

Limitations

This research has some limitations. First, all data were collected using self-report questionnaires raising the possibility of responses being affected by a common-method. Second, the data were collected at one point in time making it difficult to establish causal relationships. Third, a few of the measures had levels of internal consistency reliability below the generally accepted level of .70. Fourth, the sample size of career family women (n=24) was relatively small. Fifth, the extent to which these findings generalize to men, to respondents working in other banks, or other industrial sectors, or respondents in other countries is not clear.

Footnotes

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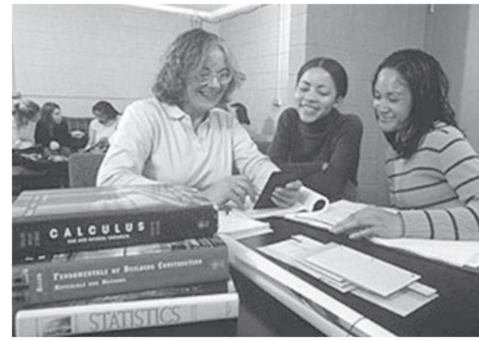
Eves in Academia: Conflicting Roles



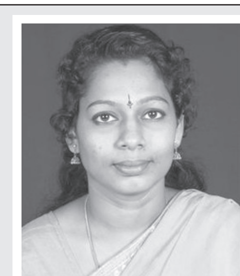
Rao S.S. and Aiswarya Ramasundaram

Role conflict of working women has become a topic for discussion in the recent past. Women in the traditional past occupied only familial roles. The changing social system has forced her to assume professional roles. The role conflict is mainly due to paucity of time keeping in fact all her other obligations. The marital status and the number of children have been taken as the demographic dimension of the study. The study relies on a set of questionnaires administered for statistical analysis.

Role conflict of employed women has become an inevitable subject for discussion in the recent situational context. From traditional times women occupied only familial roles. The woman played the role of a wife, mother, and home maker. However the changing social system and higher educational exposure to women have forced her to enter into the work taking up professional roles as colleague, boss, subordinate with admirable designation in the organization.

The need of an individual to play several roles simultaneously with inadequate time and energy result in role conflict. Women experience role conflict as a result of performing diverse social roles that demand incompatible behaviour. The main source of role conflict is insufficient time to perform all the tasks expected of them to meet all their obligations and especially when their paid work demand long flexible hours. These two spheres are of great concern to women as the former is the primary role and the latter is the additional primary role.

Academic profession is generally considered as the most suitable for women as it does not require late evening hours, not needing to travel frequently and the like. The



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question of work life balance still arises among teaching women.

Objectives

The purpose of this study is to identify whether work family conflict exists among these teaching women. It is also to analyze the conflicts among these women who differ in the two major demographic profiles, namely the marital status and the number of children.

Methodology

A standard and tested questionnaire was administered to a set of teaching staff in a reputed university. A number of 200 questionnaires were distributed to the teaching staff irrespective of their age, gender, and departments. Only 147 questionnaires were returned, out of which 123 could be used as they contained completed information. Others were left incomplete.

Work-Family Construct

The work- family conflict scale (Carlson Karman and William 2000) contains 18 variables to assess work family conflict.

Both scales -- work interference with family and family interference with work are further divided into three subscales investigating three specific forms of conflict Time, Strain and Behaviour (Greenhaus and Beutall 1985). Respondents had to rate their personal experience on a five point rated scale. Reported co-efficient alphas for the six subscales is Cronbock α=.81.

Time based antecedents include those factors that require women to spend large amounts of time in family activities. Strain based antecedents include variables that produce anxiety, fatigue and tension. Behaviour based antecedents refer to incompatible expectations for appropriate behaviour in family roles versus work roles (Frone and Rusell 1992b, Yardley et al 1978).

Labour Force Participation

During this century, women have been entering the labour force in large numbers. The percentage of married women in the labour force increased from almost 31 per cent to 59 per cent. It has been estimated that around $ 100 billion are lost annually because of trained and experienced women workers being absent from work on personal grounds. In India the literacy rate among women is 39.3 per cent and women make up 28 per cent of the labour force.

Review

The concept of work life imbalance and eventually role conflict of employed women, has gathered attention in the recent times (Duxbury and Higgins 1984, Frone and Russell 1978). Work family conflict construct was initially based on traditional theories of role conflict (Kahn, Wolfe). WFCs should be treated bi -directional, work to family and family to work conflict (Duxbury and Higgins1994, Netemeyer, Mcmurrian 1996) rather than a single construct. Plkeck 1997 identified that the boundaries of work and family domains merge into one another with unequal frequency. Besides numerous researches are being under taken in the area of work family conflict, ambiguity still exists in matters relating to measurement of variables. (Allen Herst andSutton 2000). Recently Meta analysis of work family conflict (CrossehandOzehi1998) concluded that inconsistencies do occur among the variables.

A study among teachers' feelings of role conflict increased respectively for those who were single, married with no children, and married with children (Cooke and Rousseau1984).

Group Statistics

Analysis has been conducted on the two major aspects of demographic profile namely marital status and the number of children. As mentioned earlier the three variables (time, strain, behaviour) within the two domains of work interference family and family interference work has been analytically studied.

Demographic Profile

Age	Marital Status	Number of Children
20-29 =84	Single/divorced - 33	1 -- 48
30-39 =30	Married - 90	2 --18
40-49 = 3		0 --57
50-59 = 6		

Group Statistics

	Marital Status	Mean	Std.Deviation	Significance
WF TIME	Single	3.1515	.97215	.352
	Married	2.9778	.70277	
FW TIME	Single	2.1515	.58387	.002
	Married	2.5556	.67226	
WF STRAIN	Single	2.7273	1.10697	.729
	Married	2.8000	.74753	
FW STRAIN	Single	1.9394	.81417	.022
	Married	2.5444	2.07262	
WF BEHAVIOUR	Single	1.8182	.54703	.204
	Married	1.9556	.45579	
FW BEHAVIOUR	Single	2.9091	.94748	.362
	Married	2.7444	.657336	
WORK-FAMILY	Single	2.5657	.63365	.920
	Married	2.5778	.43216	
FAMILY-WORK	Single	2.3333	.51370	.027
	Married	2.6148	.83401	

Results from the mean and standard deviation prove the various significance levels. It is found that conflict does exist among both married and unmarried women employees. However these significant differences exist only in the categories of family to work (time based) (strain based) and composite. Among these it is found that the mean difference for the significant difference of .002 M=2.1515 for single and M= 2.5556 for married and for the difference of .022 M=1.9394 for single and M=2.5444 for married the total shows M=2.3333 for single and M=2.61480 for married. Thereby showing married women are subjected to more role conflict than unmarried / single woman.

The below table shows the correlation among the various factors of time, strain, and behaviour with reference to family to work and work to family conflict and naturally the composite of work to family conflict.

Correlation

	WFT	FWT	WFS	FWS	WFB	FWB	WFC	FWC
WFT	1							
FWT	0.285	1						
WFS	0.445	0.344	1					
FWS	0.145	0.265	0.207	1				
WFB	0.045	0.138	0.042	0.032	1			
FWB	0.308	0.130	0.72	0.057	0.230	1		
WFC	0.774	0.396	0.830	0.208	0.328	0.130	1	
FWC	0.298	0.544	0.288	0.892	0.008	0.407	0.333	1

The resulting post doc proves among the four categories of 0,1,2,3 children, the one that has significant variation, is shown below.

Work to Family Conflict - Time

Duncan		Sub set for alpha=.05	
	No. of children	1	2
	1	2.7708	
	2	3.0556	3.0556
	0		3.2281
	Significance	.137	.367

Work interferes with family time, for women who had no children and one child.

Work to Family – Strain

Duncan		Sub set for alpha=.05	
	Number of children	1	2
	1	2.5000	
	0	2.8947	2.8947
	2		3.1667
	Significance	.059	.191

Work interferes with family strain for women who had 1 & 2 children.

Work - Family Behaviour

Duncan		Sub set for alpha=.05	
	Number of children	1	2
	1	1.8125	
	0	1.9123	
	2		2.2222
	Significance	.396	1.000

Behavioural differences are explicit for women who are having two and more children in work to family conflict

Work to Family Composite

Duncan		Sub set for alpha=.05	
	Number of children	1	2
	1	2.3611	
	0		2.6784
	2		2.8148
	Significance	1.000	.240

In total, work to family conflict is more predominant in individuals being with no children and those having children.

Hence ANOVA proves that there is always interference of work into the family domain because of the stated reason.

Suggestions

Organizations should understand that such conflicts do exist among women, hence should adopt strategies like Flexi time, compressed week hours so as to manage with Role conflict .

Limitations and Future Direction

The Research study has the limitation although the study on the employees of one organization can allow us to predict for the respective industry but this cannot be generalized.

The subject of the study relates only to Indian women and various other parameters stick to the Indian context. The analysis is based on the data collected however the genuineness of the responses is not tested and the study is time bound and may not hold true for ever.

Conclusion

The above study shows that role conflict is an important phenomenon in the life of employed women. Its significance and role is studied analytically in this study.

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Global Hub: IT and ITES Outsourcing

Pankaj M.Madhani

India is near synonym to outsourcing. More than 95 countries outsource their work to India. India has achieved remarkable success in the software industry. Indian IT and ITES sector is confident of achieving the US$ 80 billion in exports by 2010 from current value of $31 billion in 2006-07. It would add seven per cent to India's GDP by 2010 from present level of 5.4 per cent. Along with higher growth there are many challenges emerging. The paper identifies emerging challenges and also explores feasible solutions. Paper uses SWOT analysis to evaluate emerging issues and opportunities for Indian IT and ITES sectors.

Outsourcing can be described as the contracting out of the company's major functions and activities to an external service or goods provider. India has emerged as the 21st century's software powerhouse, offering many advantages as a global sourcing hub, especially for IT (Information Technology) and ITES (IT Enabled Services). Indeed, India has already become the world's preferred destination for IT software and services, with an array of cutting edge attributes - highly skilled technical manpower, low development costs, state-of-the-art infrastructure in countrywide STPs (Software Technology Parks) and a time zone differential that allows round-the-clock operations. The Indian IT and ITES sector is confident of achieving the $80 billion milestone in exports by 2010 from current value of $31.3 billion in 2006-07.

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Why India is the World's Favourite Outsourcing Destination?

The value proposition that India has is that you get high quality expertise at low costs. Why would you not choose outsourcing to India if you get 60 per cent savings without having to make a compromise on quality? If today India is the most sought after outsourcing destination for IT and ITES, the reasons are:

- Highly qualified and skilled manpower,
- Approximately 2.1 million graduates passing out of India's colleges per annum,
- 400,000 engineers graduating every year, second only to China,
- Biggest pool of IT brains with 225,000 trained IT professionals added to the industry yearly,
- India as the largest English speaking population
- Cost efficiency with quality,
- Established Telecom Infrastructure,
- Innovation and creativity along with intelligent solutions,
- Cultural compatibility and friendly customer relationships,
- Commendable work ethics practised by Indian companies, and
- India's conducive business environment

Why is India preferred over China or other Outsourcing Destinations?

NASSCOM says "25 per cent of engineers in India have the basic skills for offshore IT jobs, compared to 10 per cent each in China and Russia." Apart from cost benefits and technical expertise there, certain significant factors which have and will continue to influence the world's choice of India for outsourcing are given below:

- Political stability,
- Favourable governmental policies,
- Stable democratic government ,
- English speaking workforce,
- Mature legal system, and
- International reputation as a responsible nation.

India as a Global Outsourcing Hub

India is a near synonym to outsourcing. India enjoys the confidence of major corporate of the world and, today, has more than 95 countries outsourcing their work to her. More than 82 per cent of American companies grade India as their first choice for software outsourcing. India's share of the global offshore outsourcing market for software and back-office services is 46 per cent. Software and IT Services include packaged software, IT services and IT training. ITES includes all business processes being outsourced or off-shored by companies facilitated by Internet, telecom and similar means. As many as 400 of the Fortune 500 companies either have their own centres in India or are currently outsourcing work to Indian technology companies. According to NASSCOM, India's premier trade body of the IT software and services industry with 900 members, technology and IT services exports in India were worth $31.3 billion in the year 2006-07 compared to $23.49 billion in 2005-06, a rise of 33 per cent over the previous year.

The Indian IT sector continues to chart double-digit growth' thanks to increased outsourcing. The US accounts for 67 per cent of Indian exports while Europe accounts for 25 per cent. According to NASSCOM the growth in the IT and ITES sector is being driven by steady increase in scale and depth of existing service lines; the addition of newer vertical-specific and emerging niche business services; continued expansion of service portfolios and higher value processes.

Indian IT industry has grown its revenues ten fold in the past decade. Its contribution to GDP is estimated to have grown from 1.2 per cent to 5.4 per cent in the same period. Everything worked well with India; the time she opened up her markets, the time computers came into India, the growth of technical expertise and the generation of expert IT & ITES professionals. And most of all, the population! India has the largest pool of software talent, IT & ITES professionals, and graduates. Not to forget their English speaking capabilities. Low training costs in India allow these professionals to be continually updated on emerging technologies, a critical success factor in an era of shortened technology life cycles. Further, with 87 of the world's 125 SEI CMM Level 5 certified service-providers located in India, organizations are able to take advantage of their availability of robust processes, documentation etc. and focus on areas such as continuous process improvement.

IT and ITES Outsourcing: Major Strengths of India

Following are major strengths of India in IT and ITES sectors.

Quick Turnaround Time

While the US sleeps, India works. This effectively gives a 24 hour working environment. India's unique geographic positioning makes this possible. India and the US have a zonal time difference of about 12 hours, thus effectively giving companies a 24 hours work environment. Most of the processing functions are performed during the day time in India, when it is night time in the developed countries. As a result of this zonal time difference, there is no or little backlog in the front end and processing tasks. The advantage of this zonal time difference is more prominent in IT outsourcing. Many IT projects have onsite and offsite teams. The onsite team works during the day at the client site and hands over the work to the Indian team before retiring to bed. The offsite team then works on the same project as it is day time in India. When the Indian team retires to bed, the onsite team takes over the work, thus significantly reducing the project turnaround time. Nortel Networks, an IT firm headquartered in Canada, started its operations in India to harness the benefits of the time difference between India and Canada, along with cost savings.

Availability of a large pool of talented and motivated professionals

India has one of the largest pools of technically qualified people. India's key strength is the availability of a large pool of English speaking and technically qualified professionals at low costs. A large proportion of Indian graduates are proficient in English, ideally suited to the growth of ITES industry. India houses world-class technical institutes such as the IISC (Indian Institute of Science), IITs (Indian Institute of Technology) and NITs (National Institute of Technology) which produce skilled talent required by the industry. There are 350 universities and over 17,500 higher educational institutions producing 2.5 million graduates including 400,000 engineers and 225,000 IT Professionals every year in India. As a result, companies have sufficient options to choose from, while recruiting employees for their offshore captive centres. Further, it is expected that the number of people in the working age group in India will increase by 250 million from 2003 to 2020 at an average rate of about 15 million per year. This will ensure labour for companies in US and Europe where the demand for labour is increasing.

Flexibility and Adaptability

Indian software professionals easily adapt themselves to new technologies. In the software industry, where technological obsolescence is the order of the day, flexibility to adapt to new technologies is a major strength.

Management Expertise

India is experienced in software development and has been in the industry since late 1980s. India possesses good management and process skills and has a strong business school network. There are 1,100 business schools in India producing over 70,000 MBA graduates a year. India has a supportive diaspora with proven entrepreneurial skills as 40 per cent US start ups have Indians among the top five executives.

Strong Telecom Infrastructure

India administers one of the largest telecom networks in Asia and is the fifth largest in the world with 50 million telephone lines and 700,000 kms route of fibre optic cable network. Over 33,000 VSAT's (Very Small Aperture Terminal) are installed all over the country by various service providers, private users and Government agencies.

Strong Quality Focus

Quality is the hallmark of Indian I.T. software and services. ISO 9000 certification and SEI Level 5 are the order of the day. A majority of companies in India have already aligned their internal processes and practices to international standards such as ISO 9000, six sigma, SEI – CMM level 5 etc., which has helped to establish India as a credible sourcing destination. As of December 2005, over 400 Indian companies had acquired quality certifications with 87 companies certified as SEI CMM Level 5- higher than any other country in the field. High quality knowledge workers and attractive price performance have been a key component of India's value proposition.

Government Support

The Government of India has set up innovative scheme like STPs (Software Technology Parks) and SEZs (Special Economy Zones) etc., for promoting software exports. The Indian government also offers tax holidays under Section 10A and 10B of Income-tax Act on various IT enabled products and services. These services include back-office operations, call centres, payroll, data processing, GIS (geographic information system), human resource and training, insurance claim processing, legal services, medical transcription, engineering and design, accounting, administration and support, and content development. Quality telecom infrastructure has been put in place over past few years. Intellectual Property Right (IPR) laws have been implemented to improve compliance with intellectual property rights.

Strong Information Security Environment

India's record on information security ranks better than most locations in the world. Indian government is maintaining a keen emphasis on further strengthening the information security environment in the country. Specific initiatives already underway include enhancing the legal framework through proposed amendments to the IT Act 2000, increasing interaction between industry players and enforcement agencies to help create greater awareness about information security issues and facilitate mutual support.

Significant Cost Advantage

One of the biggest advantages of off shoring to India is cost savings. Companies have been able to save about 40 to 60 per cent of costs compared to what it would cost in the western countries for most services by outsourcing processes to India, thus allowing organizations a great competitive edge. Cost savings in India can be accounted for by savings in the following three heads:

1. *Workforce*: There is a vast difference in the labour costs in US/Europe and India. Indian professionals work at wages much lower than that in the US and Europe. An IT professional with 1-2 years of experience in the US and Europe charges $50,000 to 70,000 per year. On the other hand, a professional with same experience level costs about $8,000 per year in India , about 11 to 16 per cent of that in the US and Europe.
2. *Investment Capital*: Infrastructure costs in India are lower compared to western countries thus saving significantly on investment capital requirement.
3. *Workforce Management*: The total number of professionals required during a software project is not same throughout the course of the project life. Hence, when a business process is carried out in-house, companies have to pay the employees and maintain office space for them, even if these employees are not working on any project. Outsourcing enables companies to do-away with the expenditure on bench labour, as the outsourcing vendor allocates the bench employees to projects for other clients or bears the cost of inefficiency.

IT and ITES Sectors: Emerging Opportunities

India is having tremendous potential for domestic growth of software. The reason for poor computer penetration (1.5 per cent) and IT usage in India is due to the absence of software in all the 22 Indian languages. In contrast, China has developed most of its software in Mandarin, not for export but for its domestic market, whose size is about $35 billion. By developing software in local languages will boost domestic market of software and also increase feel and reach of IT at grass root level of nation.

Indian government is making major initiative to e-enable government systems. Several large e-governance initiatives launched by the government under the National e-governance plan are expected to provide sustained growth in domestic demand for IT services over the next few years. This has expanded the domestic market for IT and IT-enabled services. The Indian domestic market is forecasted to grow rapidly at a rate of 25 per cent, based on a rollout of e-governance, initiatives and automation of key sectors such as retail, healthcare, transportation and manufacturing among others.

The global IT and ITES industry will account for US$ 2.33 trillion in 2007. There is still enough headroom for future growth as only eight per cent of the world export market has been tapped to date by India. As outsourcing is considered to be more of a necessity to cut costs in today's globalised environment, there is plenty of room for the Indian IT and ITES industry to grow, given the immense and untapped potential.

Emerging Challenges and Proposed Solution

Indian IT has done very well in making excellent use of the global market, but competition there is likely to be increasingly fierce. Other countries are trying to learn from the experience not only of America and Europe but also from India, and while India has some peculiar advantages in the IT field the barriers may well be gradually removed in many countries—indeed even in many poor countries—in the world. Host of emerging countries such as the Philippines, Malaysia, South Africa, Vietnam and Eastern European nations including Hungary and Poland, are starting to challenge India's leadership and can pose a threat to the Indian ITES and IT services industry in the future. There is a more increase in the wage costs in India compared to other parts of the world. According to Hewitt Associates, India had the highest average salary increase in Asia in 2006 and will continue to hold first position in the world for the highest forecasted 'real' wage increases in 2007. India's software engineers are now only a fifth as cheap as their U.S. counterparts. In 1998, that wage difference was about twice as large.

The US market's share in India's software and services exports is fairly high, at around 67 per cent. Such a large degree of dependence on a single geographical location spells high risk for the Indian software sector. While providing service we are inherently dependent on other economies, we need to balance by developing products using original ideas. The Indian IT and ITES companies also need to climb the value chain and expand their product and service portfolios gravitating towards higher value processes and product development services. Increasing competition from global technology majors has not only threatened the Indian IT industry's cost leadership, Indian software companies have also been made to face intense competition for talent. Global giants such as IBM Global Services and Accenture already have opened offshore development centres in India. All these pressures mean flat billing rates and higher employee costs going forward. This is likely to affect margins and, consequently, the profitability of Indian companies.

However, the real challenges for the IT sector is to keep up the momentum besides stemming attrition rates and enhancing the quality and skill sets of employees, thus maintaining the attractiveness of India for IT investments and steps to boost the domestic market. So far as men power is concerned India has quantity problem as well as quality problem. Quality problem can be tackled by improving the quality of technical and general education programs at the graduate level. This will make graduates far more employable. Improving the standards of engineering education will boost the productivity of entry-level software professionals.

India also needs to address the quantity problem. The education system needs to be expanded rapidly at all levels. In 1947-48, India had just 20 universities and 496 colleges. Now, India is having more than 17,500 colleges, but only about 350 universities. A quick expansion of the education system is necessary to cater to much larger numbers at the secondary and collegiate levels. Easing the supply constraint requires more investment as well as a radical reform of national education system. According to recently submitted report (December 2006) of National Knowledge Commission (set up by Prime Minister Manmohan Singh in 2005 under the chairmanship of tech evangelist Sam Pitroda) India needs manifold increase in the number of universities from the present 350 universities to at least 1,500 universities by 2015. It's expected that the Eleventh Plan (2007-12) will address this important issue and provide the necessary resources and approaches for achieving the desired expansion of education infrastructure.

Conclusion

India is the most preferred outsourcing destination and is a near synonym to outsourcing. India's software exports is expected to grow an average 30 per cent annually to the year 2010 while the domestic software market is seen expanding 25 per cent annually during the same period. Indian software sector has numerous strengths and competitive advantages to continue work as growth catalysts and maintain the position of global outsourcing hub. As per S.W.O.T. analysis, Indian IT and ITES sectors have numerous strengths compared to weaknesses and also opportunities are outnumbering threats, making them sunrise sector of India. With increasing competition from emerging IT savvy countries and increase in raw wages,

ANNEXURE – I: S.W.O.T. Analysis of Indian IT and ITES Sector

Strengths	Weaknesses
• Highly skilled, English-speaking workforce • Cost advantage • Quick turnaround time - Round-the-clock operation advantage for Western companies due to the huge zonal time difference • Strong IT background • Solid history in software development • Expertise in new technologies • Sound Telecom Infrastructure • A good reputation for project management skills and systems integration know-how • Conducive business environment • 87 SEI CMM (Capability Maturity Model) level '5' companies - Three fourth of the world total • Strong Government Support • Early technology adopters • Strong tertiary education • Process quality focus • The USP of India -Skilled knowledge & intellectual base	• Infrastructure bottlenecks - still emerging local infrastructures i.e. power supply, highways, housing and international airports • Decreasing margin • High attrition rate • Cultural differences • Distance from US • Legal system – slow and time consuming • High dependence on North American and European markets
Opportunities	**Threats**
• Indian domestic-market growth • Scanning unexplored markets and under-penetrated countries • World trend of increased off shoring • Reasonable technical innovations • Reverse brain drain • Creation of global brands • Entrepreneurship quality • Expanding to high value niche area	• Competition from other emerging IT savvy countries • Rising cost of infrastructure, basic amenities and salaries can pose a threat if not adequately balanced with value addition • Availability of workforce in right quantity and right skill set • Policy of Visa availability and quota restrictions (H1B/B1) by US • Backlash in US and Europe over outsourcing issues

margins are reducing for Indian IT firms. India needs to parallely develop a product-oriented industry along with the service-oriented industry and climb the value chain. India should also focus on short term as well as long term strategies for addressing quantity and quality problems of workforce.

Keywords: *IT & ITES; Outsourcing; SWOT*

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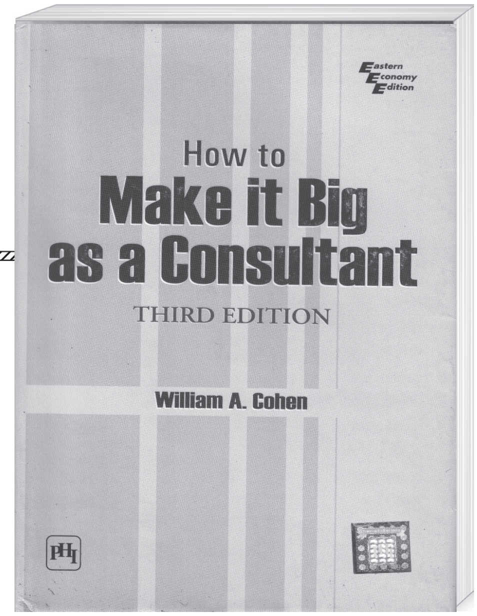
Skimming and Scanning



Book Title	:	***How to Make it Big as a Consultant***
Author	:	**William A.Cohen**
Edition	:	**Third**
Price	:	**Rs.350/-**
ISBN	:	**978-81-203-3125-5**
Pages	:	**348**
Publisher	:	**Prentice-Hall of India Pvt. Ltd., New Delhi.**

The book *How to Make it Big as a Consultant* by William A.Cohen, offers the basics on how to set-up and maintain a consulting business and is valuable for anyone considering starting a consulting firm. It consists of *17* chapters and starts with the business of consulting which is the first chapter. The author introduces the reader to consulting and its importance in today's business environment.

Once the reader is familiar with the basics of consulting, the focus is on how to get clients using direct and indirect marketing methods. Since marketing is one of the main areas in consulting, chapters two and three look at the different direct and indirect methods of marketing in detail. The next chapter points out the tremendous opportunity for consultancy services in the public sector.

After taking the necessary steps for marketing, the next step is to make the initial interview with the client a success. For this purpose, in chapter five, the author suggests that one must look and act like a professional because the first impression a consultant makes with the client is very important.

If an agreement is not reached during the first interview, then the prospective client will expect a written proposal. Chapter six lists and explains all the essential elements of a proposal and also provides a proposal structure. Since pricing is crucial in consulting, the discussion then moves to three basic price strategies available to a new consultant and the different methods of billing for services.

Chapter eight explains the different methods of incurring a contractual obligation and also includes a sample contract which will help readers to develop their own. Planning and scheduling the consulting project and discussed in the next two chapters. The author then shows a logical, step-by-step approach to problem solving as well as some important psychological problem-solving techniques.

The importance of research and ethics in consulting is discussed in chapters twelve and thirteen. Research forms an important part of many types of consulting project. The book aptly covers this aspect. Another important topic covered is ethics. A few decisions of business ethics are included to explain why the application of ethics to a consulting practice is important.

The author discusses the important skills and techniques of presentation in chapter fourteen. The success of a consultant is based not only on actually doing the assignment professionally but also on the ability to present the results to the client. Five steps to presentation success are highlighted. The next chapters explain how the computer and internet can provide a multitude of business opportunities. The internet has revolutionized the way consultants do business. This aspect is reflected in chapter sixteen which is aptly titled "*What the Internet can do for you in consulting.*"

The book concludes with how to run the consulting business. The last chapter states that it is not enough for a consultant to be excellent technically. It is also important that the consultant is a good business manager. This chapter explains the various form of business organization and includes other relevant information on legal necessities.

Overall the book is valuable for those interested in business consulting or planning to start a consultant business. It looks at the different aspects of consulting which includes marketing, research and ethics. Even though some of the aspects have not been examined in depth, the book will help management students who are seriously considering being a business consultant.

About the Author

William A.Cohen is a business professor and former department chairman at California State University in Los Angeles. He has authored two more books. As Director of the Small Business Institute, he built the program into one of the largest supervising consulting agencies in the US for more than 700 small businesses.

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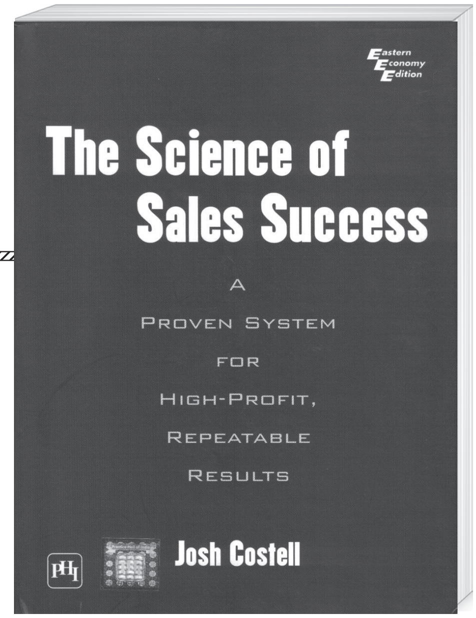
Skimming and Scanning



Book Title	:	***The Science of Sales Success***
Edited by	:	**Josh Costell**
Edition	:	**2007**
Price	:	**Rs.275/-**
ISBN	:	**978-81-203-3133-4**
Pages	:	**308**
Publisher	:	**Prentice-Hall of India Pvt. Ltd., New Delhi.**

Not yet another book on sales management. It is the result of author's own experience of twenty years in practising the Science of Sales. The book tries to establish his radical theory: "Selling is a Science."

The Science of Sales Success deals at length on the scientific method of obtaining the most accurate data on the customer, formulating a theory or hypothesis that takes all the data into account and how to make sense of it. Once the data passes the "test of reasonableness," the sales person can move on to make an agreement with the customer so as to close the business in a natural, logical way.

A new selling system which the author calls as 'Measure Max' enables both the sales person and the customer to measure in financial terms the value both of them receive, and is far better a method than those employed in traditional selling. It is essential that a person to practise the science of selling understands how the products and services generate value for the customer as also how the customers determine the value they receive from achieving their goals. To do this, the author has devised product profile sheets both for your products as well as those of competitors so that the strengths and weaknesses can be compared.

The scientific basis of sales emanates from what the author calls as 'test of reasonableness' so that both the sales person and the customer can achieve their goals. He also prescribes filters that fall into two categories *'pre-requisites* and *inferences*' to perform the test.

It is also essential that the sales person practises skills of listening and questioning to encourage customers to provide measurable answers. Listen to customers' responses which are usually three-tiered: vague, clear and measurable. Use the questioning process that involves qualifying, clarifying, or verifying to transform customer's vague responses into measurable terms of time and money.

There is a scientific way of making sales calls that measure the sales person's potential to out-value competitors – without mentioning specific product or services. And this should naturally lead to create proposals that vividly connect to customer's goals.

The most difficult task of a sales person is to overcome what traditionally is called as obstacles or objections. But the author treats them as negative and uses a better term as 'hinges' and goes on to explain how to handle customer's concerns by determining how they affect their goals.

The book concludes by explaining to the sales person how to use the scientific selling system, "Measure Max" pay off; how to always view a sales opportunity as value driven, not price driven, to change the mindset and increase productivity and profitability.

The book is well written, with concrete examples and case studies which make it an essential reading both for the sales professionals and management students specializing in sales and marketing.

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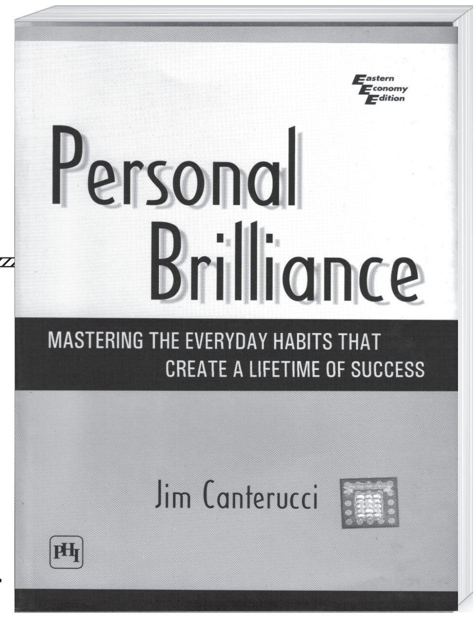
Skimming and Scanning

Book Title	:	***Personal Brilliance***
Author	:	**Jim Canterucci**
Edition	:	**2007**
Price	:	**Rs.350/-**
ISBN	:	**978-81-203-3267-6**
Pages	:	**210**
Publisher	:	**Prentice Hall of India Pvt. Ltd., New Delhi.**



The book *Personal Brilliance - Mastering the everyday habits that create a lifetime of success by* Jim Canterucci is a real treatise of how to ignite your internal talents and use it wisely in ventures that yield real results. The author takes the reader through the realm of personal brilliance while identifying the power of four catalysts *awareness, curiosity, focus* and *initiative* which are necessary to spark one's brilliance and can be turned into powerful *success tools* by making them "habits of mind."

These traits *per se* are not anything new or exciting, but are often ignored without realizing their full potential. For example, the power of initiative is a critical catalyst for personal brilliance. Initiative is necessary both to allow innovation to work and also to ultimately implement the solution. For those who have been pursuing and exploring principles of developing personal mastery, Jim Canterucci opens their mind into the rich reservoir of talents within themselves. It is more about discovering and re-discovering one's inner strengths and differentiating oneself and bringing in increased value. In the fast moving and competitive world of present times where stress levels and depressions are all time high, the book serves as a true guide in itself hand holding the reader to traverse through to a world of hope and possibility.

Content-wise the book is divided into six sections, devoting two to four chapters to each key trait. They are consistently well-treated. At the end of each chapter the author offers useful strategies for dealing with personal barriers. According to the author barriers provide us with important information about who we are and how we function under changing circumstances. Every time we confront a barrier, we improve our problem solving skills.' Worrying and being fearful are behaviours that we learn. Therefore, these behaviours can be "un-learned." Just like any other habit, learning not to worry and not to dwell on fear is a process that needs to be practised for it to become a new habit. The simple exercises on the catalysts like curiosity (chapter 7) and focus (chapter 14) make the book more of a practical guide to developing personal brilliance. The book is not an end in itself. The author invites the reader to his website www.MyPersonalBrilliance.com which is a useful resource for continuing and monitoring the progress towards personal brilliance.

Jim has incorporated a rich repository of valuable quotes from famous writers, philosophers and great thinkers which crowns each of the sub themes in the various chapters. Profiting from his personal knowledge and field experiences as an executive advisor and success coach, the author narrates four attributes in a marvelous style and practical way. One should read it with the appetite for learning to benefit from it thoroughly.

It is a worthwhile book to read for everyone and the young and aspiring managers shall not miss it as it can serve a perfect work out towards achieving personal excellence.

About the Author

The author Jim Canterucci (Columbus, Ohio) is an executive advisor, professional speaker and an experienced change management expert both at personal and organizational level who shows individuals and organizations how to maximize personal and professional success. He is the founder of Transition Management Advisors, whose clients include Fortune 500 companies and individuals seeking to enhance their Personal Brilliance.

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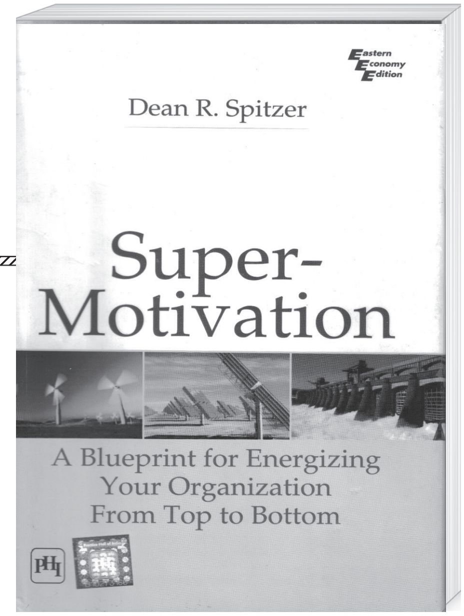
Skimming and Scanning



Book Title	:	***Super-Motivation***
Author	:	**Dean R.Spitzer**
Edition	:	**2007**
Price	:	**Rs.295/-**
ISBN	:	**978-81-203-3135-8**
Pages	:	**214**
Publisher	:	**Prentice-Hall of India Pvt. Ltd., New Delhi.**

American industry is mired in a "motivation crisis" according to Dr.Dean R.Spitzer. Surveys across America have shown that 'lack of employee motivation' is the topmost human resources concern faced by business owners and managers. Organizations look for short-term remedies and quick fix solutions to motivate an increasingly disgruntled and famished workforce caught in a web of increasing expectations and beleaguering competition. And the results are far from encouraging.

In his book *Super-Motivation – A Blueprint for Energizing your Organization from Top to Bottom,* Spitzer argues that modern day organizations need a different motivation technology to energize workers – what he calls Super-Motivation. Super-Motivation is "self-sustaining, organization-wide, high motivation." The defining characteristic of Super-Motivation is that it is not person-centric but organization - centric or system-centric. Spitzer believes that for motivation to work intrinsically, it should be woven into the genetic make up of the organization.

Self-Motivation is the key and the book explains how one can create an environment in the organization that is conducive to high levels of self-motivation. External drivers like incentives, pep talks or even threats can only reap temporary benefits. Sustained high performance can emerge only from motivation that "comes from inside out rather than outside in."

Discouraging responses, over-control, unclear expectations, internal competition, hypocrisy, management secretiveness etc. are some of the demotivators that undermine motivation in the workplace. Super-Motivation involves eliminating these irritants and building motivators into the context of work and making it a part of the organization system so that it transforms the entire organization for the long term.

The twelve chapters in the book are organized into two parts. The first part i.e. chapters 1–5 looks at the concept of Super-Motivation in its various aspects such as identifying and defeating the demotivators, recognizing and reaffirming the motivators and thereby realizing the power of self-motivation. Part two, comprising chapters 6–11, puts concept into practice by applying the idea of super motivation to various organizational systems including planning, production, communication, training, evaluation and reward. A lot of ideas and real time examples are provided to help develop Super-Motivating systems in any organization.

The book offers a rich repertoire of practical wisdom drawn from Spitzer's twenty years of consulting experience working with different organizations around the world. An interesting feature of the book is that each chapter in part two ends with a summary list of action points that helps simplify the application process. The text also carries an Appendix containing useful instruments like Demotivator Identifier, Motivator Planner and Super-Motivation Survey that can help assess and plan the Super-Motivation strategies for an organization.

Spitzer promises "real solutions" in his book. The sheer energy and exuberance that the author generates as well as the refreshingly lucid and engaging style of writing makes the book inspiring reading. *Super-Motivation – A Blueprint for Energizing your Organization from Top to Bottom* is definitely a valuable resource for business managers who seek to motivationally transform their organizations and unleash the dynamic energies of the employees. It is a must-read for the management student as it provides a practical approach to the issue of motivation in organizations.

Dean R. Spitzer is internationally recognized as a leading authority on organizational motivation. He is president of *Dean R. Spitzer and Associates* and founding partner of *Super-Motivation Consulting Group International.*

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Aims and Scope

The *SCMS Journal of Indian Management* is a peer-reviewed Journal. The Journal deems it its mission to submit to the readers fresh fruit of management thoughts and rich cream of current innovative research. The format of the Journal is designed reader-friendly. The academia and the corporates have an easy access to the Journal.

The Journal looks for articles conceptually sound, at once methodologically rigorous. The Journal loves to deal knowledge in management theory and practice individually and in unison. We wish our effort would bear fruit. We hope the Journal will have a long life in the shelves catering to the needs of b-students and b-faculty.

§ Proposals for articles that demonstrate clear and bold thinking, fresh and useful ideas, accessible and jargon-free expression, and unambiguous authority are invited. The following may be noted while articles are prepared.

§ What is the central message of the article you propose to write? Moreover, what is new, useful, counterintuitive, or important about your idea?

§ What are the real-world implications of the proposed article? Can the central message be applied in businesses today, and if so, how?

§ Who is the audience for your article? Why should a busy manager stop and read it?

§ What kind of research have you conducted to support the argument or logic in your article?

§ What academic, professional, or personal experience will you draw on to make the argument convincing? In other words, what is the source of your authority?

§ The manuscript of reasonable length shall be sent to the Editor—*SCMS Journal of India Management* (Both for postal and electronic submission details are given here under).

The manuscript should accompany the following separately:

§ An abstract (about 100 words), a brief biographical sketch of above 100 words for authors describing designation, affiliation, specialization, number of books and articles published in the referee journals, membership on editorial boards and companies etc.

§ The declaration to the effect that the work is original and it has not been published earlier shall be sent.

§ Tables, charts and graphs should be typed in separate sheets. They should be numbered as Table 1, Graph 1 etc.

§ References used should be listed at the end of the text.

§ Editors reserve the right to modify and improve the manuscripts to meet the Journal's standards of presentation and style.

§ Editors have full right to accept or reject an article for publication. Editorial decisions will be communicated with in a period of four weeks of the receipt of the manuscripts.

§ All footnotes will be appended at the end of the article as a separate page. The typo script should use smaller size fonts.

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