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The Chairman speaks ...



With a notable decline in birth and mortality rates, a rapid aging of population is predicted in the developed countries during the coming decades. It is a new phenomenon which makes it difficult to draw insights from past experiences. This development is going to affect not only the economies and social systems, but also going to have a strong impact on the management of business and industry world over.

The impact of aging of employees has already begun to be felt globally as a critical business risk with strategic, financial and operational issues to be looked into. This phenomenon is not to be seen just as a passing trend but will require long term treatment. In the next few decades, more and more employers will need their employees to work past the age of retirement. Therefore, they may have to look for new initiatives that will improve employee loyalty with a view to retain the best and the brightest of the lot.

Domestic supplies of workforce are likely to decline soon in many developed countries. Global battle for talents may get intensified as a result. Skilled workers willing to migrate to other countries will be in great demand. Countries which can attract and retain large numbers of young immigrants may fare better in the battle for talent. India is well positioned in this context, being the only nation with a large, young workforce. Consequently India has an opportunity to become a source of skilled human resource for the world's aging and developed economies. The research paper on 'Employee Aging' brought to you as the lead article in this issue, thus, assumes topical importance to our readers.

Despite all the expertise developed so far, there are no magic formulae for success in stock market investing. More studies are needed to develop more accurate understanding of the behavioural patterns of various stocks in diverse situations. Therefore our second lead article is a research paper on market efficiency.

We trust that this issue with a variety of other topics like growth strategies, advertising, social networking, rural marketing, farming, higher education and the like will make an interesting and informative reading for our readers.

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

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Editorial



Nature and Human Nature

Gloomy weather causes depression. Sunshine appears to raise the spirits. In England, the dull weather of winter drastically cuts down the amount of sunlight that is experienced. It affects some people. They become depressed. They lack in energy during the period. Their work and social life are affected. This condition is termed SAD (Seasonal Affective Disorder). Sufferers can fight back by making the most of any sunlight in winter. They can spend a few hours each day under special, full spectrum lamps. In Russia, children learn better after being exposed to ultraviolet light. In warm countries workers are allowed a siesta during the hottest part of the day.

Scientists have discovered relations between the weather and human man's moods and performance. Tempers grow shorter in hot, muggy weather. Crimes grow, rise in the summer, when the weather is hotter. Crimes fall in the winter when the weather is colder. In the US, research has established a link between temperature and street riots. The frequency of riots waxes as the weather gets warmer. Psychologists say how being cold affects performance: researchers compare divers working in icy cold water at 5°C with others at 20°C. The colder water makes the divers worse at simple arithmetic and other mental skills. Psychologists also say people become less skeptical and more optimistic when the weather is sunny.

A connection between weather and mood is made believable by the evidence for a connection between behaviour and the daylight hours. This is due to melatonin, a hormone produced in the pineal gland in the brain. The amount of melatonin falls with the greater exposure to sun light. Melatonin plays an important part in the seasonal behaviour of certain animals. A study in Belgium shows that a telephone counseling service receives more calls from people with suicidal feelings when it rains. The positive charge increases the level of serotonin, a chemical involved in sending signals in the nervous system. High levels of serotonin of the nervous system make people more active and reactive and aggressive. *Mistral*, the wind in Southern France and the *Fohn* in South Germany can affect the moods.

Melatonin, a natural hormone derivative from serotonin produced in the brain, communicates information about light to different parts of the body. It helps regulate biological rhythms and plays an important role in the reproductive cycles of many animals. It is best known for helping to regulate the body's circadian rhythm: sleep-wake cycle. Melatonin is marketed as a dietary supplement. It is touted as a cure-all for insomnia, jetlag, and even cancer and aging. Many businesses flourish on dietary supplementary products. In the UK, 400,000 ionizers are sold every year. These small machines raise the number of ions in the air in a room. Many people claim that they feel better in negatively charged air.



There is a threat to Nature from man's urge for development at the expense of Nature. Moreover, as Nature is being unscrupulously exploited, the rhythm nature maintains suffers changes. All these have upset the equilibrium of Nature and consequently that of human mind. Ultimately these will upset the apple cart of man's designs to live a life of peace, prosperity and harmony.

It is our duty to protect and preserve Nature to sustain the human life on earth.

Dr.D.Radhakrishnan Nair

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Employee Aging: Climate, Stress, and Coping

Avinash Kumar Srivastav

Ramifications of employee-aging were researched by measuring six motives of Organizational Climate, ten types of Role Stress, and eight types of Coping Strategy in an Indian public sector industry. The sample was divided on the basis of respondents' functional assignment (R&D, quality, production and miscellaneous - comprising remaining functions). Impact of employee aging was studied across functions through bivariate correlations. The consequences of employee aging in the organization under study are negative for the R&D function but positive for non-R&D functions. Negative manifestation of employee aging can be limited by assigning younger employees to R&D and moving them to non-R&D functions as they grow older.

Baby boom after the Second World War and declining birth rate from 1980 has resulted in workforce aging on the global scene (Ilmarinen, 2001). International Labour Organization (ILO) has projected that by 2025, the proportion of individuals over 55 years will be 17 percent in Latin America, 21 percent in Asia, 30 percent in North America, and 32 percent in Europe. Changing demography of workers has become a major concern all over the world.

Aging is invariably accompanied by physical and mental changes.

Cardiovascular and musculoskeletal capacities come down with aging after attaining full physical maturity. As the age advances after physical maturity, respiratory capacity comes down and maximal oxygen consumption reduces. Regular physical exercise, however, arrests the decline in physical capacity to a great extent (Ilmarinen, 2001).

Ilmarinen (2001) brought out that aging negatively influences the basic cognitive processes required for effective work performance but it positively influences experience required



Dr. Avinash Kumar Srivastav, Dean (Research), Icfai Business School, Bangalore, Srinivasa Industrial Estate, Kanakapura Road, Bangalore, Pin - 560062, Email: aksrivastav@ibsindia.org

for effective work performance. Experience also positively influences the basic cognitive processes. Certain mental characteristics, e.g., ability to reason, deliberate and comprehend the whole; motivation to learn; commitment to work; wisdom, sharp wittedness and verbal command; and overall control of life can also strengthen with age (Baltes and Smith, 1990; Schaie, 1994).

Shirom, Gilboa, Fried and Cooper (2008) reported that earlier researches on age-performance relationship point to incoherent conclusions. McEvoy and Cascio (1989) found that age was unrelated to work performance. Quinones, Ford and Teachout (1995) argued that aging reflects accumulated work experience and has positive influence on work performance. Arvey and Murphy (1998) reported that aging leads to declining health and has negative influence on work performance. Skirbekk (2003) brought out that productivity reduces with age for tasks involving problem solving, learning and speed. On the other hand, productivity increases with age for tasks in which experience and verbal skills are particularly important. Posthuma and Campion (2009) have reported that employee age has a lesser influence on job performance than individual skills and his/her health (Chasteen, Schwarz and Park, 2002).

Rationale for the Study

Employee aging may not have only negative consequences but also some positive consequences for organizations. Impact of employee aging on organizations needs to be studied to limit its negative manifestations and harness its positive outcomes. Employee's age and functional assignment in the organization shape his/her experiential learning and influence his/her perception. Lynn, Barksdale and Shore (1995) found that age influences the perception of employee commitment to the organization. Waller, Huber and Glick (1995) have found that functional background is a determinant of the selective perception of executives. Organizational climate is determined by the perception of organizational members about working of the organization (Hellriegel and Slocum, 1974). Stress experience and adoption of coping strategy by an individual are dependent upon individual's cognitive appraisal of problems, coping skills and coping resources (Srivastav, 2006a). Organizational

climate, role stress and coping strategy therefore get influenced by employee age and his/her functional assignment. The present study focuses on finding out the impact of employee aging on organizational climate perceived, role stress experienced, and coping strategy adopted by organizational members across different organizational functions.

Organizational Climate

Conceptually integrated synthesis of organizational characteristics, *Organizational Climate* reflects the personality of the organization. It depends on the perception that organizational members hold about the various dimensions of the organization. Forehand and Glimmer (1964) have defined organizational climate as relatively enduring characteristics describing an organization and distinguishing it from other organizations. According to La Follette (1975), organizational climate represents the psychological environment in the organization. Organizational climate results from interactions among *Structure, System, Culture, Leader Behaviour and Employees' Psychological Needs* (Pareek, 1989). Motivation and behaviour of organizational members are influenced by the organizational climate. Unlike sales turnover and profit, organizational climate is a leading indicator of organizational performance (Litwin, Humphrey and Wilson, 1978). Study of organizational climate is important for enhancing the performance and human well-being in the organization. 'Motivational Analysis of Organizations-Climate' or MAO-C was developed by (Pareek, 1989) for the study of organizational climate.

MAO-C is based on the perception of the organizational members about the twelve dimensions of organizational working; viz., *Orientation, Interpersonal Relationships, Supervision, Problem Management, Management of Mistakes, Conflict Management, Communication, Decision Making, Trust, Management of Rewards, Risk Taking, and Innovation and Change*. MAO-C defines the following motives of organizational climate. The first three motives are functional as they lead to enhancement of organizational performance. On the other hand, the last three motives are dysfunctional as they jeopardize organizational performance.

Achievement: There is a heightened concern for quality, excellence and achievement of goals.

Expert Influence: There is emphasis on the use of expertise in the organization.

Extension: There is heightened concern for making oneself relevant to others in the group, organization and society.

Control: There is heightened concern for consolidation of personal power.

Dependency: There is emphasis on shifting the responsibility for action or decision from self to others.

Affiliation: There is heightened concern for maintaining friendly relations.

Role Stress

Stress results from lack of person-environment fit, when the person concerned finds it difficult to cope with the constraints or demands encountered (Harrison, 1978). *Organizational Roles* (Pareek, 1993) integrate role occupants with their organization. An organizational role gets defined by the expectations of the significant people in the organization who are connected with that role. The role occupant performs in the organization to fulfill his/her role expectations. Role occupants invariably face problems in their role performance. Occupation of an organizational role is a potential source of stress for the role occupant. Stress experienced in an organizational role is known as *Organizational Role Stress* (ORS). ORS framework (Pareek, 1983) defines the following ten role stressors which comprehensively represent role related problems in organizations.

Inter-Role Distance (IRD): Arises from difficulties experienced in balancing between organizational and non-organizational/familial roles.

Role Stagnation (RS): Results from lack of growth or development in a role. The role occupant lacks skills for the new role and keeps on stagnating in the old role.

Role Expectation Conflict (REC): Arises from conflicting expectations encountered in role performance.

Role Erosion (RE): Results from reducing the importance of a role by transferring some of the important functions of the role to other roles or by apportioning the rewards for the role performance to others.

Role Overload (RO): Arises when there are too many or too high expectations from one's role.

Role Isolation (RI): Results from lack of communication or interaction with the related roles in the organization.

Personal Inadequacy (PI): Arises from lack of competence for role performance.

Self-Role Distance (SRD): Results from conflicts between the self and the role. The role occupant cannot use his/her strengths or work on what he/she likes.

Role Ambiguity (RA): Arises from lack of clarity in role expectations.

Resource Inadequacy (RI_n): Results from lack of external resources required for role performance.

Coping Strategy

Coping means dealing with a potential stressor or a stressful situation to eliminate, reduce or minimize their harmful consequences for the individual. For coping, an individual makes intra-psychoic or action-oriented efforts to manage the internal or external demands and conflicts (Lazarus and Launier, 1978). When coping is effective, a potential stressor gets dissipated (Igodan and Newcomb, 1986). Strategy adopted for coping with stress is known as *Coping Strategy*. Projective Instrument for Coping Strategy (PICS) in relation to roles, known as *Role-PICS* developed by Pareek (1987) is relevant for measurement of strategies for coping with stress in roles. *Role-PICS* is based on following three binary dimensions.

Internality or the extent to which the person engages himself/herself with the problems causing stress (to confront or avoid the problems).

Externality or the extent to which the person engages others with the problems causing stress (to confront

or avoid the problems). Independent of each other, internality and externality can coexist.

Mode or manner of dealing with the problem, i.e., *Avoidance* or *Approach*.

Corresponding to the avoidance mode, there are four dysfunctional coping strategies (styles) as explained below. Names for these strategies have been simplified for easier understanding.

Fatalistic Thinking (FT): It is believed that problems are unavoidable and need not be solved. Named as *Impunitive* in Role-PICS framework, this style results from low internality and low externality.

Blaming the Self (BS): It is believed that problems are caused due to one's own shortcomings. Named as *Intropunitive* in Role-PICS framework, this style results from high internality and low externality.

Blaming the External Agency (BEA): It is believed that problems are caused by an external agency. Named as *Extrapunitive* in Role-PICS framework, this style results from low internality and high externality.

Defending the Self (DS): Problems are either denied or rationalized by pointing out benefits there from to cover-up one's own perceived deficiencies. Named as *Defensive* in Role-PICS framework, this style results from high internality and high externality.

Corresponding to the approach mode, there are four functional coping strategies (styles) as explained below. Names for these strategies have been simplified for easier understanding.

Wishful Thinking (WT): It is believed that eventually, the problems will take care of themselves. Named as *Impersistive* in Role-PICS framework, this style results from low internality and low externality.

Making Self Effort (MSE): Problems are solved by making self efforts. Named as *Intropersistive* in Role-PICS framework, this style results from high internality and low externality.

Seeking External Effort (SEE): Problems are solved by seeking external efforts. Named as *Extrapersistive* in Role-PICS framework, this style results from low internality and high externality.

Making Team Effort (MTE): Problems are solved through joint efforts of the self and others. Named as *Interpersistive* in Role-PICS framework, this style results from high internality and high externality.

Objectives of the Study

- (i) To study the relationship of employee age with organizational climate, role stress, and coping strategy variables, across functions in the selected organization.
- (ii) To enhance the understanding how the negative manifestations of employee aging can be limited and positive outcomes of employee aging can be harnessed for organizations.

Method

Site and Sample

Study was conducted in a large, multi-unit, multi-location public sector industry in India. Data collection was done after conducting workshops on creating awareness on organizational climate, role stress and coping strategy; and their impact on individual and organizational performance. Participants for the workshops represented the diversity present in the organization in terms of gender, age groups, hierarchical levels, educational qualifications and functional assignments. Participants were promised and given their individual organizational climate, role stress and coping strategy profiles. Organizational climate, role stress and coping strategy were measured for each participant, using MAO-C, ORS-Scale, and Role-PICS (O) instruments, respectively. Age and functional assignment of each participant were also recorded. 453 participants furnished complete MAO-C and ORS data. Only 155 out of these 453 participants furnished complete Role-PICS (O) data.

Measures

MAO-C Instrument: Developed by Pareek (1989), MAO-C instrument measures six motives of organizational climate (explained above under MAO-C framework). It consists of 72 statements, representing each climate motive for the twelve dimensions of organizational working. Respondents rank order the six statements under each dimension for the organization, company or unit under study from 1 to 6 (1 denoting least likely situation and six denoting most likely situation, according to his/her perception). The respondents enter the score for each motive under each dimension on the scoring matrix, using the scoring key provided. Organizational climate score for each motive is obtained by adding the 12 dimensional scores for the particular motive. Organizational climate score for each motive ranges from 12 to 72. Dimensions and motives deployed in MAO-C are relevant and appropriate for this study. Use of MAO-C for research on organizational climate has been reported in recent studies (Kunnanatt, 2007; Srivastav, 2007a). Gordon (2004) has considered MAO-C instrument as a classic inventory.

ORS-Scale: Developed by Pareek (1983), ORS scale measures ten role stressors (explained above under ORS framework). It consists of 50 items divided in 10 subscales. Respondents score each item from 0 to 4 (0 denoting the least likely situation and 4 denoting the most likely situation). Each role stressor is scored by adding the scores of the given set of five items. Score for each type of role stressor ranges from 0 to 20. Score for Total Role Stress (TORS) is obtained by adding the scores for the ten role stressors. TORS score ranges from 0 to 200. ORS scale comprehensively represents the role related problems in organizations. Extensive use of ORS scale for role stress research has been reported (Pestonjee, 1999; Aziz, 2004). Gordon (2004) has considered ORS scale as a classic inventory.

Role-PICS (O) Instrument: Developed by Pareek (1987), Role-PICS (O) or Role-PICS version for organizational roles, measures eight types of coping strategy (explained above under Role-PICS framework). It consists of 24 cartoon like pictures depicting a boss, peer, subordinate or spouse, asking a question for creating a role stress situation. The respondent writes his answer to the question, based on

his/her immediate reaction to the projected situation. Respondent's answer for each picture is evaluated to identify the type(s) of coping strategies used in the situation depicted, depending on evaluator's assessment of dimensions of coping used by the respondent. One or more types of coping strategies may be used in each situation. For each picture, if a single type of coping strategy is used, it is scored as one; if two types of coping strategies are used, each type is scored as half; and so on. Total score for each type of coping strategy is obtained by adding its scores for 24 pictures. The score for each type of coping strategy ranges from 0 to 24. Role-PICS (O) has been used for recent research on coping strategy (Srivastav, 2007a).

Analysis

Functional assignments were classified as R&D, quality, production, and miscellaneous functions (comprising the remaining functions). Under each function as above, bivariate correlation analysis was done to determine how employee age is related with the six motives of organizational climate, the ten types of role stress, the total role stress, and the eight types of coping strategy. Correlation coefficients with significance levels of .01, .05 and .1 were considered for interpretation.

Results

Bivariate correlation of employee age with the six motives of organizational climate in the R&D, quality, production, and miscellaneous functions is depicted in Table 1. Age has significant negative correlation with the achievement climate in the R&D function; with the dependency climate in the quality function; and with the control climate in the production function. Age has significant positive correlation with the extension climate in the miscellaneous function.

Bivariate correlation of employee age with the ten role stressors in the R&D, quality, production, and miscellaneous functions is depicted in Table 2. Age has significant positive correlation with REC and PI in the R&D function. Age has significant negative correlation with IRD, REC, PI, SRD, and TORS in the quality function; with SRD in the production function; and with RS, RE, and SRD in the miscellaneous function.

Table 1: Organizational Climate – Employee Age Correlation across Functions

Organizational Climate Variable	Functions			
	R & D n = 79	Quality n = 192	Production n = 64	Miscellaneous n = 118
ACH	-0.1912***	0.0822	0.0100	-0.0149
EXP	0.1100	0.0964	0.1304	-0.0903
EXT	0.0775	0.1120	0.0585	0.2050**
CON	0.0142	-0.0974	-0.2231***	-0.0936
DEP	0.0078	-0.2021*	0.0596	-0.0890
AFF	0.0291	0.0017	0.0959	0.0770

Note: *** p ≤ .01; ** p ≤ .05; * p ≤ .1; ACH = Achievement; EXP = Expert Influence; EXT = Extension; CON = Control; DEP = Dependency; AFF = Affiliation.

Table 2: Role Stress - Employee Age Correlation across Functions

Role Stress Variable	Functions			
	R & D n = 79	Quality n = 192	Production n = 64	Miscellaneous n = 118
IRD	-0.0481	-0.2177***	-0.1568	-0.1125
RS	0.0521	-0.1167	-0.1189	-0.1527*
REC	0.2510**	-0.1405*	-0.0857	0.0444
RE	0.0658	-0.0633	0.0025	-0.1875**
RO	0.1263	-0.0514	-0.2033	0.1187
RI	0.0369	-0.0347	-0.1804	-0.0485
PI	0.2855**	-0.1373*	-0.0687	-0.0689
SRD	0.0784	-0.2169***	-0.3001**	-0.2482***
RA	0.0659	-0.0375	0.0732	-0.0893
RIN	-0.0200	-0.0407	-0.0417	0.0670
TORS	0.1495	-0.1630**	-0.1737	-0.1075

Note: *** p ≤ .01; ** p ≤ .05; * p ≤ .1; IRD = Inter-Role Distance; RS = Role Stagnation; REC = Role Expectation Conflict; RE = Role Erosion; RO = Role Overload; RI = Role Isolation; PI = Personal Inadequacy; SRD = Self-Role Distance; RA = Role Ambiguity; RIn = Resource Inadequacy.

Bivariate correlation of employee age with the eight coping strategies in the R&D, quality, production, and miscellaneous functions is depicted in Table 3. Age has significant positive correlation with FT in the R&D function. Age has significant negative correlation with FT and BEA in the quality function; with FT in the production function; and with BEA in the miscellaneous function.

Discussions

With employee aging, achievement (a functional motive of organizational climate) is weakened in the R&D function; but extension (a functional motive of organizational climate) is strengthened in the miscellaneous function. Dependency (a dysfunctional motive of organizational climate) weakens with employee aging in the quality

Table 3: Coping Strategy - Employee Age Correlation across Functions

Coping Strategy Variable	Functions			
	R & D n = 13	Quality n = 70	Production n = 30	Miscellaneous n = 42
FT	0.5185*	-0.2842**	-0.4404**	0.1304
BS	0.0545	0.1776	0.0854	-0.0948
BEA	0.0036	-0.2442**	-0.0109	-0.3207**
DS	0.1315	0.1698	-0.0404	0.0291
WT	-0.0922	0.0211	0.0810	0.2033
MSE	-0.4388	0.0293	0.2321	0.0376
SEE	-0.3071	0.0912	0.1344	-0.1597
MTE	0.2731	-0.0494	0.0828	0.0648

Note: *** $p \leq .01$; ** $p \leq .05$; * $p \leq .1$; FT = Fatalistic Thinking; BS = Blaming the Self; BEA = Blaming the External Agency; DS = Defending the Self; WT = Wishful Thinking; MSE = Making Self Effort; SEE = Seeking External Effort; MTE = Making Team Effort.

function. Control (a dysfunctional motive of organizational climate) weakens with employee aging in the production function. Negative correlation of employee age with achievement climate in the R&D function is understandable as achievement in R&D needs knowledge of the latest technology and this knowledge erodes with aging. The miscellaneous function provides different kinds of services to the entire organization; those assigned to the miscellaneous function particularly need to understand and appreciate others' needs and requirements; appreciation for relevance of one's contributions to others, groups and society is greater as the age advances. Positive correlation of employee age with extension in the miscellaneous function is therefore logical. The quality function is dependent on the R&D and production functions for achieving their quality improvement targets. With advancing age, one gain more experience, becomes more confident and more independent. This explains negative correlation of employee age with the dependency climate in the quality function. The production function needs proper control over functioning of a comparatively larger workforce. As age advances, one becomes more liberal and his/her need to control comes down. Negative correlation of employee age with the control climate in the production function is therefore explainable. Negative correlation of dysfunctional organizational climate of dependency and control with age has been reported by Srivastav (2006a, 2007b). Thomas (2008) has reported that age is one of the predictors of organizational climate.

Two types of role stress (REC and PI) strengthen with employee age in the R&D function. Four types of role stress (IRD, REC, PI and SRD) and TORS weaken with employee age in the quality function. One type of role stress (SRD) weakens with employee age in the production function. Three types of role stress (RS, RE and SRD) weaken with employee age in the miscellaneous function. Negative relationship of age with role stress has been commonly reported (Sen, 1892; Parasuraman and Alutto, 1984; Singh, 1986). Parasuraman and Alutto (1984) brought out that younger persons are less experienced and have lower skills in coping. Older individuals have lesser expectations from job; they also develop better coping mechanisms for dealing with stressors and have enhanced stress tolerance ability. Age therefore has a negative relationship with felt stress. Maslach, Schaufeli, and Leiter (2001) reported that the level of burnout among younger executives is higher than those elder than 30-40 years. Sen (1982) reported that RS reduces with age. Ahmady, Changiz, Masiello and Brommels (2007) have reported that seven types of role stress and total role stress were negatively correlated with age. Positive relationship of employee age with REC and PI as found in R&D function in this study is unusual. R&D function is peculiar and constantly faces conflicting expectations; marketing wants them to enhance the pace of development of new products and product features; on the other hand, production does not like fast paced developments as they disturb production schedules. REC

appears to be greater when the energy level comes down with age. This explains positive relationship between REC and age. Bhattacharya and Basu (2007) reported higher distress in higher aged (>30 years) IT professionals as compared to their younger counterparts. As explained above, those assigned to R&D function need to be well-equipped with the knowledge of latest technology and aging results in erosion of this knowledge. This justifies positive relationship between age and PI.

FT (a dysfunctional coping strategy) strengthens with employee aging in the R&D function but weakens with employee aging in quality and production. BEA (a dysfunctional coping strategy) weakens with aging in the quality and miscellaneous functions. Negative relationship of age with escapist or dysfunctional coping strategy has been reported by Aldwin (1991). According to Salanova, Grau and Martinez (2006), aging is associated with greater experience and learning; and results in broadening of individual's repertoire of coping behaviours. Strengthening of dysfunctional coping in R&D function reported in this study may be due to the fact that R&D assignments invariably need in-depth knowledge of latest technology. As age advances, this knowledge erodes and the older individuals resort to dysfunctional coping for hiding their inadequacies by blaming their fate. Sen (1982) has reported that people in the age group of 36-40 years exhibited more of *Impunitive or Fatalistic Thinking* dysfunctional coping style than those younger or older. Bhattacharya and Basu (2007) reported that aging wears out systems in the brain that respond to stress. Aging persons therefore find it difficult to cope with fast-paced changes and great demands of their lives.

Conclusions and Recommendations

Overall functionality of organizational climate means strengthening of functional motive(s) and/or weakening of dysfunctional motive(s). Overall functionality of organizational climate weakens with employee aging in the R&D function but strengthens with employee aging in non-R&D functions. Certain types of role stress increase with employee aging in the R&D function but they reduces with employee aging in non-R&D functions. Certain other types of role stress also reduce with employee aging in non-R&D functions. Overall functionality of coping strategy

means strengthening of functional coping style(s) and/or weakening of dysfunctional coping style(s). Overall functionality of coping strategy weakens with employee aging in the R&D function but strengthens with employee aging in non-R&D functions.

Employee aging therefore has negative consequences for R&D function but positive consequences for non-R&D functions. This finding has important implications for the organization under study. The organization under study would do well to assign younger executives to the R&D function and move them to non-R&D functions as they grow older. This would facilitate maintaining stronger overall functionality of organizational climate and coping strategy; and lower role stress across the functions in the organization.

Though the sample size in this study was large, the study was limited to one large, multi-unit, multi-location public sector industry in India. More research studies are recommended before generalizing the findings of this study.

Keywords: *Aging across Functions, Organizational Climate, Role Stress, Coping Strategy, Employee Aging.*

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Weak-Form Efficiency: Stock Market in the Gulf Co-operation Council Countries

Bizhan Abedini

This paper tests for market efficiency in the three stock markets in the Gulf Cooperation Council Countries (GCC) [Bahrain, Kuwait and Dubai]. Using the daily General Index for the period between January 2005 and November 2008 for each market, the methods followed are Autocorrelation Function test (ACF), Runs tests, Variance Ratio test and Unit Root test (Augmented Dickey-Fuller Test (ADF)). The result shows that in Auto-correlation Function test (ACF) and Augmented Dickey-Fuller Test (ADF) we can accept EMH (Efficient Market Hypothesis) for all markets (Bahrain, Kuwait and Dubai) but cannot accept EMH in Method Runs test. Analysis variance ratio shows that the Dubai Financial Market (DFM) is less efficient but the Bahrain Stock Exchange (BSE) and Kuwait Stock Exchange (KSE) do not support EMH. Overall, the results show that the stock market in GCC movement is efficient.

The EMH maintains that the total market is quite sophisticated in the way in which it digests

financial statement data and arrives at equilibrium security prices. Further more, equilibrium occurs in spite of the unsophisticated (or native) nature of many, if not most, of the individuals who, collectively in number, make up the market. A securities market is generally defined as efficient if (1) the prices of the securities traded in the market act as though they fully reflect all available information and (2) these prices

react instantaneously, or nearly so, and in an unbiased fashion to new information.



Mr. Bizhan Abedini, Research Scholar,
Department of Commerce, Mysore University
Email: beamma48@yahoo.co.uk

The ability of the market price to adjust quickly and accurately to information derives from the existence of a group of professional investors who are capable of gathering, analyzing, and interpreting all types of information on the companies whose securities are being traded. Through constant and careful attention to the market and because of the large volume and frequency with which they trade, these

professionals ensure that prices are set competitively, and the prices quickly (if not instantaneously) impound new information. In this type of market, investors who misinterpret information have little, if any, influence on prices.

Fama [1970] coined the phrase “efficient market” to describe a market with prices that fully reflect information. He further categorized different levels of market efficiency (the weak, semi strong, and strong forms) based on the type of information involved. Weak-form market efficiency occurs when prices reflect all the information embodied in the past price series. Markets are efficient in the semi strong form when prices reflect all publicly available information. Strong-form market efficiency occurs when prices reflect all information, both public and private.

Literature Survey

Abraham Abraham, Fazal J.Seyyed and Sulaiman A. Alsakran (2002) tested the random walk behaviour and efficiency of the Gulf stock market. They used weekly index values for the three major Gulf stock markets of Kuwait, Saudi Arabia and Bahrain for the period from October 1992 to December 1998. They examined the hypotheses for ADF area by three methods: variance ratio, test runs test and estimation of the true index-correction for infrequent trading. The results show that they cannot reject the RWH for the Saudi and Bahrain markets. The Kuwait market, however, fails to follow a random walk even after the correction.

Kabir M.Hassan, Waleed S.Alsultan and Jamall A. Alsaleem (2003) studied the stock market efficiency in the Gulf Cooperation Council Countries (GCC): In the case of the Kuwait Stock Exchange, they used the daily stock index data from 1995 to 2000 and adopted measurement by two methods: 1) thin trading and nonlinearity 2) GARCH and EGARCH. They found that the KSE is inefficient in the level weak form, even though the efficiency improves towards the end of the 1990s.

M.A.Moustafa (2004) tested the weak-form efficiency of the United Arab Emirates stock market. He used daily prices of the 43 stocks from October 2001 to September 2003, using the two methods of Runs Test and Autocorrelation. The results presented in this paper show that returns of all the 43 sample stocks do not follow the normal distribution, and support, the weak form EMH of U.A.E. stock market.

Osamah M. Al-Khazali, David K. Ding and Chong Soo Pyun (2007) studied A New Variance Ratio Test of Random Walk in Emerging Markets: A Revisit, and using a nonparametric Variance Ratio (VR) test, they revisited the empirical validity of the random walk hypothesis in eight emerging markets in the Middle East and North Africa (MENA). After correction of measurement biases caused by thin and infrequent trading prevalent in nascent and small stock markets, we cannot reject the random walk hypothesis for the MENA markets. We can conclude that a nonparametric VR test is appropriate for the emerging stock markets, and argue that our findings can validate previously contradictory results regarding the efficiency of MENA markets.

Gulf Cooperation Council Countries (GCC)

The GCC, established in 1981, seeks to build economic and social ties among the six GCC member countries—Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. The countries share many cultural, political and economic ties.

The quarterly statistical for 2006 showed a decline in the capitalization and the number of listed companies in Arab Capital Markets. Market capitalization dropped by 31.2 percent to reach US Dollars 888.1 billion in 2006 compared to US Dollars 1291 billion by 2005 end. The number of listed companies also dropped to 1623 in 2006 compared to 1665 in 2005.

As to trading volume, the value of shares rose by 17.4 percent to reach US Dollars 1685 billion during 2006 compared to US Dollars 1435 by 2005 end. During the same period, the number of shares rose to 52.1 percent and reached 168.5 billion shares.

Population (Millions)

Country	1995	2000	2007
GCC	25.3	29.5	34.6
Bahrain	0.6	0.7	0.7
Kuwait	1.6	2.2	2.9
Oman	2.1	2.2	2.4
Qatar	0.5	0.6	0.8
Saudi Arabia	18.1	20.5	23.1
United Arab Emirates	2.4	3.2	4.7
Non-GCC	171.6	193	214

GDP Per Capita, Current Prices (US\$ Thousands)

Country	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
GCC													
Bahrain	9.9	10.1	10.2	10.2	9.7	10	11.9	11.7	12.1	13.7	15.3	18.4	21.4
Kuwait	16.5	17.3	18.5	13.7	11.4	13.4	17	15.1	15.8	18.1	20.2	26	31.3
Oman	6.3	6.6	7.2	7.4	6.5	7.1	8.9	8.8	8.8	9.3	10.4	12.7	15.5
Qatar	12.5	16	17.4	21.6	18.5	21.1	28.5	27.3	28.9	33	37.6	43.1	53.5
Saudi Arabia	7.6	7.9	8.5	8.7	7.5	8.1	9.2	8.7	8.8	9.8	11.1	13.4	15.4
United Arab Emirates	17.2	17.8	19.7	19.9	17.1	18.2	21.6	19.7	19.9	21.8	24.1	27.7	35.1
Non-GCC													
Lebanon	3	3.6	4.1	4.8	5.1	5	4.9	4.9	5.3	5.6	6	6	6
Libya	5.8	6.5	7	7.5	5.4	5.9	6.6	5.6	3.5	4.2	5.3	6.7	8.3
Other (pop weighted)	1.1	1.1	1.1	1.1	1.2	1.2	1.3	1.3	1.2	1.2	1.2	1.3	1.5

Data and Methodology

Data

This paper uses the sample period as January 2005 to November 2008. The data consist of changes in price and daily closing values of the leading stock index for three markets (Bahrain, Kuwait and Dubai).

Normality Test

The first condition for price change following RWH is that it conforms to normal distribution. So Jarque-Bera statistics is used for test normal distribution. The result

of the Jarque-Bera is supported by the Kurtosis test and the Skewness test.

Jarque-Bera

Jarque-Bera statistics (JB) tests whether a series is normally distributed. The statistics is given by:

$$JB = \frac{n}{6} \left(S^2 + \frac{(K-3)^2}{4} \right),$$

where n is the number of observation, S is a measure of skewness, defined as:

$$S = \frac{\mu_3}{\sigma^3} = \frac{\mu_3}{(\sigma^3)^{3/2}} = \frac{\frac{1}{n} \sum_{i=1}^n (x - \bar{x})^3}{\left(\frac{1}{n} \sum_{i=1}^n (x - \bar{x})^2 \right)^{3/2}}$$

and K is a measure of Kurtosis, defined as:

$$K = \frac{\mu_4}{\sigma^4} = \frac{\mu_4}{(\sigma^2)^2} = \frac{\frac{1}{n} \sum_{i=1}^n (x - \bar{x})^4}{\left(\frac{1}{n} \sum_{i=1}^n (x - \bar{x})^2\right)^2}$$

Under the null hypothesis of normality, the Jarque-Bera statistic is distributed χ^2 with 2 degrees of freedom. If $JB > \chi^2_{(2)}$ then we reject the null hypothesis of normality.

Auto-Correlation Function Tests (ACF)

Fama (1965) recommends that serial correlation tests be commonly used to determine whether there is a dependency in the successive values of log-price changes. A serial correlation coefficient, P_T , is estimated from the change in two prices, and then compared with zero at a specified significance level. If P_T is not significantly different from zero, then the price changes are independent; otherwise, the price changes are dependent. This test is parametric. It is one of the best tests for examining weak-form efficiency because the relationship between the price changes in the current period and its value in the previous period is measured by autocorrelation that is given as follows: \bar{a}

$$P_k = \frac{\sum_{t=1}^{n-k} (a_t - \bar{a})(a_{t+k} - \bar{a})}{\sum_{t=1}^N (a_t - \bar{a})^2}$$

- P_k = ACF of change price of lag k
- N = number of observations
- a_t = price change over period t
- \bar{a} = the sample mean of price change
- a_{t+k} = price change over period t+k
- K = lag of the period

The null and alternate hypotheses for the serial correlation tests are as follows:

- Ho: $P_k = 0$ (price changes are independent)
- Ha: $P_k \neq 0$ (price changes are not independent)

The two hypotheses are equal to:

- a) The null hypothesis states that the serial correlation coefficient, P_T (which is estimated from the change in two successive prices for a security), is not significantly different from zero. The test will be performed at a significance level of $\alpha = 0.05$. If the null hypothesis is not rejected, then we can conclude that the market is efficient in its weak form.
- b) The alternative hypothesis states that with subsequent changes prices are serially correlated. If we reject the null hypothesis, then we can be quite sure that the market is not efficient in its weak form.

The purpose of the test is that the ACF are significantly different from zero. If price changes are serially correlated, the hypothesis of the weak form efficiency should be rejected (P_k is significantly different from zero).

When all of the autocorrelations are zero or the same (all autocorrelation close with them), we can use the Ljung-Box portmanteau statistics (Q) for testing the hypothesis. The Ljung-Box Q- statistics are given by:

$$Q_B = N(N+2) \sum_{j=1}^k \frac{\rho_j^2}{N-j}$$

ρ_j = j autocorrelation
 N = Number of observations

The Q-statistics is distributed as chi-squared (χ^2) with degrees of freedom equal to the number of autocorrelations (k).

It is estimated that the standard Error is Acf (k):

$$S_e ACf_{(k)} = \frac{1}{\sqrt{N-k}}$$

When N is very large ($N \geq 50$), so the standard error of Acf (k) is given by:

$$S_e ACf_{(k)} = \frac{1}{\sqrt{N}}$$

When ACFs are significantly different from zero, we can use "T" test:

$$t = \frac{ACF_{(k)}}{S_e ACf_{(k)}}$$

Table

Auto-Correlation	No Correlation $P_k = 0$	Low Correlation	High Correlation
Result	Accept efficient market hypothesis. Accept possibility of random walk process.	Accept efficient market hypothesis. Reject random walk process.	Reject efficient market hypothesis. Reject random walk process.

Runs Test

Runs Test can be used to determine whether the change of prices is serial or random. This test is non-parametric and does not require a normal distribution of price or constant variance. Since its validity does not depend on the shape of the underlying distribution, the Runs Test is an appropriate statistical technique to test the weak form market efficiency. A run is defined as a series of consecutive returns of the same sign. Put simply, ++, --, 0, indicates five runs where “+” stands for a price increase “-” represents a price decrease, and “0” posits no change in price.

Suppose the price changes are independent, the total expected number of runs E(r) can be estimated for large samples as:

$$E(r) = \frac{2N_1N_2}{N} + 1 \tag{3}$$

where N = is the total number of observations (price changes or returns) = N1 + N2

N1 = the number of price changes (sign +)

N2 = the number of price changes (sign -)

If the number of observations is large (N > 30), E(r) has normal distribution. The Variance of E(r) (σ_r^2) is given by:

$$\sigma_r^2 = \frac{2N_1N_2(2N_1N_2 - N)}{(N)^2(N-1)}$$

We can use the equation given below for probability test:

$$\text{Prob} [E(r) - 1.96 \sigma_r \leq R \leq E(r) + 1.96 \sigma_r] = 0.95$$

where R is the actual number of runs.

The Standard normal Z-test statistics used to conduct a Runs Test is given by:

$$Z = \frac{(R \pm 0.5) - E(r)}{\sigma_r}$$

R = actual number of runs
 E(r) = the expected number of runs
 σ_r = standard error of the expected number of runs.

Runs Test serves as a good complement to serial correlation tests. When the serial correlation coefficients may be significantly affected by a single outlier, the results from the Runs Test are not seriously affected by a few outliers.

The hypotheses for Runs Tests are:

$$H_0: R = E(r)$$

$$H_a: R \neq E(r)$$

The null hypothesis states that the total number of observed runs R is equal to the number of expected runs E(r). The alternate hypothesis states that the number of observed runs is not equal to the number of expected runs. The decision rules for this test (at a significance level of $\alpha = 0.05$) is to reject the H_0 when $|Z| > 1.96$. Once this occurs, we can conclude that the price changes are not random.

Z-values will be negative if the number of expected runs is greater than the number of observed runs, otherwise, Z-values will be positive. Trends may cause fewer runs than expected, leading to $Z < 0$, and frequent price reversals would cause more runs than expected, leading to $Z > 0$.

Variance Ratio Test

Our parametric procedure for measuring serial dependence is called “a variance-ratio test” which was developed by Lo and MacKinlay (1988, 1989). The test as used by Lo and MacKinlay exploits the fact that the variance of the increments in a random walk is linear in the sampling interval. Specifically, the variance estimated from two-day returns should be twice as large as the variance estimated from daily returns, and the variance estimated from quarterly returns should be three times as large as the variance estimated from monthly returns.

Under the random walk hypothesis, the ratio of (1/q) times the variance of the q-differences over the variance of the first-difference is expected to be unity. The null hypothesis is that VR (q) equals one.

The variance ratio is computed by dividing the variance of returns estimated from the longer interval by the

variance of returns estimated from the shorter interval and then by normalizing this value to one by dividing it by the ratio of the longer interval to the shorter interval as follows:

$$\text{Var}(P_t - P_{t-q}) = q \text{Var}(P_t - P_{t-1}).$$

Where q is any positive integer, the variance ratio, VR (q), is then determined as follows:

$$\text{VR}(q) = \frac{\frac{1}{q} \text{Var}(p_t - p_{t-q})}{\text{Var}(p_t - p_{t-1})} = \frac{\sigma^2(q)}{\sigma^2(1)}$$

For a sample size of nq + 1 observation (P₀, P₁, ..., P_{nq}), the formulas for computing σ²(q) and σ²(1) are given in the following equations:

$$\sigma^2(q) = \frac{\sum_{t=q}^{nq} (p_t - p_{t-q} - q\mu)^2}{h}$$

Where

$$h = q(nq + 1 - q) \left(1 - \frac{q}{nq}\right)$$

And

$$\mu = \frac{1}{nq} \sum_{t=1}^{nq} (p_t - p_{t-1}) = \frac{1}{nq} (p_{nq} - p_0)$$

And

$$\sigma^2(1) = \frac{\sum_{t=1}^{nq} (p_t - p_{t-1} - \mu)^2}{(nq - 1)}$$

Under the assumption of homoscedasticity and heteroscedasticity increments, two standard normal test-statistics, Z (q) and Z*(q) respectively, developed by Lo and MacKinlay (1988). Z (q) assume an independent and identical distributed normal error term. Then, the standard normal Z test statistics is computed as follows:

$$Z(q) = \frac{\text{VR}(q) - 1}{[\phi(q)]^{1/2}} \approx N(0, 1)$$

Z*(q) test statistics, allows for a general heteroscedasticity of error term. The heteroscedasticity consistent standard normal test statistics relaxed the assumption of normality. The formula is given as follows:

$$Z^*(q) = \frac{\text{VR}(q) - 1}{[\phi^*(q)]^{1/2}} \approx N(0.1)$$

Where φ(q) is the asymptotic variance of the variance ratio under the assumption of homoscedasticity, and φ*(q) is the asymptotic variance of the variance ratio under the assumption of heteroscedasticity:

$$\phi(q) = \frac{2(2q-1)(q-1)}{3q(nq)}$$

$$\phi^*(q) = \sum_{j=1}^{q-1} \left[\frac{2(q-j)}{q} \right]^2 \delta(j)$$

Where δ(j) is the heteroscedasticity – consistent estimator and computed as follows:

$$\delta(j) = \frac{\sum_{t=j+1}^{nq} (p_t - p_{t-1} - \mu)^2 (p_{t-j} - p_{t-j-1} - \mu)^2}{\left[\sum_{t=1}^{nq} (p_t - p_{t-1} - \mu)^2 \right]}$$

Note that both standard normal Z-statistics and Z*-statistics are approaching N (0, 1).

This variance-ratio statistic will converge to unity if returns are uncorrelated through time. If some of the price variation is due to transitory factors, however, autocorrelations at some lags will be negative, and the variance ratio will fall below one in case of return horizons longer than one period. Put equivalently, if the variance ratio is less than one for a return horizon longer than one period, the return on a stock shows a mean-reversion behaviour. By contrast, a variance ratio that exceeds one suggests that shorter-interval returns are inclined to trend within the duration of the longer interval.

VR < 1 ==> Correlation is negative

VR > 1 ==> Correlation is positive

VR = 1 ==> There is no correlation, so series follow random walk

In testing the random walk in the stock price changes in this dissertation, both the Z- and Z*-statistics are calculated for various q's (q=2, 4, 8, 16 and 32). Note that since the Z- and Z*-statistics are both asymptotic standard normal; the conventional critical value applies when they are adopted to test the random walk hypothesis.

The hypotheses for Variance Ratio are:

H0: VR=1

Ha: VR≠1

Unit-Root Tests

The Augmented Dickey-Fuller Test (ADF)

To apply the ADF unit root test of Said and Dickey, let {y} be the stock index series. The ADF test is based on the following OLS regression:

$$\Delta Y_t = a + by_{t-1} + \sum_{j=1}^k c_j y_{t-j} + \mu t.$$

Where y_t equals the logarithm of a stock price at time t , Δ stands for changes, and μ is a sequence of independent, normally distributed random variables with a mean of zero and constant variance. The number of lagged changes is K , which can be selected by the Schwartz-Bayesian Information (SIC). The application of ADF test may be appropriate to determine a unit root. However, such a test is possibly biased or lacks power. For example, Schwert (1989) and Dejong et al (1992) argue that the augmented Dickey-Fuller (ADF) unit root test of Said and Dickey lacks power against a trend stationary alternative.

Random walk is equation: $\Delta Y_t = \delta Y_{t+1} + \epsilon$
 $\delta = (\rho - 1)$ and
 $\Delta Y_t = (Y_t - Y_{t-1})$

If on the firstly regression (AR 1) equals $\rho = 1$, so Y_t time series has unit root because is equal to zero ($\delta = 0$). Then if time series has unit root, it is non-stationary. Therefore, time series follow the

Two models were used for the weak form efficiency test – the Random Walk Model with drift and trends and Random Walk model with drift. The models are specified as follows:

Model 1: $\Delta Y_t = \beta_1 + \delta Y_{t+1} + \epsilon$
 (Random Walk Model with drift)

Model 2: $\Delta Y_t = \beta_1 + \beta_2 t + \delta Y_{t+1} + \epsilon$
 (Random Walk Model with drift and trend)

Y_t is a random walk, β_1 is a drift, $\beta_2 t$ is a trend and ϵ is a white noise

The hypotheses for ADF are:

Ho: $\rho = 1$ (time series is non-stationary and there is unit root).

Ha: $\rho \neq 1$ (time series is stationary and there isn't unit root).

Empirical Result

Result Normality Test

Under the null hypothesis of normality, the Jarque-Bera statistics is distributed χ^2 with 2 degrees of freedom. If $JB > \chi^2(2)$ then we reject the null hypothesis of normality.

The JB test result shows that the general index is for all markets (Bahrain, Kuwait and Dubai) if it is more than 5.991 (If $JB > \chi^2(2, 0.05)$ that equals with 5.991 in the level $\alpha = 0.05$), the general index is not normal (table 1). Hence price changes (index) do not support random walk hypothesis.

For measuring symmetry in a distribution Skewness is used. If the value of Skewness is zero, the distribution symmetry is perfectly normal. If the amount of Skewness is a large positive, the distribution has a right tail, and if the amount of Skewness is a large negative, the distribution has a left tail. The result shows that (table 1) the general index for Bahrain and Kuwait have a left tail because both countries are Skewness negative but Dubai has a right tail because it has Skewness positive. Hence, we can say that distribution is not symmetrical and is abnormal for all countries.

For measuring the thickness of the tails Kurtosis is used. A common measure of kurtosis is the ratio of the fourth central moment to the square of the second central moment. Given this definition then the critical value is three. In the case of normal distribution the value of the measure is equal to three. If the value of kurtosis is more than 3 there is leptokurtic and the tail of the graph of the density function will be short and/or fat. If the kurtosis is less than 3 it is called platokurtic and the tail of the graph of the density function will be tall and / or thin. The result shows that (table 1) general indexes are platokurtic; hence the distribution is not normal for all markets (Bahrain, Kuwait and Dubai).

Normality Test 1

No.	Name	N	Mean	Median	St.Dv.	SKEW	KURTO	JB	
1	Bahrain	973	2043.2	2124.8	324.3	-0.4469	2.4828	43.23	RN*
2	Kuwait	1006	9009.68	9679.45	2472.17	-0.2497	1.8127	69.54	RN*
3	Dubai	1169	4131.59	4219.64	1984.19	0.2057	2.3674	27.74	RN*

* RN= Reject Normality

Run Test (2)

No.	Name	n1	n2	N	R	R(E)	ó	Z
1	Bahrain	513	460	973	419	486	15.5421	-4.343*
2	Kuwait	623	383	1006	412	475.3	14.9478	-4.2681*
3	Dubai	634	535	1169	535	581.3	16.9653	-2.7585*

* Significant at 5percent level whether the absolute value of Z are less or greater than ± 1.96

Variance Ratio Test (3)

No.	Market		2	4	8	16	32
1	BAHRAIN	VR	1.987	1.345	1.054	1.012	1.877
		Z	5.242	4.907	5.102	5.079	3.942
		Z*	3.275	3.312	3.836	4.171	3.478
2	KUWAIT	VR	1.183	1.542	1.108	1.096	1.345
		Z	6.639	5.167	5.115	5.624	4.607
		Z*	4.396	3.348	3.369	3.861	3.381
3	DUBAI	VR	1.483	1.156	1.119	1.058	1.023
		Z	1.628*	0.721*	3.092	4.865	4.187
		Z*	0.928*	0.421*	1.929*	3.340	3.105

Significant at 5percent level whether the absolute value of Z (q) and Z(q) are less or greater than ± 1.96

Result of the Runs Test

In the runs tests Z statistics were used for large samples. The Z statistics give the probability of difference between the actual and expected number of runs. The Z value is greater than or equal to ± 1.96 , hence we reject the null hypothesis at 0.5percent level of significance.

The result of the runs test (table 2) for daily observations for general Index shows that they are not an efficient market because all of them have Z greater than ± 1.96 .

So the randomness is rejected for the daily observation for general index for all markets (Bahrain, Kuwait and Dubai). So we can rejected the null hypothesis ($H_0: R=R(E)$) for all markets (Bahrain, Kuwait and Dubai).

Result of the Auto-Correlation

Autocorrelation analysis is performed for 60 lag of daily for general Index for all markets (Bahrain, Dubai and Kuwait) table (5, 6 and 7). They were found that autocorrelation coefficient of all the lags of daily, for general index is at the 95 percent confidence level. The

autocorrelation coefficient for Bahrain stock exchange (except lag 1 and 44) for general index is less than twice the standard error. The autocorrelation coefficient for Dubai financial market (except 17 lag out of 60 lag) for general index is less than twice the standard error. The autocorrelation coefficient for Kuwait stock exchange (except 7 lag out of 60 lag) for general index is less than twice the standard error. Thus the autocorrelation differ is not significantly from zero. That is, all of the lags at the autocorrelation differ is not significantly. The t-value of the autocorrelation corresponds to the changed price indices. They were found that the autocorrelations are not significantly different from zero and the corresponding t-values are less than 1.96 at five percent level of significance because major lags for all markets are less than ± 1.96 . So we cannot reject null hypothesis ($H_0: \rho_k = 0$ (price change are independent)).

Thus the price change index is based on random time series and the stock markets for general index daily for all markets are weak form efficiency.

If Ljung-Box at lag $K(QLB(K))$ is greater than $\chi^2(k, \alpha)$ then the independence hypothesis is reject at the significance level of $\alpha = 0.05$ and at lag k . So in this paper the QLB concluded for general index for all

markets shows that they are greater than $\chi^2(k, 0.05)$ then we can reject the independency by in test.

Result of the Variance Ratio Test

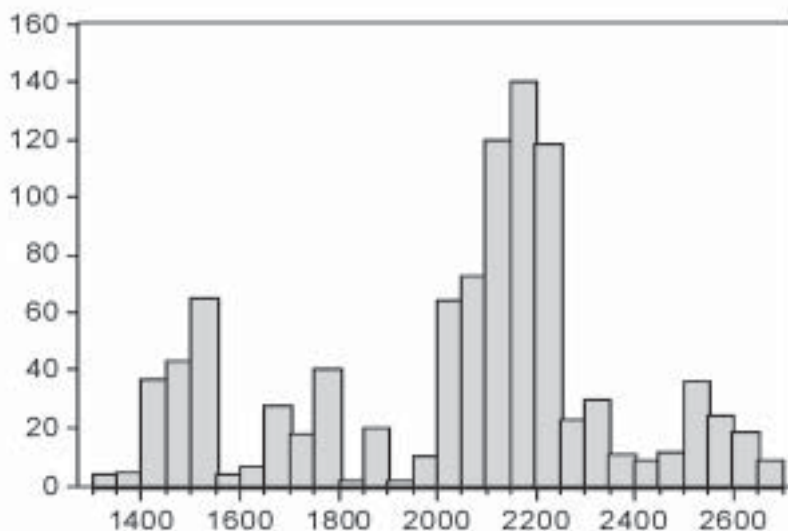
Table 3 shows the variance ratio test, homoscedasticity test statistic $Z(q)$ and heteroscedasticity test statistic $Z^*(q)$ for daily observations for general index all market (Bahrain, Kuwait and Dubai).

The result shows that we can reject random walk null hypotheses at 5percent level of significance and at all group levels (2, 4, 8, 16 & 32) except for Dubai at aggregation value qof2, q of4 and q of 8.

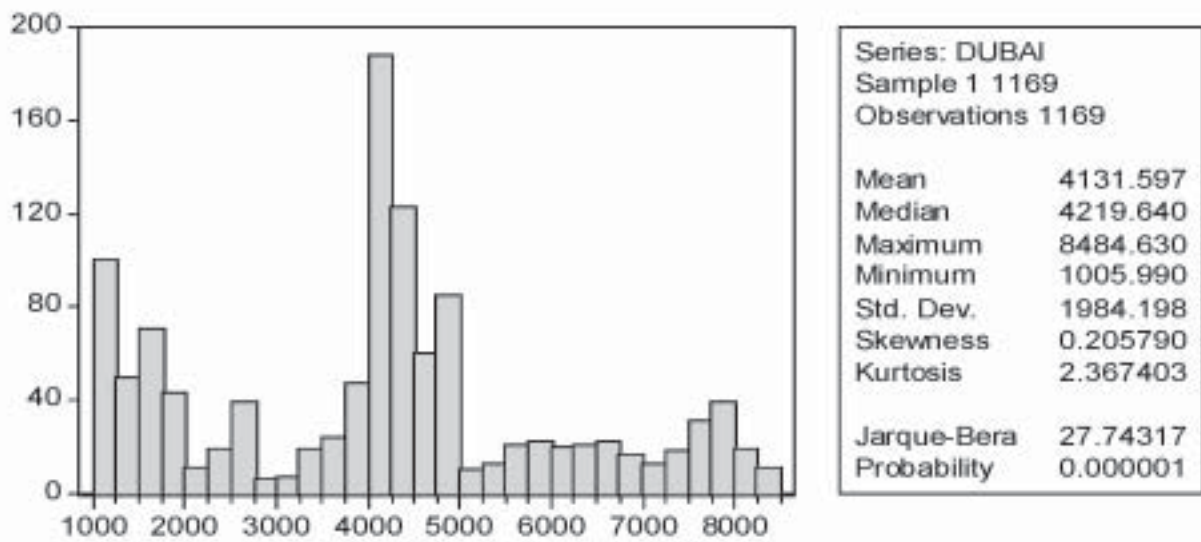
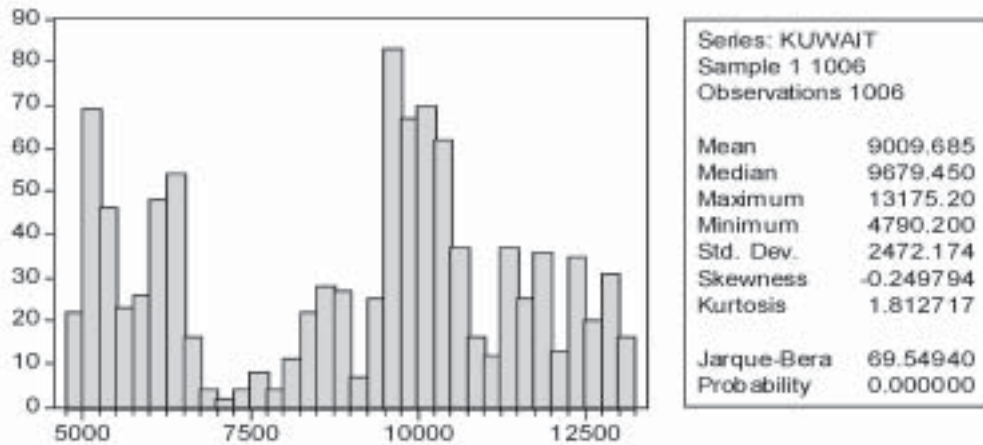
The null hypothesis is accepted when the test statistic is corrected for homoscedasticity test statistic $Z(q)$ and heteroscedasticity test statistic $Z^*(q)$ at $q=2, q=4$ and $q=8$ for Dubai general index but homoscedasticity test statistic $Z(q)$ the null hypothesis of random walk is rejected at $q=8$.

So we can say that two markets (Bahrain and Kuwait) don't follow random walk hypothesis but Dubai financial market almost follow random walk.

All of Variances ratio for all markets are greater one ($VR > 1$) so all of them have correlation positive.



Series: BAHRAIN	
Sample 1 973	
Observations 973	
Mean	2043.211
Median	2129.800
Maximum	2684.140
Minimum	1337.120
Std. Dev.	324.3197
Skewness	-0.446949
Kurtosis	2.482852
Jarque-Bera	43.23754
Probability	0.000000



Augmented Dickey-Fuller Test (ADF)-Table (4)

No.	Name	N	Drift-Level				Drift and Trend – Level			
			ADF	5%	1%	DW	ADF	5%	1%	DW
1	Bahrain	973	-1.304	-2.864	-3.436	1.993	-1.788	-3.414	-3.967	1.993
2	Kuwait	1006	-1.155	-2.864	-3.436	1.975	-1.260	-3.414	-3.967	1.975
3	Dubai	1169	-1.523	-2.863	-3.435	1.994	-1.048	-3.413	-3.965	1.996

N=Number of observation DW=Durbin-Watson stat

Auto - Correlation Function (Bahrain) Table - 5

Lag	ACF	T	LBQ	S.E	Lag	ACF	T	LBQ	S.E
1	0.168166	5.24	27.57	0.032	31	0.010564	0.31	57.42	0.032
2	0.016787	0.51	27.85	0.032	32	0.054920	1.62	60.46	0.032
3	0.052212	1.58	30.51	0.032	33	-0.016546	-0.49	60.73	0.032
4	0.035947	1.09	31.78	0.032	34	0.009357	0.28	60.82	0.032
5	0.050712	1.53	34.29	0.032	35	0.010810	0.32	60.94	0.032
6	0.058204	1.75	37.61	0.032	36	-0.015624	-0.46	61.19	0.032
7	0.026916	0.81	38.32	0.032	37	-0.009043	-0.27	61.27	0.032
8	0.026315	0.79	39.00	0.032	38	0.033491	0.98	62.40	0.032
9	0.057084	1.71	42.21	0.032	39	0.015411	0.45	62.65	0.032
10	0.039044	1.17	43.71	0.032	40	0.044512	1.31	64.66	0.032
11	-0.006698	-0.20	43.75	0.032	41	-0.057511	-1.69	68.02	0.032
12	0.006484	0.19	43.79	0.032	42	-0.051046	-1.49	70.67	0.032
13	0.011500	0.34	43.92	0.032	43	0.021839	0.64	71.16	0.032
14	-0.002821	-0.08	43.93	0.032	44	0.066256	1.93	75.64	0.032
15	-0.028583	-0.85	44.74	0.032	45	0.054457	1.58	78.67	0.032
16	-0.053429	-1.59	47.57	0.032	46	0.004820	0.14	78.69	0.032
17	0.017651	0.53	47.88	0.032	47	0.020678	0.60	79.13	0.032
18	-0.019460	-0.58	48.25	0.032	48	0.015326	0.44	79.37	0.032
19	-0.027418	-0.82	49.00	0.032	49	0.041462	1.20	81.13	0.032
20	0.023645	0.70	49.55	0.032	50	-0.015772	-0.46	81.39	0.032
21	0.007227	0.21	49.61	0.032	51	-0.019200	-0.55	81.77	0.032
22	0.034102	1.01	50.77	0.032	52	0.039112	1.13	83.34	0.032
23	0.051019	1.51	53.36	0.032	53	0.009692	0.28	83.44	0.032
24	0.012771	0.38	53.52	0.032	54	0.039458	1.14	85.04	0.032
25	-0.026810	-0.79	54.24	0.032	55	-0.005531	-0.16	85.08	0.032
26	-0.015929	-0.47	54.50	0.032	56	-0.044067	-1.27	87.08	0.032
27	-0.011487	-0.34	54.63	0.032	57	-0.039508	-1.14	88.70	0.032
28	0.029785	0.88	55.52	0.032	58	-0.062931	-1.81	92.80	0.032
29	0.013593	0.40	55.70	0.032	59	-0.029518	-0.84	93.70	0.032
30	0.039913	1.18	57.31	0.032	60	0.006959	0.20	93.75	0.032

Autocorrelation Two Standard Error Limit
 Signification Auto-correlation At Two Standard Error Limits =>
 T-Value Less Or Greater +1.96 (At 5%Level of Significances)

$$\left\{ \begin{array}{l} 0.032 \times 2 = 0.064 \end{array} \right.$$

Auto-Correlation Function (Dubai) Table - 6

Lag	ACF	T	LBQ	S.E	Lag	ACF	T	LBQ	S.E
1	0.047692	1.63	2.66	0.029	31	-0.52004	-1.60	89.49	0.029
2	-0.051815	-1.77	5.81	0.029	32	0.04093	1.30	91.51	0.029
3	0.040425	1.37	7.73	0.029	33	0.089643	2.85	101.18	0.029
4	0.10635	3.61	21.01	0.029	34	-0.00758	-0.24	101.25	0.029

5	0.076499	2.57	27.88	0.029	35	-0.02338	-0.74	101.91	0.029
6	0.070284	2.35	33.69	0.029	36	0.058689	1.85	106.07	0.029
7	0.068845	2.29	39.27	0.029	37	-0.01895	-0.60	106.50	0.029
8	0.023569	0.78	39.92	0.029	38	0.039412	1.24	108.38	0.029
9	0.080569	2.66	47.58	0.029	39	0.00166	0.05	108.38	0.029
10	0.020846	0.69	48.09	0.029	40	-0.00373	108.40	108.40	0.029
11	-0.013566	-0.45	48.31	0.029	41	0.033038	1.04	109.72	0.029
12	0.05958	1.96	52.51	0.029	42	-0.02814	-0.88	110.68	0.029
13	0.053927	1.77	55.95	0.029	43	-0.015	-0.47	110.96	0.029
14	0.010076	0.33	56.07	0.029	44	0.045108	1.42	113.43	0.029
15	-0.03073	-1.00	57.19	0.029	45	0.061349	1.92	118.01	0.029
16	0.065908	2.15	62.34	0.029	46	-0.02367	-0.74	118.69	0.029
17	-0.034958	-1.14	63.79	0.029	47	0.075476	2.36	125.64	0.029
18	-0.003689	-0.12	63.81	0.029	48	0.09214	2.86	136.00	0.029
19	-0.016919	-0.55	64.15	0.029	49	0.021064	0.65	136.54	0.029
20	-0.013529	-0.44	64.36	0.029	50	-0.01592	1.61	136.85	0.029
21	-0.058852	-1.91	68.49	0.029	51	0.016412	0.51	137.18	0.029
22	-0.011877	-0.38	68.66	0.029	52	0.016904	0.52	137.53	0.029
23	-0.033974	-1.1	70.04	0.029	53	0.052182	1.61	140.87	0.029
24	0.033409	1.08	71.37	0.029	54	0.072285	2.22	147.27	0.029
25	0.003033	0.1	71.38	0.029	55	-0.06515	-1.99	152.49	0.029
26	-0.033004	-1.07	72.68	0.029	56	0.041148	1.26	154.57	0.029
27	-0.064401	-2.08	7.65	0.029	57	0.09198	2.80	164.97	0.029
28	0.052759	1.7	80.99	0.029	58	0.004163	0.13	165.00	0.029
29	0.029892	0.96	82.06	0.029	59	-0.00241	-0.07	165.00	0.029
30	-0.060674	-1.94	86.48	0.029	60	0.034872	1.06	166.50	0.029

Autocorrelation Two Standard Error Limits

Significant Autocorrelation at Two Standard Error Limits =>

T-Value Less or Greater +1.96 (At 5 percent Level of Significances)

$$0.0289 \times 2 = 0.0578$$

Auto-Correlation Function (Kuwait) Table - 7

Lag	ACF	T	LBQ	S.E	Lag	ACF	T	LBQ	S.E
1	0.212875	6.75	45.68	0.031	31	-0.03245	-0.95	93.09	0.031
2	-0.051531	-0.51	45.96	0.031	32	-0.01213	-0.35	93.24	0.031
3	0.026789	0.81	46.69	0.031	33	0.054391	1.58	96.32	0.031
4	0.062111	1.88	50.59	0.031	34	0.037019	1.08	97.75	0.031
5	0.068305	2.06	55.31	0.031	35	0.032465	0.94	98.85	0.031
6	0.034919	1.05	56.54	0.031	36	0.017084	0.50	99.16	0.031
7	0.017746	0.53	56.86	0.031	37	-0.02889	-0.84	100.03	0.031
8	0.040951	1.23	58.57	0.031	38	0.016481	0.48	100.31	0.031
9	0.06737	2.02	63.18	0.031	39	0.030806	0.89	101.31	0.031
10	0.061285	1.83	67.00	0.031	40	0.024171	0.70	101.92	0.031
11	-0.01623	-0.48	67.27	0.031	41	0.011813	0.34	102.07	0.031
12	-0.00611	-0.18	67.30	0.031	42	0.036425	1.05	103.46	0.031

13	0.070636	2.1	72.39	0.031	43	0.052061	1.50	106.31	0.031
14	0.045123	1.34	74.47	0.031	44	0.016383	0.47	106.60	0.031
15	0.055874	1.65	77.67	0.031	45	0.045714	1.32	108.80	0.031
16	0.031877	0.94	78.70	0.031	46	0.062273	1.79	112.89	0.031
17	-0.00027	-0.01	78.71	0.031	47	-0.00772	-0.22	112.95	0.031
18	-0.03287	-0.97	79.81	0.031	48	0.034249	0.98	114.20	0.031
19	-0.03511	-1.03	81.08	0.031	49	0.066126	1.90	118.82	0.031
20	-0.04525	-1.33	83.18	0.031	50	0.048307	1.38	121.30	0.031
21	-0.0429	-1.26	85.07	0.031	51	0.014564	0.42	121.52	0.031
22	0.005521	0.16	85.11	0.031	52	-0.03795	-1.08	123.05	0.031
23	-0.00794	-0.23	85.17	0.031	53	-0.00417	-0.12	123.07	0.031
24	0.031709	0.93	86.21	0.031	54	0.024708	0.70	123.72	0.031
25	-0.01139	-0.33	86.34	0.031	55	-0.00266	-0.08	123.73	0.031
26	-0.05251	-1.54	89.19	0.031	56	-0.02429	-0.69	124.36	0.031
27	-0.01482	-0.43	89.42	0.031	57	-0.07982	-2.27	131.16	0.031
28	0.021628	0.63	89.90	0.031	58	-0.02411	-0.68	131.78	0.031
29	0.043502	1.27	91.87	0.031	59	0.005606	0.16	131.81	0.031
30	-0.01122	-0.33	92.00	0.031	60	0.027248	0.77	132.61	0.031

Autocorrelation Two Standard Error Limits { 0.031x2 = 0.062
 Significant Autocorrelation at Two Standard Error Limits = >
 T-Value Less or Greater +1.96 (At 5 percent Level of Significances)

**Results of the Unit-Root Tests
 (Augmented Dickey-Fuller Test (ADF))**

The results of our estimations are summarized in Table 4 which confirms that all markets (Bahrain, Kuwait and Dubai) exhibit a random walk—the Augmented Dickey Fuller test shows that price changes in the general indexes for those markets are non-stationary at level (one percent and five percent).

If $|ADF| < |Critical\ value|$ then time series is non-stationary, so random walk is confirmed. We cannot reject null hypothesis.

The result of Durbin-Watson stat (DW) shows that in price changes in general indexes in all markets (Bahrain, Kuwait and Dubai) there is no correlation because if DW is close to 2 there is no correlation. Then in the Bahrain, Kuwait and Dubai markets there is weak form efficiency.

Conclusion

This paper tested weak-form efficiency using the daily price General Index of the three markets from Gulf Cooperation Council Countries (GCC) that include Bahrain, Kuwait and Dubai. It was found that EMH could be rejected for daily data in Runs test.

It was found that EMH could be accepted for daily data (Bahrain, Kuwait and Dubai) in Autocorrelation function test and Augmented Dickey-Fuller test.

The results of the Variance Ratio show that EMH can be accepted for daily price general index for Dubai but EMH may be rejected for Bahrain and Kuwait. Overall, the results show that the stock market in GCC movement is toward efficient.

Therefore, the stock markets in GCC need to be reformed to improve the efficiency of the market and secure the flow of information to the market participants. Also the size of market capitalization, the small number of listed

companies, and the lack of significant market makers, were all essential factors causing the market to be what is known as a thin market. Indeed, these factors strongly reduced the level of efficiency in the stock markets of the GCC.

Therefore, this paper recommends that individual investors concentrate on stocks with greater market capitalization and trading activity.

JEL Classification Numbers: C22, G14, G10.

Keywords: Weak-Form Efficiency, Run Test, Autocorrelation Function test(ACF), Variance Ratio test, Unit Root test, Augmented Dickey-Fuller test(ADF), Kuwait Stock Exchange (KSE), Bahrain Stock Exchange (BSE), Dubai Financial Market (DFM), Random Walk Hypothesis (RWH), Efficient Market Hypothesis (EMH).

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Growth Strategies: New Sector of Russian Business

Bella Butler

This paper defines the new sector of Russian business and describes its growth strategies. These businesses consider the state interference in the industries as a factor of limitation of entrepreneurial freedom and propose their own strategies for the economic development of their country and anti-crisis management: this includes the rational combination of state regulation and private initiative, determining which industries would take top priority, the strengthening and promotion of the Russian brand on the international market, and raising the profile of Russian business and fast growth of private firms.

The rapid growth of the Russian economy after the financial crisis of 1998, when the average rate of the annual growth of GDP was 7.0 percent from 2003 to 2008, according to the Russian State Statistics Committee (<http://www.gsk.ru>), makes its market very attractive to international investors – possibly even a promised land for those wishing to face the challenges of a fast changing country. Recent (2008) global economic downturn did not lead to dramatic slow of growth in Russia: the rate of the annual growth of GDR in 2008 was 5.6 percent (<http://www.gsk.ru>). Studies to date on what

general conditions exist for the functioning of business in the Russian market, have focused on the business climate in the country: on risks, infrastructure, corporate management, business ethics, and partnering with Russian companies (Puffer 1994, Puffer and McCarthy 1995, Hisrich 1996, Sedaitis 1998, Hendley, Murrell, and Ryterman, 2000, Butler and Purpose 2004, Manfred, Shekshnia, Korotov, and Florent-Treacy, 2004, May, Puffer, and McCarthy 2005; Butler and Purchase, 2008; Johanson, 2008). Undoubtedly, they provide key information for those who considering making investment decisions. However, another key



Dr. Bella Butler, Lecturer of School of Management, Curtin Business School, Curtin University of Technology, GPO Box U1987, Perth Western Australia 6845, Email: bella.butler@cbs.curtin.edu.au

aspect namely real business, such as company strategies and the involvement of businesses in the business policy, both at the state and regional levels, has been investigated much less in the literature.

The purpose of this paper is to further define the new sector of Russian business which was built from scratch and is not connected with results of privatisation and following repartition of the state property. New Russian businesses and their leaders do not expect state directives and strategies for economic development. Instead, they themselves take on responsibility for their own future and future of their country by implementing strategies of rapid growth and formulating strategies for the economic development of Russia. They contribute into the National economy, firstly through the way they operate their businesses, and, secondly, through promoting the interests of business to the Russian government. The study of the new Russian business and their growth strategies provides practical implications to those international practitioners who wish to enter to the Russian market and /or partner with Russian businesses. The academic implications of this study are their further contribution to the emergent theory management practices in the transition economy

The Study

This research builds on the previous studies into the business climate in Russia. It uses the primary data collected in Russia within the last 12 months, statistical data regularly published by the Russian State Committee of Statistics (Goskomstat); the "Expert -400" reports (on the 400 largest companies in Russia in 1995 and 2003) published by the Russia's leading analytical business journal expert and drew on the personal business and academic experience of the author, who is Russian. In forming the factual data 11 face-to-face open-ended interviews with Russian managers who present the new sector of Russian business were conducted; manager's behaviour was observed, several focus groups with Russian managers were held to get their consultations and feedback on the preliminary study's results. In addition, the responses to the questionnaire developed by the author in collaboration with Russian academics from the Finance Academy under the Russian Government from participants of the First congress of Gazelles (fast growing Russian companies) were included

in the primary data. The statistical data and the results of the business and academic literature were explained and enriched by the interviews and focus groups. This analysis led to a detailed study of the new sector of Russian business and its strategies for growth and the dynamic economic development of Russia.

Both, in the academic and professional literature of the early 1990s, or published in the late 1990s to early 2000s, and also reflected in studies on Russian business, there are many assumptions that all the newly rich Russians made their wealth either by "exploiting the mistakes of the Government" (Stiglitz, 2001, 78); by getting assets from the former socialists' stage, via quick privatisation; or via corruption. These perceptions are common, but in most of the cases they are inaccurate and to date obsolete. The more recent academic studies (Manfred, K. V., Shekshnia, S., Korotov, K., and Florent-Treacy, E., 2004; Butler and Purchase, 2008) contributed into the more accurate understanding of the existence of the new Russian business established from scratch during the market economy. This study further provides evidence of the existence of new Russian businesses. These new Russian businesses were either established in industries which previously did not exist, such as information technologies and cellular phones, or they were established during this same period in areas that were previously owned by the State, such as banking or transport. Thus, this study aims to disprove the notion that the success and wealth of Russian business are rooted only in re-allocation of former communist property and in party connections.

The Sector of Dynamic Growth in the Russian Economy

According to the statistics (Russia's Statistic book 2008), the major assets now owned by the largest Russian companies were created during the Soviet period, however, the situation is changing. While in 1995, among the 400 largest Russian companies (Expert online) there was not even a single company established during the market economy, by 2004, however, there were 56 companies within the new economy, such as the leading operator of mobile connections "Mobile telesystems" and one of the largest insurance companies – ROSNO. The industrial structure of companies of the new sector of

Table 1: Industrial Structure of the New Sector of Russian Business (Rate of Growth)

Industry	Number of companies among "the 400 largest in Russia in 2003"	Sales in 2003, million roubles*	The average sales per one company in 2003, million roubles*	Share in the total shares of "the 400 largest in Russia in 2003"	Rate of growth, percent
Food production	48	347262,6	7234,6	4,1	25,0
Banks	20	352404,3	17620,2	4,1	15,8
Telecommunication and Other Communication Services	7	333931,1	47704,4	3,9	41,7
Retail	17	131189,7	7717,0	1,5	54,5
Insurance	7	68305,9	9758,0	0,8	6,5
IT	7	62916,4	8988,1	0,7	52,4

Source: composed based on the report of Expert "400 largest companies in Russia in 2003"

* 1 US dollar equal approximately 29 Russian roubles

Russian business is presented in table 1. Overall revenue of the new economy in 2003 was more than six percent of overall revenue of the participants of the rating. At first glance, the result is frustrating. However, we should consider first the scale of activity of the Russian raw materials sector. Against this background indicators even of such industry as mechanical engineering (rating share – 7.7 percent) do not look too convincing. Secondly, many companies in the new economy prefer to stay in the shadow and not show off their achievements. This attitude has its reasons. By sharing with the community their successes, many companies risk becoming potential victims of aggressive absorption.

The companies of the new economy demonstrate a truly phenomenal speed of growth. In 2003 their volume of business has grown by 70 percent compared to 2002 and in 2008 they continued to grow despite to the global economic slowdown and reached 64 percent growth compared to 2007. This is more than three times that of overall rating dynamics. Centres of growth are telecommunication and cellular phone connections, IT companies and retailing. There is another peculiarity of this segment – before 2005 the majority of companies are controlled by foreign firms. In 2003, the share of "daughters" of Western companies in new Russian business was over

20 percent. The reason that Russian businesses used to work under the ownership of Western companies is that they used well-promoted Western brands to penetrate the home market. For long period of the communist regime, when the number of imported goods was limited, Russians were striving to obtain imported goods and preferred them to home - produced goods. By 2005, Russian companies become competitive on their home market by demonstrating their ability to offer high quality goods and establish appropriate branding and respect in the market. (Kolodnyaya, 2008; Yudanov, 2007).

If at the beginning of the market reforms in the early 1990s it was common for multinational corporations to acquire Russian firms for a speedy market penetration, nowadays it is fast growing Russian companies who actively make foreign direct investments. For example, Russian investments abroad in the first quarter of 2006 were 10, 103 billions US dollars 103 which is 57.4 percent higher compared to the same period of 2005 and also higher than foreign investments into Russia during the same period (foreign investments into Russia were 8, 789 billions US dollars) (<http://www.goslomstat.ru>). This trend continued in 2008: during the first nine months of 2008, Russian investments abroad grew by 68 percent compared to the same period of 2007 and counted 91.3 billions US dollars.

It is common for Russian fast growing companies to consider acquisitions of foreign firms as the mean of further growth and market leadership rather than anticipating the possibility of being acquired by foreigners, as it is illustrated by examples presented next.

The general director of the Russian company "Russian Sea" (seafood production) Dmitry Denezkin not only negatively considers any possibilities to have his company acquired by international industry leaders for example, from Norway, he, as opposite, makes plans to acquire foreign competitors in the industry. He explained that his company currently (in 2009) has planned revenue of US 1 billion dollars. This production volume is comparable with the volume of the world leader Marine Harvest whose annual revenue is about US 2.5 billion dollars. As Mr. Devezkin further explained, "Considering the annual growth of the company "Russian Sea" of 20 percent, there will be no strategic investor who will be able to catch up with us. We have real chance to become global player and plan to acquire foreign firms in five years time" (First Congress of Gazelles, 2008).

Similar plans for the future shares the general director of another fast growing Russian company "Kreogenmash" (High Technology Mechanical Engineering) Yuri Gorbatsky: "We have a unique technology, develop our production fast and have all what it takes to become one of the ten world leaders in the industry" (First Congress of Gazelles, 2008). Evgeny Demin, the general director of another Russian fast growing firm "Splat-cosmetics" is convinced that for dynamically growing firms the only accepted strategic goal is to become a global industry leader. He explains: "if transnational companies enter our national market and we [national firms] are forced to share this market with foreigners, by sharing with them [foreigners] our resources, time, money of our customers, why should not we enter their market and share it with them[foreigners]?" (First Congress of Gazelles, 2008). Implementing this strategy of global leadership in oral care products, the company "Splat-cosmetics" builds its product line: if the products of the company cannot become the best in the world, these products are discontinued. Such ambitious plans help the company to detect and eliminate inefficiency.

Certain leaders of the new economy are operators of mobile connections. Their share constitutes nearly 30 percent of profits for/in this sector. In 2008, the volume of their business had grown by 31.7 percent, compared to 2007. Another high technological segment of the new economy is that of IT companies. Their rate of growth in 2003 was 52.4 percent and in 2008 46.2 percent. On the list of the 400 largest companies in Russia there are seven IT companies. Due to the small scale of their businesses, it is difficult for them to compete with mobile connection operators. The IT services market is currently limited, but the rate of success of mobile connection companies and IT sector companies is high. By offering principally new services in Russia, they have created their market. Added to which, demand in the mobile connection and IT services areas has a tendency towards long-term growth. This makes this market very attractive to Western companies; however, Russian IT companies should still sustain competition from large Western corporations.

In 2003, the new economy in Russia was represented by the following industries: financial services (with a 29.5 percent share in the new economy), retailing (18 percent), food production (17.6 percent), IT (9.7 percent), banks (8.9 percent), cellular phone connections (6.3 percent), insurance (5.2 percent) and other (4.8 percent) (*Russia's Statistic book 2003*). In 2008 the new Russian economy had a similar structure: financial services (with a 27.5 percent share in the new economy), retailing (17 percent), food production (20.4 percent), IT (10.5 percent), banks (7.5 percent), cellular phone connections (7.8 percent), insurance (7.2 percent) and other (2.1 percent) (*Russia's Statistic book 2008*).

The Bank sector is nearly a first-born of the market economy in Russia. In the Communist system there was only one bank in Russia – The state owned Sberbank. The first private banks were registered at the end of the 1980s, after the issue of the Federal law "On cooperation." The banking law of 2002 caused the birth of hundreds of independent banks. Currently, 20 banks, included in "Expert-400", provide over four percent of overall profits of the 400 leading companies in Russia. Leading positions among those banks which emerged during the market reforms now are taken by Alpha bank (44th place) and Rosbank (124th place). Both banks were able to consolidate strong

industrial assets and now are financial centres of Russia's largest Financial Production Groups – "Alpha Group" and "Rosprom."

Four years of growth in real earnings among the population gave birth to a real boom in retailing (Russia's statistic book 2003). Participating in the rating retail companies in 2003 increased their turnover by more than 1.5 times (Expert-400, 2003). Number of Russian trade networks has increased substantially in the past few years, and leading players are conquering the new regional markets. However, Russian retailers more and more often have to compete with foreign branches of international retail networks, such as Metro Cash and Carry (55th place), "Ashan" (99th place), and IKEA (146th place, Expert 2004). In 2004 the share of foreign companies is one third of profits, obtained by those retail companies listed in the "Expert-400." In 2006-2008, newly developed and fast growing Russian retailers have become strong and aggressive competitors to Western retail companies (Expert, 2008).

Manufacturing has the slowest rates of creation of new assets. The reason for this is the lack of the state funds available for the building of new, and the modernisation of existing enterprises. Most manufacturing enterprises were built between the 1950 and 1980s and require modernisation. In the early 2000, most of the new manufacturing plants belong to foreign companies. Pioneers in the building of new factories in Russia became Western manufacturers of food and beverages. Among them are Danone, Mars, Pepsi Co and others. Recently, motor car factories joined them. The Ford Motor Company factory built in Vsevolozhsk (69th place in overall rating) had leadership on the list of leaders among new industrial companies (Expert 4000, 2003).

Analysis of the new sector of Russian business demonstrates that new businesses created without connection with former wealth can be sustained even in a period of dynamic changes and of uncertainty in the environment. Most companies of the new sector belong to industries such as cellular connection, financial services, and banking, which were born during the market economy. However, more traditional areas, such as manufacturing, have not created many of new businesses, despite Russia's recognised technical expertise.

The New Economy of Russia

The term "new economy" was first introduced by one of Russia's most renowned business analysts, T. Gurova, Chief Editor of the Russian leading business journal *Expert*, in 2003. According to Gurova (2003), companies of this new economy are timely and current in all terms: they are not imitators, instead, they create the new quality. These companies are flexible in management and sales. They are aiming at competitiveness with multinational firms and, therefore, they invest in the best equipment in the world. In fifteen to twenty years, this active and innovative part of the Russian economy will produce future leaders of the world economy with Russian citizenship. Successful companies within the new Russian economy play the role of centers of new economical zones. Today, around them there are other structures – suppliers, educational institutions, and customers – all agencies which are evolving around the center.

Within the bounds of the "Russian new economy," new types of connections among companies are emerging. The new breed of company has gone through the, at times, twisting and thorny path of survival in conditions of tough competitive fighting. Their typical history includes a disintegration of technological nets of the Soviet system for import in the first half of the 1990s; the establishment of the production of competitive goods after the financial crisis of 1998; new problems associated with the evolution of a mature market (such as the establishment of branches of transnational corporations; the introduction of cheap Chinese imports; or pressure from new Russian firms etc). The "new firms" survived in such conditions, because they learnt to respond to the competitive advantages of rivals, via the creation of their own advantages.

The development of the new sector of Russian business would not be possible without the emergence of new generation of managers. At the end of 1990s, the new wave of Russian managers started their career. The third wave brought on the scene young, well 'educated (only partly in the Soviet business system), managers who were dynamic, ambitious, some of whom had working experience in a Western company with Western peers. In 2000 -2001, over 5000 young Russian leaders had travelled to the United States for management training. Since 1993,

some 40000-45000 Russians have travelled to the US on state exchange programs – even more when private programs are included (Izvestia, October 2001). Additionally, “they are likely to speak a foreign language proficiently” (Camiah, Hollinshead, 2003: p.250). These people are concerned for other’s welfare; they sincerely aim to conduct their business in the ‘civilized’ manner and see their future in Russia.

Moreover, as was reflected by our respondents in Russia, Russian managers realized the necessity to reconsider their business methods after the financial crisis of 1998. This cataclysm (the crisis of 1998) wrecked a large quantity of whimsical business structures, grown in the first years of new Russian capitalism, and at the same time it sparked the inception of the home market. The [1998] crisis became the very fire that promoted adorning. It [the crisis] cleared from the market predominance of imported goods and for the first time (since the beginning of market reforms) provided Russian firms with the opportunity to display their entrepreneurial spirit. No less important to mention, is that after the 1998 crisis, the long term period of crises and reduction of production has changed into a long period of continuing economic growth. Russian firms got perspectives on how to pursue their development.

In some industries, new Russian firms have gone through a turbulent period of establishment and faced the challenges of a mature market. For example, for the pharmaceuticals, the most important challenge was the growing pressure of imports. In the confectionery industry, the main pressure was the branch establishment of transnational corporations. In the soft drinks industry, imperceptibly home-grown competitors became the main players. In the oil and gas industry, exploration and related services have become a new competitive force. In banking, a new sector has evolved–customer’s crediting. Finally, the Russian innovation business began agonizingly to assimilate the commonly accepted in the world, mechanism of financing – attraction of venture capital. The development has not been easy in any of the industries. Most players have found themselves, if not in the situation of losers, then under strong pressure. At the same time, the situation was never hopeless. In every case, there was a way to success.

This is aligned with the results of a study published by

May, Puffer and McCarthy (2005: p.29): “Russia’s devastating economic and financial crisis in August 1998 seemed to be the catalyst for a major shift in the attitudes and priorities of many Russian managers, including a much greater readiness to accept Western managerial knowledge. As the economic situation stabilized in 2000, managers (...) seemed ready to accept that acquiring knowledge in market-oriented management practices was their only hope for survival.” The lessons learnt by Russian businesses after the financial crisis of 1998, made them stronger during the recent (2008) financial crisis: the most of fast growing Russian companies reported that their growth was not slower in 2008 compared to previous years (First Congress of Gazelles, 2008).

Although, it is too early to sum up the outcomes of the recent 2008 financial crisis and its impact on Russian business, the responses of Russian managers – leaders of fast growing firms (First Congress of Gazelles, 2008) show that the major expectation of Russian managers in the anti-crisis environment is to continue investments in innovations and development, eliminate inefficiency and further strengthen the planning and management mechanisms. The discussion of the anti-crisis measure formulated by Russian managers of the new economy is presented in the following paragraph.

As opposed to being ‘fed’ by the Russian government oligarchical groups, the firms of the “new economy” have grown and reached their prosperity, based upon their own strengths. Today, these firms do not rely on the lobbying of their interests by those in the highest circles of authorities, nor do they rely on getting privileges via the establishment of personal connections (although, they do not scruple such possibilities). New Russian firms conduct their main battles in the market by means of offering competitive goods, and superior offerings compared to other firms.

Since the late 1990s, business education in Russia continues to boom, both at the undergraduate and postgraduate level. Some of our Russian respondents are alumni of the President program, (a prestigious postgraduate program funded by the Russian Government which is an equivalent of a Western MBA degree), conducted by one of the leading Russian business schools

– the Institute Specialist Retraining of the Ural State Technical University (it is an equivalent to graduate schools of business). All of the respondents stated that they are continuously learning together “new ways of doing business” (Bannych 2008, Zotova 2008).

Strategies for Growth and Economic Development

Analysis of the economic dynamics of the developed countries following World War II shows that there is a direct dependence between state economic policy and the level of development of market relations: the more developed market relations are, the stronger is the state’s influence on the development and organisation of market mechanisms and regulators (Fisher, Dornbusch, Schmalensee 1998, Andrianov 1997, Zhavoronkov, Mau, Chernyi, Ivanovskii, 2002). On the whole, it may be said that the Russian state’s business policy has not yet become an effective instrument for economic reform. The principle conduit of monetary-credit policy is the Central Bank of Russia, which at the present time most actively uses three instruments of monetary-credit regulation: the policy of mandatory reserves, the level of the Central Bank’s interest rates, and the regulation of the volumes of refinancing of commercial banks. Bureaucratic traditions in Russia impede the effective implementation of economic reforms and are an obstacle on the road to market reform. Countries with developed market economies are successfully using both Keynesian and monetarist principles in the economic regulation process and in the most highly developed countries, a broad network of self-regulatory mechanisms in the form of functional economic systems has developed. This is demonstrated by the emergence of effective self-regulatory mechanisms in the Russian economy.

Since the beginning of the market reforms in the early 1990s, Russian business has expected from the State a clearly formulated strategy for economic development for nearly a decade. Business leaders think that government officials have failed to offer this strategy and, thus, in the early 2000s, they have begun to formulate their own strategy for the economic development of the country. This attempt of the Russian businesses, particularly, the new Russian economy, to offer their own strategies of economic development have been significantly advanced after the recent (2008) financial crisis. Most of our respondents –

participants of the First Congress of Gazelles – have rejected the idea of the state interference into the development of businesses: the most common answer to the questions regarding the state support was “no support is needed.” As commented such answers by professor of the Finance Academy under the Russian Government A. Yudanov (2009), this was not a manifestation of the new liberalism by Russian businesses. Rather, Russian firms experienced “false help” from the State. One of our respondents explained, “As soon as the state declares special priorities for a certain industry, we [businesses] face increased state control, additional sanctions, reports and similar obstacles.” Many Russian businesses consider the state support as a very painful open wound which they want to protect from additional hits at all costs. The only suggested recommendations of businesses regarding a possible state support were made about the state investments into the banking system: instead of giving funds to the banks, the state should rather give that money to the enterprises for specific projects. Another suggested measure for the state support was made regarding the common service of “one window” to assist business to obtain communications, get access to water, electricity, and gas. Currently, businesses face a lot of bureaucracy when they have to contact various state agencies to have access to these resources and communications. Our respondents emphasised that not all firms should be supported by the state, only the firms who are committed to contribute into the economic and social well being of their employees, e.g. not to reduce salaries and nor to discharge employees, implement programs of social support for the communities where the companies operate. The following paragraphs present strategies formulated by Russian businesses of the new economy for growth and economic development.

Strategy 1: Rational Combination of State Regulation and a Private Initiative

One of our respondents, one of the leading Russian bankers, noted, that the key solution is a rational combination of state regulation with private initiative. Although, some businessmen state that they do not need anything from the state, perhaps, just to be left alone. Despite such Russian scepticism, crisis forces businesses to a constructive dialogue with the authorities. Businesses

are ready to negotiations with the State: in case if companies are committed to the well being of their employees and even local communities in which they operate, they expect some state support in terms of easier access to communications and resources or more relaxed control mechanisms (Yudanov, 2009). This is informal, bottom-up imitation of the famous reciprocity policy – the key policy developed during the period of economic wonder in North Korea.

Strategy 2: Determining Industries of Top Priority

According to one of our respondents, a leading Russian business analyst, businesses expect that the state would establish a strong financial system which would include strong banks, the ready availability of credit and reliable insurance. The state is also expected to determine the priorities of industrial politics. Some industries are developing effectively in the market economy, while others such as manufacturing and aircraft building require state support. As one of our respondents – the CEO of one high tech company – stated, “The state has to provide funding to the most prioritised industries and the private capital will follow.” This opinion was supported by another respondent who believes that “Russia has to learn the Japanese experience of importing investments. Only the newest foreign technologies were allowed to be imported into Japan: those that did not have any analogies anywhere in the world. This helped them to reach international competitiveness.”

Strategy 3: Strengthening and Promotion of the Russian Brand in the International Market

One of our respondents – the general director of one of fast growing companies producing consumer goods - stated that he cannot see future economic power and competitiveness without promotion of the Russian brand. This statement was supported by a Russian Government official who said that the countries who won a leading position in the international market learnt to sell themselves first, rather than their goods. States have always appreciated the importance of supporting image of their country. Today many Russian businesses promote their goods, even on the Russian market, via well established Western brands.

Strategy 4: Creating a Strong Profile for Russian Business

An example of a wealthy group with serious political influence was Yukos, a large diversified company. This was a widely publicised case, where the business operations of the company were declared illegal and the Government brought a law suit against the company and its management. The situation around Jukos – an oligarchical group whose management team, including the founder and co-owner Michael Chodorkovsky, was jailed - proved that the Russian public does not like businessmen: there were no demonstrations or howls of protest and the majority of the public was indifferent to Chodorkovsky and his team. Looking at the Yukos’ case, it seems then that the Russians are still suspicious of the means by which somebody achieved their success in business. In the early stage of privatization in the 1990s in Russia some of those who came to be wealthy had received a large portion of public property. The division of public property was inequitable and some people were left in a much more advantageous position than others. If the Russian public is still clearly so suspicious of those with wealth, then, from the point of view of the Russian government, there is little point in providing state support to business and thus encouraging this scourge of wealth. Meanwhile, on the part of Russian business, there is a perception that the state is not interested in supporting them. Many of our respondents shared the opinion that many businessmen learnt from the Yukos’ experience: Russian businesses have to invest money in promoting Russian business and in raising its profile, rather than in the promotion of an individual company, since, as one body, they are left fighting their corner on their own. In other words, they need to be promoting business as whole, both to the national and international markets.

Conclusion and Further Research

The strategies formulated by Russian businessmen strongly indicate that Russian entrepreneurs began to prove that they are not just a complaisant layer of the public; they are responsible for the future of their country. The new wave of Russian managers demonstrates a strong desire to be involved in business policy not only at the level of their company but also at regional and state levels. Thus, the

Russian business class forms a broad network of effective self-regulatory mechanisms.

As Russia becomes more involved in the world economy, it is anticipated that its business practices will become progressively affected by, and affiliated with the business policies of the broader international economic order. If this trend continues, there will be an increasing number of foreigners participating in business communication with Russians. They should understand that Russia, like other nations, will continue to have its own special set of standards for business policies and practices. To expect otherwise would be unrealistic considering the unique influences of Russia's history, politics and culture. When accommodating the business practices of various Russian business groups, their specific characteristics such as origin of their assets, business experience, attitude will be key to their success. Studying the new sector of Russian business and its strategies for growth of the national economy provide a more thorough and fair analysis of the general conditions for the functioning of businesses in Russia than is possible by assessing them according to forejudged criteria. One of the limitations of this study is that the data was gathered via interviews and focus groups and respondents represented various industries. This gives some directions for future research which should make further investigations of the new sectors within specific industries. Another possible approach to future studies of the new business sectors in emergent economies would be making comparative cross-cultural studies of the new business sectors in various emergent economies.

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Advertising and the New Ageth Woman

Bani Kochar and Manish Kumar Srivastava

Advertising is a powerful tool of communicating. Its importance has grown over the years and has attempted to bring a change in the mindsets pertaining to perceptions about women. This article attempts to explore advertising as a tool that has had its implications on the bedrock of tradition that Asian and Western cultures have rested on, the mindsets pertaining to women on the Indian society and the portrayal of women with a different eye in the advertisements broadcasted. Also, it attempts to bring forth the rationale behind making advertisements amidst the changing paradigms that socio-culturally the society is facing.

Advertisements form a part of the society and their effects are on daily life subconsciously and consciously. Advertising has been one area of the many, where the male dominance has clearly ruled the roost till a decade ago. Today, women constitute a major proportion in advertising and related areas because they are important targets as audiences and consumers. Also, with the growing purchasing power, they are the major influencers in

the purchasing decision process. Innumerable women have been a part of the advertising industry and have played various stereotyped roles including a girl child, prospective mother, a homemaker, a career woman and one who is averse to sensuousness and who enhances the appeal of the advertisement. Advertisements have undergone transformation from the one showcasing a woman as tradition-bound home-makers to the one that has created ripples in the dog-



Ms. Bani Kochar, Research Associate, ICFAI Business School, 595, Indira Nagar, Dehradun 248006, Email ID: banikochar83@yahoo.co.in



Dr. Manish Kumar Srivastava, Faculty Member, ICFAI Business School, 595, Indira Nagar, Dehradun 248006, Email ID: srivastava manishkumar11@gmail.com

matic orientation of the traditionalists and blended traditionalism and modernity.

The traditional role of woman playing a coy, demure housewife has swapped places with the modern day working woman who plays multifaceted roles and emerges as one belonging to the powerful influence group. Advertisements affect and are affected by social values. The changing face of the new age woman is well reflected in advertisements which are one of the significant tools to reflect the change in the socio-cultural and educational values of the society. The variations at the cultural, social and educational fronts have brought a change in the structures and the patriarch mindset that long towered the society. For example, an advertisement in a fortnightly magazine posts a middle aged woman dressed in a bridal outfit with another lady. It reveals the woman getting remarried. The advertisement gives a social message and an insight into the changing values and beliefs. Several daughter-mother duos reflect the growing power of woman in the world where the role of men is subsidized or equal to negligible. There is another advertisement by the Idea Cellular Limited that shows a young college girl exhibiting the power of democracy. The idea shows the connectivity and networking at cut-rate prices and also the empowered modern woman. There is an advertising angle as well as a social angle to it.

Women as Protagonists

Women now are being unconventionally and independently being targeted at as being both consumers and the most influenced group as audiences. These advertisements help answer the gender representation in media. Also, it cuts across transnational borders by importing multi-cultural attitudes. A research brings out the differences in the portrayals of women culturally. For example, Asian advertisements including Korean, Japanese, Indian advertisements are more inclined towards bringing out the woman role as neutral than a negative, a sexual object or a stereotyped dependent which is often reflected in British and western countries' advertisements. The Western countries opt for showing women at juxtaposed positions at two extreme ends. Woman modeling for health drinks, painkillers, two wheelers, mobile phones reflect a neutral role. In British Magazine

ads, there is an increasing use of family and couple being a part of the ads where fast moving consumer goods are concerned or where durables like washing machines, dishwashers, refrigerators, television, micro wave ovens are concerned. But Indian ads though accept women playing neutral roles; the unconventional roles are not widely embraced. The career oriented and figurehead roles are yet to be accepted as most of them belong to old school of thought where position of woman is best suited inside the four walls of the house. This has been posited strongly in the various studies conducted by researchers. However, it suggests that women image in advertising is no longer a fad and is here to stay.

Freeing the Woman Spirit

Indian culture is in a state of constant flux. Sportswoman like Sania Mirza is as often seen and accepted in a sports ad as a Sachin Tendulkar or an iconic athletic would be seen. This is a reflection and acceptance of woman in the society playing one of the many roles and a changed mindset culturally. Women are playing a prominent role in this ad-mad world. Women who have been an epitome of both beauty and intelligence have found a place for themselves in advertising world. This phenomenon is manifested in beauty contests too. Sushmita Sen, in 1994, when won the Miss Universe Pageant was praised on both the parameters. Yet women are to find an essential place for themselves in advertisements that depict masculine roles such as in industries of cement, steel, construction etc. where they are often sidelined.

The rigger of the advertisement is of great importance and is pivoted around the message that it carries. Modern advertisements attempt to bring a more realistic picture of the woman. The liberated woman is economically independent, evolved and controlling her life. The career orientation seems to be reflected in one such ad where the woman uses the talc stepping out of the house and beyond as compared to formerly where she used the talc as she came out of the shower. Another advertisement that reflects an empowered woman of today is the *Yo Smart Bike* one. The Electrotherm Company's division Indus launched the bike *Yo Smart Bike* that attempts to make the woman independent. This is just one of the advertisements that bring out the career orientation of the woman to light.

Breaking the Shackles: Redefining Self

Gender roles have long been stereotyped with the male having prerogative when compared with the fairer sex. Role reversal has taken place in gender representation in advertisements. There has been a change in the gender equations. For example, Amitabh Bachchan has been signed by the diamond giant, D' Damas to endorse their range of solitaires which till now was considered the Woman's Best Friend. Gendered advertising or customized advertising have entered the advertising field where what is appealing to women has been identified and capitalized on. For example, the advertisement of Axe Effect or the Denim Man advertisement or shaving creams reveals the same. These advertisements and like bring out the fantasies of the woman and therefore become desirable for men. Because most of the time, it's the woman who purchases toiletries for their partners, therefore these advertisements ingeniously centre around what appeals the woman.

It stands true that a sea change has occurred in the last three decades and egalitarianism exists where men and women are now treated as equal. 'The Girls, Women plus Media' is one such project that attempts to educate; create awareness among citizens with issues related to consumer rights and universal media. It also creates awareness of how Xen Yers, the women workforce affect and are affected by pop culture, media and issues related to employment and rights.

The Oomph Factor!

In this marketing world, a different approach is being followed in presenting women. Advertisers are focusing more on their bodies than on the grey matter they have. The idea of exhibiting woman in various ads still ascribes to bringing out the sexuality sometimes overtly and sometimes with ulterior base. Sometimes she is sidetracked with only playing a decorative role in the advertisements. The rationale behind these ads don't focus on the features of the product, rather they try to build brand awareness resting on the sexual appeal of the model. These are some drawbacks of advertisements in which the advertiser showcases female models to promote men's product. They are being used to promote lust and to earn money. You can find girls having awesome figures

promoting each and every product be it a beauty cream men's shaving cream or even men's undergarments (the Amul Macho ad...yeh to bada toing hai). Why is it so? Why the advertisers are using women to promote products meant for men? The answer is simple. In order to improve the effectiveness of the advertisement, they are using her sexuality to unravel men, to attract their senses so that they are tempted to spend money. It gives an impression that they cannot arouse interest in the target customers to purchase the product by resting on the features of the product that's why they are using female models in an erotic way to promote the product. Also, these ads suffer from figure ground reversal problem. The figure of the ad (the product) becomes the ground (the model) and vice-versa. So the essence of the advertisement is lost. In a particular after-shave lotion commercial, the background voice says that it is essential to learn martial arts because once a man applies the company's product, women around are attracted and they give him a run for his life. In fear of that he may be grabbed at the male model kicks innumerable women that seem to have enticed. This unquestioningly puts the stature of the woman at stake. It means that women are projected as mere objects and are being refuted to be treated as human beings. Therefore, the companies have to understand that they have a moral responsibility towards the society. These commercials have an unconstructive impact on the society and it presents a misleading image of women.

But there is more to what appears to the naked eye. The grimmer picture to advertising comes to the forefront. Women bodies are more often than not are considered more attractive and provocative to entice the counterpart. There have been advertisements which have called for public outcry because of reasons like not being socially responsible. There had been uproar from various segments of the society when skin lightening issues came to the forefront of HLL's advertisement of Fair and Lovely with the underlying theme that "Fair girls get better jobs or better boys." It had to be discontinued with growing criticism by the All India Democratic Women's Association. To do away with its tarnished reputation, HLL not only provided resources in education and business to empower women but also sponsored career fairs in over 20 cities.

Conclusion

The future holds numerous challenges and the old problems that require attention and energy. Man and woman are the two blessed creations of god. It is often reinstated in religious texts and otherwise that one can see the image of god in his creations. Therefore, it is imperative to honour, praise and respect them and put them in higher pedestal. One way to respect its creation is to embrace our bodies in a respectful way. There is nothing wrong in using women in advertising but what has to be kept in mind is that god has blessed us with women for the purpose of fostering life. They are one who gives life

through birth. They symbolize sacrifice, love and intelligence. It is expected that immoral ways may not be used to present the form that we are gifted with. Since, media plays a seminal direct or indirect role in bringing awareness and educating consumers through public advertising. Not only mutual respect and equality, but also financial judgments, consumerism, voice against domestic abuse and violence etc., need to be addressed. Media in print and electronic media form is a powerful channel of communicating. It needs to be articulated properly of whether the stature of the woman should be portrayed on sexuality or the intellectual capacity that she owns.



“Social Networking” on the Generation Next

Neha Vivek Nair

Man is a social animal and hence he is interested in interacting and being with people who have common things to share with him. Such a network is called a social networking. The origin of social networking is just two decades old but it has picked up its market greatly amongst people of different ages and genders. It has explored new ways of communicating and sharing information. In many cases it has become an enduring part of one's life. But there are many pros and cons of social networking sites which has been a topic of issue. This paper attempts to look at the impact of social networking sites on the youth of today.

Since ages man has been defined as a *social animal*. This says that man has a tendency to establish relationships with family, friends, colleagues and many times with people who have something in common to share with. When such a situation arises we say that a network is created. A network is generally defined as a group of nodes connected to each other in such a manner that communication becomes possible. This gave rise to the so called concept of *Social Networking* which has seen its origin since the last two decades world wide. It has been observed that

effective networking has many unexplored advantages, many of them giving a lot of competitive edges over the others. Previously networking was done by meeting and communicating with people by inviting them or organizing parties/functions to get the group built on. But with the advent and rise of Internet the above scenario has completely changed now. Hence Internet became an added advantage to the rise of the social networking. Internet has broken the shackles of geographical boundaries and brought the entire world within the reach of your computers or laptops. Connections can be



Ms.Neha Vivek Nair, Faculty Member, IT and Operations, IBS House, Near GNFC Info Tower, Bodakdev, S.G. Road, Ahmedabad – 380054 Gujarat, Email: Nehaviveknair@gmail.com

maintained by simply sending messages or writing comments on the blogs or by circulation of articles or newsletters. Most of the social networking sites are web based in nature hence there are many options for users to contact and communicate with each other. There has been a rise in the number of people getting interested in studying the social networking tools. Researchers want to understand the impact that social networking would have on the society and the main topics would be like identity management, privacy control, business expansion and teenage pros and cons of networking.

Literature Review

The definition of social networking was given by Professor J.A. Barnes who says it is a group size of more than 100 people. There are many definitions of social networking such as: Social networking¹ is the grouping of individuals into specific groups like small communities or a neighborhood sub-division.

The rise of social networking has made many ways possible for people to communicate with one and other. There are many social networking sites which have become extremely popular of late. My Space and Facebook² are popular in North America, Bebo, Facebook, Tagged, and Hi5 in Canada, Orkut, Friendster and Cyworld in Asia and Pacific islands.

The origin of social networking sites started with theglobe.com, geocities and tripod. These sites mainly focused on bringing people together through the concept of chat rooms, and giving out information by giving a personalized homepage. Then came some other communities which would give linking facility by email addresses. Sites³ such as classmates.com focused on former school colleagues, sixdegrees.com also had a focus on indirect ties. There were other two models of social networking which were developed on the concept of trust. But it was between 2002 and 2004 that saw the birth of three social networking sites which became extremely popular namely Friendster,⁴ My Space and Facebook.

The main advantage which social networks have is that they provide many advantages at low cost. The important

benefits can be reaped out using social networking site by merging them with different tools like customer relationship management⁵ which can help companies in selling their products and services all around the world. Many companies are known to make use of the social networking sites for recruitment⁶ purpose, customer relationship, getting knowledge and facilitating meeting. It has been already predicted that in the long run only those organizations that have the ability to integrate the social networking in their daily business operations and ideas, will be able to survive the heat. One good example of social networking site used for business related activities is linkedin.com. The site claims to have more than 20 million registered users.

Most of the social networks provide a choice for people to communicate and exchange personal information for⁷ dating purposes. This is very similar to the online dating services which are already available. In this case some of the personal information such as name, age, gender, interests and photo has to be made available. This allows the user to be listed in some sort of searching criteria. The only difference with the online dating services is that social networking sites give you free service whereas⁸ online dating services are paid ones. Hence nowadays more and more number of people are getting diverted towards social networking sites. This has also seen a terrific reduction in the number of users for online dating services.

Of late social networking has seen a place in pharmacy and healthcare sector also. It is being used by healthcare professionals to highlight institutions, physicians, maintain peer to peer knowledge and the biggest advantage of using a social networking site is that all the members are screened against the state licensing board list of practitioners.⁹ The role of social networks is interesting to the pharmaceutical companies so that they can now make attempts to influence the opinion leaders of social networks.¹⁰ Just like the above concern many social networking websites have been tapped into the power of the social good cause for the society upliftment. Sober Circle helps in bringing out the communication gaps of alcoholics and addicts so that they have a common platform to share their views and concerns regarding the rehabilitation process. There are many social networking sites which actually work on the charity roles.

On understanding the basic structure of any social networking site it actually begins with the creation of a profile by the user which gives out the identification details about the user. This profile contains many features pertaining to personal, professional, interests, social details which get listed on the site. These details actually become useful in the searching of a particular type of person based on the different parameters which are available. In most of the networking sites rule is that both the users must confirm to knowing each other and only then they are added into a common friends list/group.

This is the main area where privacy is of grave concern to any user and hence it becomes very important to make use of the security settings accordingly. Many networking sites have facilities to make groups/communities for some common interest/hobby/religion or any other inter linking feature. The latest thing to follow trend in social networking is mobile networking. Now it has become possible for people to access their social networking sites, create profiles, manage messages, send messages, post videos / photos, make comments / discussions accordingly.

Currently there are very few social networking sites which are on charge basis. But many sites have the concept of online advertising on their websites which acts as a source of income to the site and many companies which believe in¹¹ marketing of their products considering the popularity of such networking sites.

Social networks generally operate under an autonomous business model. In this type of network members play the dual role of suppliers as well as the consumers of content.¹² The possible modes of revenue in this type of model are via advertisements only in the initial phase to make the networking site a big success.

Privacy is another area which poses serious concern when we speak about any social networking site. It usually happens when users have given out too much personal information about themselves which could be misinterpreted by somebody else. Hence the social networking sites also deal with the law enforcement issues to try to avoid the occurrence of such incidents. There are privacy concerns for data which is collected from

social networking sites in case of medical and scientific research. Even though the data is public making it affective in a research article might be a case of privacy invasion.¹³

There has also been an increasing use of social networking sites in case of legal and criminal cases investigations. In some situations content which has been posted on My Space has also been used in matters related to court procedures.¹⁴

The type of relative freedom which has been provided by social networking sites is creating a concern of its misuse amongst the individuals.

Objective of the Study

The main objective of this study is to understand the impact that social networking sites have on the youth of today. We find that the younger generation are constantly hooked or addicted to this so called social networking bug. The study was mainly undertaken to evaluate the following terms:

- (i) Which sites related to social networking is more popular?
- (ii) Does gender/occupation/educational qualification have any role or say in selection of social networking sites?
- (iii) What is the average time than a user remains logged into his/her social networking account?
- (iv) What are the main preferences which a user makes using of in any social networking site?
- (v) What are the main advantages of using a social networking site?
- (vi) Do social networking sites have a role in education / generating business / receiving referrals?

Methodology of Research

The data was collected through mail and personal survey method. The study was conducted targeting the

population in the age group of 18 – 35 years. Hence purposive sampling was considered to be a convenient option. Moreover it was necessary for the target audience to use Internet frequently to be quite familiar with the social networking sites. The population was selected from different management / technical colleges, offices and even housewives were looked upon to fill up the questionnaire.

The questionnaire was structured in nature. A preliminary exploration of the questionnaire was also carried out to understand the factors / variables which are required to be studied from the perspective of the objectives for which the study was undertaken.

Analysis of Results

In order to find out which are the sites which are more commonly used by the younger generation the question was targeted giving them six popular choices. The respondents were given the option of selecting more than one choice.

The findings of the study very clearly reflect that most of the respondents were using Orkut, Facebook more in comparison with the other sites. Linked in which happens to be a social networking site which helps in getting jobs was not very popular amongst the youth. In all 90 respondents had attempted the question out of which Orkut got 95.56 percent of the response ration.

Answer	Ratio	Responses
Facebook	45.56	41
Linked In	13.33	12
Orkut	95.56	86
Hi5	20	18
Bebo	0	0
My space	8.89	8

N	Valid	331
	Missing	0
Mean		2.03
Median		2
Mode		2.00
Std. Deviation		.691
Variance		.478
Skewness		.237
Std. Error of Skewness		.134
Kurtosis		-.135
Std. Error of Kurtosis		.267
Range		3

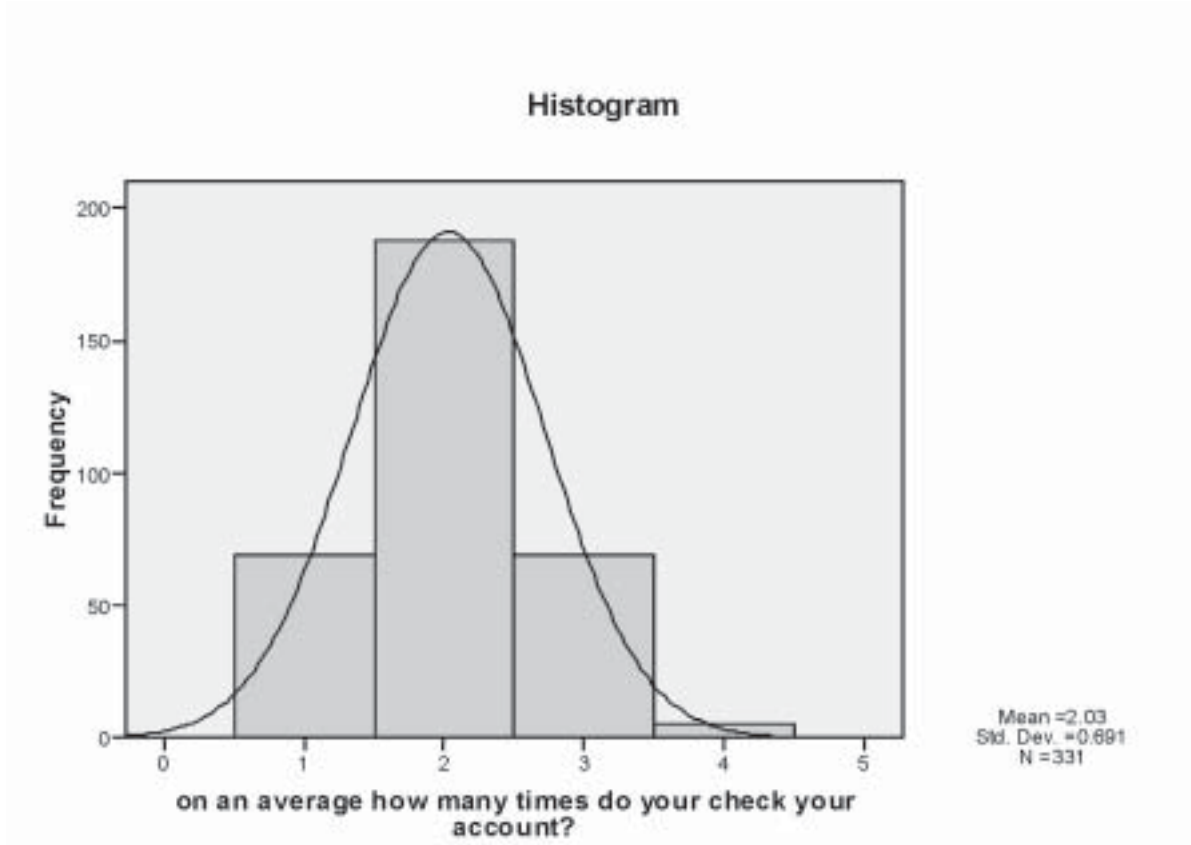
Valid	Frequency	Percent	Valid Percent	Cumulative Percent
most of the time I am online	69	20.8	20.8	20.8
once in a day	188	56.8	56.8	77.6
once in a week	69	20.8	20.8	98.5
once in a month	5	1.5	1.5	100.0
Total	331	100.0	100.0	

The main objective of the study was to understand the current usage in terms of duration of time spent on these social networking sites.

The analysis of the data was done using SPSS version 15. The analysis of the results very clearly indicates that most of the respondents used to access their social network accounting at least once in a day. Even though 22.22

percent of the respondents did claim that they remained online most of the time.

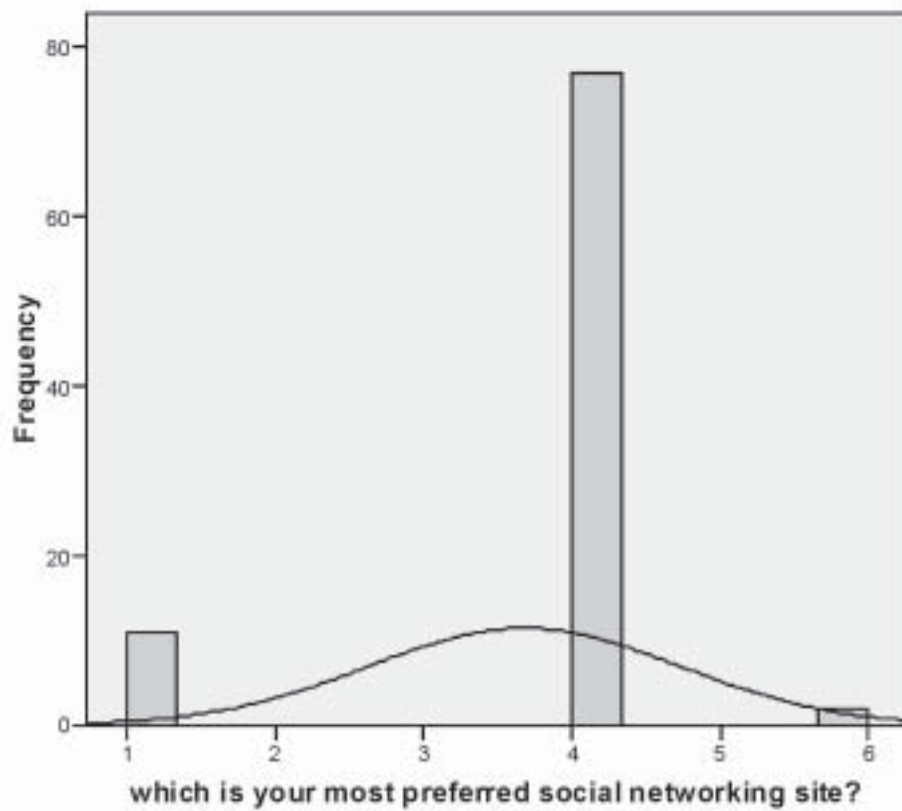
The next question was aimed to find out the most popular social networking site prevalent amongst the respondents. In this case the respondents were asked to select one option out of the number of options provided.



N	Valid	Missing
	90	0
Mean	3.68	
Median	4.00	
Mode	4	
Std. Deviation	1.047	
Variance	1.097	
Skewness	-1.836	
Std. Error of Skewness	.254	
Kurtosis	3.131	
Std. Error of Kurtosis	.503	
Range	5	

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Facebook	11	12.2	12.2	12.2
	Orkut	77	85.6	85.6	97.8
	linked in	2	2.2	2.2	100.0
	Total	90	100.0	100.0	

Histogram



The results analysis made Orkut 85.56 percent a very clear winner which can be compared with the social networking sites analysis which was conducted in the literature review stating that Orkut has a great hold in Brazil and Asia. Following Orkut was Facebook which had 13.33 percent of positive responses whereas linked in had very few takers only 1.11 percent of the response ratios.

To find out which other social networking sites the respondents might have never used but definitely had heard about was targeted in the next question which gave the respondents as options the sites which were more popular and in fact more used outside India. The analysis of the data gave the following figures:

flixfster.com	36.67	33
classmates.com	46.67	42
reunion.com	13.33	12
360.yahoo.com	38.89	35
twitter.com	25.56	23
tagged.com	58.89	53
twitter.com	14.44	13

	Profile Features	Networking Features	Security	Search and Technical Support
Facebook	37.93% (22)	36.21% (21)	18.97% (11)	6.90% (4)
Linked In	37.21% (32)	46.51% (40)	4.65% (4)	11.63% (10)
Orkut	12.50% (4)	68.75% (22)	12.50% (4)	6.25% (2)
My space	22.22% (4)	22.22% (4)	22.22% (4)	33.33% (6)
Hi 5	29.17% (7)	37.50% (9)	20.83% (5)	12.50% (3)

The variations in the answers given by the respondents made it very clear about the hesitation in answering the question. This clearly indicated the lack of awareness of these social networking sites which are very much popular in the West.

To understand the preferences which a user would specifically use in any social networking site the question asked the respondent to rate the features related to profile features, networking features, search and support options and the most important of all security features. The answers given by the respondents were as under:

According to the results collected from above it's a clear indicator that networking features were considered to be the most important amongst all the features. In this Orkut had the highest response ratios of 68.75 percent followed by linked in and then Facebook. Security features which usually is of a grave concern when we talk about social networking site came third in ranking after profile features clearly indicating that the respondents did not think of security as a serious concern issue.

To understand the impact that gender has on the duration of time spent logged into social networking account cross tabulation was done in SPSS using the two attributes of gender and average time spent on the network site. The results were as follows:

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
What is your gender? * On an average how many times do your check your account?	89	98.9%	1	1.1%	90	100.0%

		On an average how many times do you check your account?				Total
		most of the time I am online	once in a day	once in a month	once in a week	
What is your gender?	male	14	29	7	1	51
	female	7	19	11	1	38
Total		21	48	18	2	89

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.481(a)	3	.323
Likelihood Ratio	3.468	3	.325
Linear-by-Linear Association	2.671	1	.102
N of Valid Cases	89		

a 2 cells (25.0%) have expected count less than 5. The minimum expected count is .85.

The next type of cross tabulation indicates whether there is a cross linking between the gender and the most preferred site which was selected by the respondent. The analysis of the data is as given under:

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
What is your gender? * Which is your most preferred social networking site?	89	98.9%	1	1.1%	90	100.0%

		Which is your most preferred social networking site?			Total
		Facebook	Orkut	linked in	
What is your gender?	male	6	45	0	51
	female	5	31	2	38
Total		11	76	2	89

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.831(a)	2	.243
Likelihood Ratio	3.552	2	.169
Linear-by-Linear Association	.079	1	.778
N of Valid Cases	89		

a 3 cells (50.0%) have expected count less than 5. The minimum expected count is .85.

The next cross tabulation was performed to understand the impact of occupation on the business generation or

referral received ever by any respondent. The analyses of the results were as under:

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
What is your occupation? * Have you're ever given or received a referral or generated business through social networks?	90	100.0%	0	.0%	90	100.0%

		Have you ever given or received a referral or generated business through social networks?		Total
		Yes	No	
What is your occupation?	business	3	4	7
	salaried/professional	3	21	24
	housewife	2	2	4
	student	11	44	55
Total		19	71	90

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.101(a)	3	.165
Likelihood Ratio	4.541	3	.209
Linear-by-Linear Association	.144	1	.704
N of Valid Cases	90		

a 3 cells (37.5%) have expected count less than 5. The minimum expected count is .84.

To understand what are the major activities which are used by a respondent while using any social networking site the next question was targeting accordingly. The

respondents were required to select more than one choice as to which feature did they use more in social networking sites. The analysis of the data was as under:

Answer	Ratio	Responses
Sending messages	95.56	86
Posting videos/photos	74.44	67
Joining groups/communities	87.78	79
Playing games/quizzes	41.11	37

The data results clearly indicate that most of the respondents made use of the messaging facility provided by the social networking sites. In fact some of the respondents agreed to use the messaging facility similar to chatting with the person. After messaging it was more prominent to create groups or communities based on some common interest / objective.

Conclusions and Suggestions

It is no surprise that social networking sites have made the entire concept of communication so easy that it becomes to sit in one place and know about what is going on somewhere else in the world related to your friend / group / community network. Hence the need of the hour is that the younger generation has got completely hooked on to the culture of getting involved in social networking. Taking a cue from the respondent's answers many of them claim to have made friends and dated online using the concept of social sites. But still security which is quite a lagging factor is nowhere an issue with the youth while using a social networking site. Some of them are not even aware about the security settings available within a site and many have claimed that they never bother to change the default settings and keep on working with them. Though the social networking bug has hit India quite recently most of the respondents seem to be quite well versed with the utilities of social sites. Many respondents assured that having a social networking site is a status symbol and not having one would definitely categorize you as an inferior person amongst friends / colleagues etc. Still it has been clear from the survey that the social sites can have an important role to play and will have a very long way to go.

Limitations of Present Study

The sample for this survey was targeted on a specific location and hence it is definitely limited in application and hence some of the results might not apply in the larger domain. The target population was easily available to answer the questions but even though they can be a variation in the perceptions because of cultural changes from region to region. Hence the study can be extended on a large scale so that the data findings could reflect more clearly on many other issues.

Directions for Further Research

There is much more scope in this area related to social networking sites which could talk from the respondents about the pros and cons of using social networking sites. Security features which a person would like to have in any social networking site and how much awareness is there amongst the youth about the security settings of the social networks. A comparative analysis of what makes Orkut so popular in India can be done when Orkut is not that popular outside India. Whereas in India Orkut rules the roost over any other social networking sites. Linked In is a job related social networking site which enhances your business / job networks but most of the youth are not aware about this. Hence these are the above mentioned areas of further research in the social networking sites.

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Organised Retail in FMCG Segment: Rural Market Prospects

Ashish Kumar Shrivastava and Saket Ranjan Praveer

The paper attempts to evaluate the prospects of organised retail in FMCG segment in rural markets. The study has been carried out on the selected categories of FMCG viz. (i) Packaged Food and Beverages; (ii) Cosmetics; (iii) Toiletries; and (iv) Apparels through evaluating the effectiveness of determinants of organised retail. The hypothesis has been taken that some of the determinants of retail are more important in the opinion of consumers along with the different opinion of different demographic classes.

The Indian rural market with its vast size and demand base offers great opportunities to marketers. Two-thirds of countries' consumers live in rural areas and almost half of the national income is generated here. It is only natural that rural markets form an important part of the total market of India. About 285 million people live in urban India whereas 742 million reside in rural areas, constituting 72 percent of India's population resides in its

6, 27,000 villages. The number of middle income and high-income households in rural India is expected to grow from 46 million to 59 million. The size of rural market is estimated

to be 42 million households and rural market has been growing at five times the pace of the urban market. Besides, the government is also emphasizing the rural development initiatives. The increasing agricultural productivity is leading to growth of rural disposable income.



Dr. Ashish Kumar Shrivastava, Reader, Institute of Management, Pt. R.S. University, Raipur, Email: ashish_1@rediffmail.com



Mr. Saket Ranjan Praveer, Reader, Shri Shankaracharya Institute of Management And Technology, P.O. Nehru Nagar, Bilalaj, Chattisgarh-490 020, Email: saket07@rediffmail.com

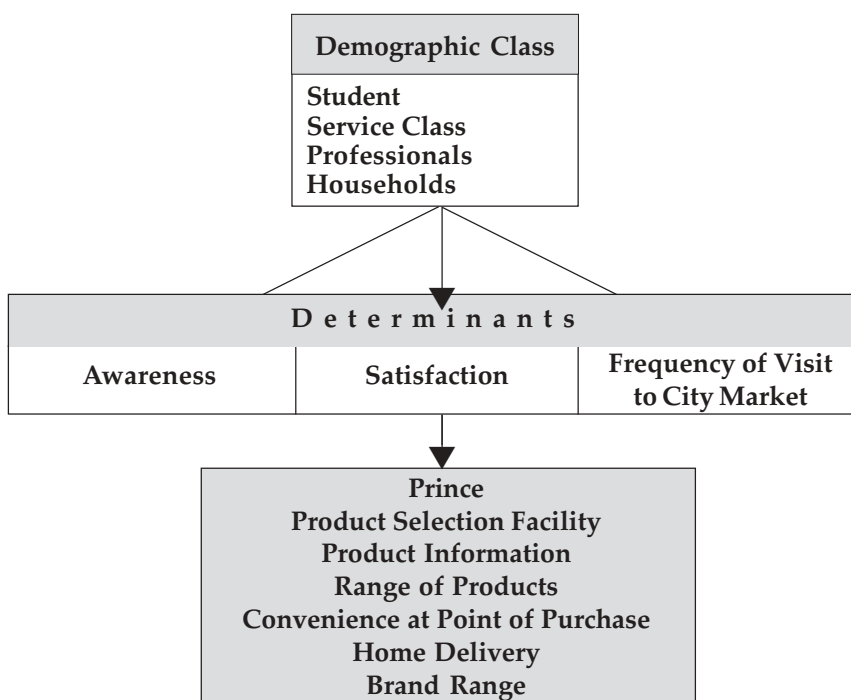
The difference between taste of urban and rural customers is continuously decreasing.

But apart from these opportunities there are challenges too. The success of a brand in the Indian rural market is as unpredictable as rain. It has always been difficult to gauge the rural market. Many brands, which should have been successful, have failed miserably. More often than not, people attribute rural market success to luck. Therefore, marketers need to understand the social dynamics and attitude variations within each village though nationally it follows a consistent pattern. While the rural market certainly offers a big attraction to marketers, it would be naive to think that any company can easily enter the market and walk away with sizeable share. In most of the rural areas in different parts of the country, there is considerable awareness on various latest products that are available in the market. This has been possible due to the penetration

of cable and satellite channels that have brought down the world at the fingertips of the common man.

This situation paves a way for a positive possibility for organised retail in the rural markets. A survey has been carried out on the selected categories of FMCG viz. (i) Packaged Food and Beverages; (ii) Cosmetics; (iii) Toiletries; and (iv) Apparels to conduct a study in order to evaluate the determinants of organised retail in the rural markets. The determinants are Awareness Level, Satisfaction Level (Satisfaction of Price; Product Selection Facility; Product Information; Range of Products; Convenience at Point of Purchase; Home Delivery; and Brand Range) and Frequency of Visit to City Market against four demographic classes viz. Student, Service Class, Professionals and Households. The study has been planned as the following model that deals with the determinants as the explanatory variables to the prospects of organised retail as the endogenous variable:

The Research Model



Awareness: This determinant refers to the awareness of the respondents about organised retail.

Satisfaction: It includes seven independent determinants of the satisfaction level of the rural consumers against the existing

traditional/ unorganised retailers. The determinants include Price; Product Selection Facility; Product Information; Range of Products; Convenience at Point of Purchase; Home Delivery; and Brand Range.

Frequency of Visit to City Market: It refers to the frequency of rural consumers' visit to the city market. It symbolises his/ her need of organised retail facility.

Literature Review

The Indian Economy

India is the seventh largest country in the world with an estimated population of 1,095 million, which is 16.7

percent of the world population. In 2004, India was considered to have the 5th largest GDP in the world. Such strong economic performance has created unprecedented optimism and dynamism in the country, as such robust growth in a huge economy has also unleashed a lot of disposable income for a very large segment of the population, what is now called the emergence of the 'Great Indian Middle Class.' Various reports have brought out the dimensions of this growth. Reportedly there are 50,000 households with income of more than ten million rupees (US\$ 200,000), and the number is expected to go up to 140,000 households by 2010. It is reported that between 2003 and 2004, the number of people who made more than a million dollars grew in India by 14 percent – faster than in America or United Kingdom.

Table 1: Growing Prosperity - All India (Projected)

	1995-96	2001-02	2005-06	2009-2210
<90	1,31,176	1,35,378	1,32,249	1,14,394
91-200	28,901	41,262	53,276	75,304
201-500	3,881	9034	13,183	22,268
5001-1000	651	1712	3,212	6,173
1000-2000	189	546	1,122	2,373
2001-5000	63	201	454	1,037
5001-10000	11	40	103	255
>10001	5	20	52	141

(Income figures in '000 per annum, households in '000 numbers) Source: *The Great Indian Market*, Results from the NCAER's Market Information Survey of Households

Defining Rural Market

According to the census of India, villages with clear surveyed boundaries not having a municipality, corporation or board, with density of population not more than 400 sq. km and with at least 75 percent of the male working population engaged in agriculture and allied activities would qualify as rural (Shukla, 2006). According to this definition, there are 585,764 villages in the country. Of these, only 0.5 percent villages have a population above 10,000, and 2 percent between 5,000 and 10,000. Around 50 percent of the villages have population between 200 and 1,000,

and another 18 percent villages have a population less than 200.

Interestingly, for FMCG and consumer durable companies, any territory that has more than 20,000 and 50,000 population, respectively, is rural market. So, for them, it is not rural India which is rural. According to them, it is the Class-II and III towns that are rural.

According to the Census of India 2001, there are more than 4,000 towns in the country. It has classified them into six categories—around 400 Class-I towns with one lakh

and above population (these are further classified into 35 metros and rest non-metros), 498 Class-II towns with 50,000-99,999 population, 1,368 Class-III towns with 20,000-49,999 population, 1,560 Class-IV towns with 10,000-19,999

population. It is mainly the Class-II and III towns that marketer's term as rural and that partly explains their enthusiasm about the so-called "immense potential" of rural India. Similar opinions have been expressed by Naik and Kumar (2007).

Table 2

Town Class	Population	No. of Towns	% of Total Towns	% of Pop	Decadal Growth (1991 - 2001)
Class – I	>=1 Lakh	423*	8.2	61.5	24
Class – II	50,000 – 99,999	498	9.6	12.3	15
Class – III	20,000 – 49,999	1,386	26.9	15.0	16
Class – IV	10,000 – 19,999	1,560	30.2	8.1	7
Class – V	5,000 – 09,999	1,057	20.5	2.8	8
Class – VI	Less than 5,000	237	4.6	0.3	-22
Total		5,161	100.0	100.0	

*10 lakh+: 27; 5 – 10 lakh: 42; 1 – 5 lakh: 354 Source: Census 2001

The Rural Market Scenario

The rural markets offer a huge potential to the business houses because of their enormous spread and rising consumer demands. Around the world, over four billion people survive in rural areas that are more than 60 percent of the total population. In India also, the ratio of rural to urban population is slightly higher than the world's ratio with 70 percent of them living in rural areas. They domicile in nearly 6,27,000 villages spread over 3.2 million sq.km. This growing affluence along with good monsoon and the increased agriculture output, increase the total disposable income of rural consumers to 58 percent with two-third of middle-income households being in the rural market. About 40 percent of the graduates coming out of Indian Universities are from rural areas. As they are eager to earn more and live better, their aspirations are similar to those of the urban youth. It is predicted by industry analysts that by 2009–10, the urban households are projected to grow by four percent while rural households are expected to

grow by 11 percent. If the rural income rises by one percent, then the buying power would correspondingly increase by about Rs.10,000 crore. The colour televisions, refrigerators, air-conditioners and microwaves have become a household sight in villages and small townships that was earlier thought of as a luxury and domain of urbanites.

However, rural India has its own set of problems like illiteracy, early childhood marriages, lack of access to birth control measures, poverty etc., that are interdependent on one another. There are also large numbers of daily wage earners and most of the people depend on vagaries of monsoon. Inadequate infrastructure like non-availability of gas supply, frequent power cuts, improper sanitary conditions, inaccessible areas were the other common sight of rural areas.

In spite of all such problems, the economy of the country has tremendously developed and the rural portion of the

country has been equally influenced. At present 85 percent of the organised retailing takes place in India's urban areas. But the good thing is that the retail focus has already shifted to the rural areas. The Indian rural market with its vast size and demand base offers great opportunities to marketers. Two-thirds of country's consumers live in rural areas and almost half of the national income is generated here. For a

retailer it's essential to see in which segment it is catering in the above division of villages. For example Shakti caters to villages with a population of 500 or above whereas Eveready considers even the remotest of village as its target customers. It operates through a more than thousand company-owned vans and has over 4,000 distributors to directly service 6,00,000 retail outlets.

Table 3: India's Consuming Class

Estimated households by annual income		Structure of the Indian consumer market (1995-96)				
Annual income (in Rupees) at 1994-95 prices	No. of households (in million)	Annual income (in Rupees) at 1994-95 prices	Classification	Number of households (in million)		
				Urban	Rural	Total
<25,000	80.7	<16,000	Destitutes	5.3	27.7	33.0
25,001-50,000	50.4	16,001-22,000	Aspirants	7.1	36.9	44.0
50,001-77,000	19.7	22,001-45,000	Climbers	16.8	37.3	54.1
77,001-106,000	8.2	45,001-215,000	Consumers	16.6	15.9	32.5
>106,000	5.8	>215,000	The rich	0.8	0.4	1.2
Total no. of households: 164.9 million		Total no. of households		46.6	118.2	164.8

Source: National Council of Applied Economic Research (NCAER)

Opportunities in Rural Market

A report by PricewaterhouseCoopers for IBEF reveals that the Indian market has a high potential for FMCG. According to the report, the Indian FMCG sector is the fourth largest sector in the economy with a total market size in excess of US\$ 13.1 billion. It has a strong MNC presence and is characterised by a well-established distribution network, intense competition between the organised and

unorganised segments and low operational cost. Availability of key raw materials, cheaper labour costs and presence across the entire value chain gives India a competitive advantage.

India is one of the largest emerging markets, with a population of over one billion. India is one of the largest economies in the world in terms of purchasing power and has a strong middle class base of 300 million.

Table 4: Rural-Urban Profile

	Urban	Rural
Population 2001-02 (mn household)	53	135
Population 2009-10 (mn household)	69	153
% Distribution (2001-02)	28	72
Market (Towns/Villages)	3,768	627,000
Universe of Outlets (mn)	1	3.3

Source: Statistical Outline of India (2001-02), NCAER

Around 70 percent of the total households in India (188 million) reside in the rural areas. The total number of rural households is expected to rise from 135 million in 2001-02 to 153 million in 2009-10. This presents the largest potential market in the world. The annual size of the rural FMCG market was estimated at around US\$ 10.5 billion in 2001-02. With growing incomes at both the rural and the urban level, the market potential is expected to expand further.

An average Indian spends around 40 percent of his income on grocery and eight percent on personal care products. The large share of fast moving consumer goods (FMCG) in total individual spending along with the large population base is another factor that makes India one of the largest FMCG markets.

According to the NCAER survey, the rural market accounted for 53 percent of the total consumption in the country in 1998-99. The estimated size of the FMCG rural market was around Rs.484 billion in 1998-99 at current prices. Another estimate by Francis Kanoi in 2002 puts the rural market size at Rs.650 billion. The rural market has grown consistently in the 1990s. After 1995-96, there was a boom in rural markets, which was mainly because of increased level of awareness and aspirations to consume (Kashyap & Rout, 2007).

The Indian rural market with its vast size and demand base offers a huge opportunity that MNCs cannot afford to ignore. With 128 million households, the rural population is nearly three times the urban (Balakrishna & Sidharth, 2004). The importance of the rural market for some FMCG and durable marketers is underlined by the fact that the rural market accounts for close to 70 percent of toilet-soap users and 38 percent of all two-wheeler purchased. The rural market accounts for half the total market for TV sets, fans, pressure cookers, bicycles, washing soap, blades, tea, salt and toothpowder. What is more, the rural market for FMCG products is growing much faster than the urban counterpart.

In his article, Suvi Dogra (2008) writes that winds of change are blowing across the fast-moving consumer goods market (FMCG). Evidence suggests that for the first time, the rural market has grown faster than the urban market in

key product categories in April-May 2008, the latest months for which such information is available, according to market research firm AC Nielsen.

In the past, sales in the sector have been driven largely by towns and cities and FMCG companies carried out their product development and tailored their promotional campaigns accordingly.

FMCG companies attribute this to the newfound prosperity in the country's village caused by the surge in farm prices. No let-up in the rise in food prices is expected in the near future. According to the Federation of Indian Chambers of Commerce and Industry, the number of rural households using FMCG products has grown from 136 million in 2004 to 143 million in 2007, a clear indication that rural consumers are shifting from commodities to branded products.

Rich Potential of Rural Market

Krishnamacharyulu and Ramakrishnan (2006) find two reasons for the attractiveness of rural markets. First, urban markets have become congested with too many competitors. Second, rural markets have become the main street with potential for consumption of variety of products and make the entry for marketers easy. They explain the following factors which make the rural markets viable for FMCG sector:

- Large population
- Rising prosperity Growth in consumption
- Life-style changes
- Life-cycle advantages
- Market growth rates higher than urban
- Rural market is not expensive
- Remoteness is no longer a problem

The above study is indicative of a wide scope for organised retail in the rural markets. A study has been conducted on the selected categories of FMCG viz. (i) Packaged Food and Beverages; (ii) Cosmetics; (iii) Toiletries; and (iv) Apparels in order to evaluate the prospects of the organised retailing of FMCG segment in the rural markets

through a survey of the rural consumers of Central India. They have been asked about their aspirations/ satisfaction from existing traditional/ unorganised retailers. The survey has been conducted in five rural markets of Chhattisgarh region viz. Bilaspur, Dhamdha, Dhamtari, Kanker and Korba taking to be representative of rural markets of the country.

Research Methodology

Research Plan

Research Design : Descriptive Research
 Data Source : Primary Data

Research Instrument : Written Questionnaire
 Measurement scale : Likert's Scale

Sample Plan

Sampling Design : Simple Random Design
 Sample Size : 100
 Sample Location : Bilaspur, Dhamdha, Dhamtari, Kanker and Korba
 Sample Element : Student, Service Class, Professionals and House Holds

Scale Effectiveness of Determinants

Category	Highly	Just	Little	Not
Points	3	2	1	0

Sampling Distribution

Location / Demographics	Bilaspur	Dhamdha	Dhamtari	Kanker	Korba	Total
Student	05	05	05	05	05	25
Service Class	05	05	05	05	05	25
Professionals	05	05	05	05	05	25
House Holds	05	05	05	05	05	25
Total	20	20	20	20	20	100

Index

Awareness Level	Determinants								Demographics		
	Satisfaction							Frequency of Visit to City Market	Student	K ₁	
X	Price	Product Selection Facility	Product Information	Range of Products	Convenience at Point of Purchase	Home Delivery	Brand Range				Z
	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Professionals	K ₃		
									Households	K ₄	

Table 5: Likert's Points of All Determinants

	X	Y	Z	Mean	SD
K1	36.00	32.86	68.00	45.62	19.45
K2	30.00	35.86	66.00	43.95	19.32
K3	37.00	34.57	70.00	47.19	19.79
K4	22.00	34.00	68.00	41.33	23.86
Mean	31.25	34.32	68.00		
SD	5.34	0.97	1.26		

Table 6: Likert's Points of Satisfaction Only

	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Mean	SD
K ₁	65	36	41	35	19	17	17	32.86	16.08
K ₂	65	33	42	43	24	22	22	35.86	14.50
K ₃	64	36	41	41	20	20	20	34.57	15.06
K ₄	63	36	40	35	24	20	20	34.00	14.01
Mean	64.25	35.25	41	38.5	21.75	19.75	19.75		
SD	0.83	1.30	0.71	3.57	2.28	1.79	1.79		

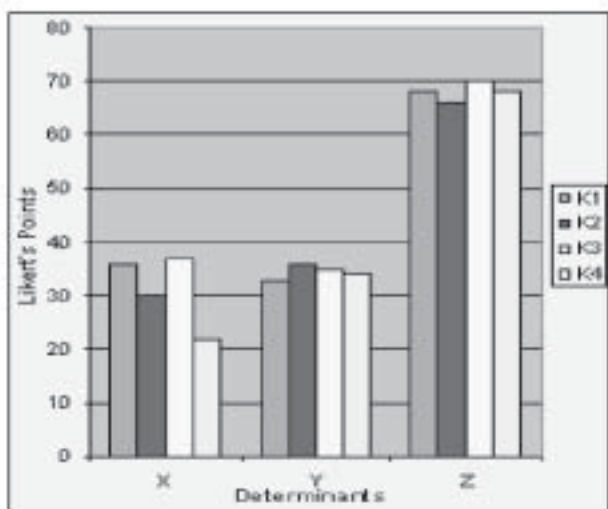


Figure 2

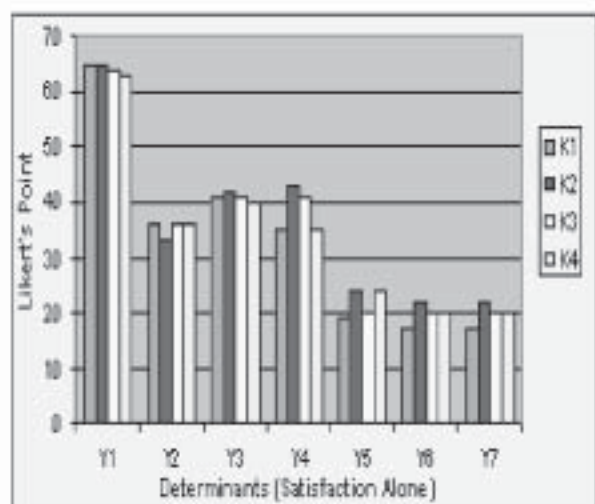


Figure 3

Factor Analysis

- H_0 : There is good correlation among the variables.
 H_1 : There is no good correlation among the variables.

Table 7: Community and Eigen Values

Variables	Factor Loadings		Community (h^2)		
	Factor A	Factor B	A^2	B^2	$A^2 + B^2$
K_1	0.9911	0.1221	0.98	0.01	1.00
K_2	0.9931	-0.0694	0.99	0.00	0.99
K_3	0.9929	0.1060	0.99	0.01	1.00
K_4	0.9828	-0.1587	0.97	0.03	0.99
					3.98
Eigen Value	3.92	0.05			3.97
Proportion of Total Variance	0.98	0.01			0.99
Proportion of Common Variance	0.99	0.01			1.00
Conclusion:	H_0 is accepted.				

Interpretation: 0.99 suggest a very strong correlation among the opinion of Students, Service Class, Professionals and House Holds and they are under the same factor loading.

Further, Two Way Analysis of Variance is required in order to test equality of the two dimensions of the data viz. determinants and demographics. This way equality/ inequality of the opinion can be evaluated.

Analysis of Variance (1)

(for testing the equality of Determinants/ Demographics)

H_0 : There is no significant difference among Determinants and/or Demographics [($X=Y=Z$) and/or ($K_i = K_j$)

H_1 : The difference among Determinants and/or Demographics is significant [(X^1Y^1Z) and/or ($K_i^1 K_j$) (where $i/j = 1,2,3 \dots$)

Table 8: ANOVA: Two-Factor Without Replication

Summary	Count	Sum	Average	Variance
K_1	3	136.86	45.62	378.15
K_2	3	131.86	43.95	373.15
K_3	3	141.57	47.19	391.68
K_4	3	124	41.33	569.33
X	4	125	31.25	47.58
Y	4	137.29	34.32	1.56
Z	4	272	68	2.67

Table 9

Source of Variation	SS	df	MS	F	P-value	F crit
Rows	56.45	3	18.82	1.14	0.405595	4.76
Columns	3325.66	2	1662.83	100.81	0.000024	5.14
Error	98.97	6	16.49			
Total	3481.07	11				

Conclusion: H_0 is rejected in columns, hence $X^1 Y^1 Z$ and accepted in Rows, hence $K_i = K_j$

Interpretation

There is a significant difference among the determinants but there is no significant difference among the demographics.

A further study is required in order to test the equality/ inequality among the satisfaction determinants (From Y1 to Y7). It enables to reveal not only the customers' satisfaction from various factors of the existing traditional/ unorganised retailers but also the significant differences among the levels of satisfaction from the factors, if any.

Analysis of Variance (2)

(For Testing the Equality of Satisfaction Determinants/ Demographics)

H0 : There is no significant difference among Satisfaction Determinants and/or Demographics [(Yi = Yj) and/or (Ki = Kj)]

H1 : The difference among Satisfaction Determinants and/or Demographics is significant [(Yi ≠ Yj) and/or (Ki ≠ Kj)]

(Where i/j = 1, 2, 3 ...)

Table 10: ANOVA: Two-Factor Without Replication

Summary	Count	Sum	Average	Variance
K1	7	230	32.86	301.48
K2	7	251	35.86	245.14
K3	7	242	34.57	264.62
K4	7	238	34.00	229.00
Y1	4	257	64.25	0.92
Y2	4	141	35.25	2.25
Y3	4	164	41.00	0.67
Y4	4	154	38.50	17.00
Y5	4	87	21.75	6.92
Y6	4	79	19.75	4.25
Y7	4	79	19.75	4.25

Table 11

Source of Variation	SS	df	MS	F	P-value	F crit
Rows	32.68	3	10.89	2.58	0.085719	3.16
Columns	6165.36	6	1027.56	243.14	3.19E-16	2.66
Error	76.07	18	4.23			
Total	6274.11	27				

Conclusion: H_0 is rejected in columns, hence $Y_i \neq Y_j$ and accepted in Rows, hence $K_i = K_j$

Interpretation

There is a significant difference among the satisfaction determinants but there is no significant difference among the demographics.

Discussion

The study reveals that all the demographic classes have the common opinion about the different determinants of scope for organised retail in the rural markets. [Table 9] declares that there is a significant difference between the determinants Awareness, Satisfaction and Frequency of Visit to City Market, while [Table 11] reveals that even the Satisfaction Determinants (viz. Price; Product Selection Facility; Product Information; Range of Products; Convenience at Point of Purchase; Home Delivery; and Brand Range) are too significantly different from one another. On the other hand, all the demographic classes (viz. Student, Service Class, Professionals and Households) have the common opinion against these determinants (Refer [Table 7], [Table 9] and [Table 11]).

Conclusion

The rural consumers have a little awareness about organised retail (Mean=31.25) and are little satisfied with the existing traditional/ unorganised retailers (Mean=34.32), whereas their frequency to visit city market is high (Mean=68.00) (Refer [Table 5]). On the other hand, they are least satisfied with Brand Range and Home Delivery (Mean=19.75) facilities available at existing traditional/ unorganised retailers. Convenience at Point of Purchase (Mean=21.75) is also not satisfactory whereas they are not dissatisfied with the Price Factor (Mean=64.250) (Refer Table 6).

The above study declares that there is a very good scope for organised retail in the rural markets.

Limitation

Only the consumers of Bilaspur, Dhamdha, Dhamtari, Kanker and Korba have been considered to be representatives of the entire rural market of FMCG that may not be universally true.

The mental status of the respondents at the time of data collection has not been considered that might have influenced the accuracy of the data. The individual biases

like culture, climate, language, tastes, age, status etc. might have influenced the accuracy of the data that may lead to degenerated conclusion.

Key Words: Organised Retail, Rural Markets, Determinants, FMCG and Demographic Class.

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Poultry: Farming Practices

Kanchana V.S. and Yesodha Devi N.

Poultry is one of the fastest growing segments of the agricultural sector in India today. This is business, which can be carried throughout the year and the farmers get a continuous flow of income through egg and meat sales. Poultry farming is seen as the main source of income by many agriculturists due to uncertainties in the sources of agricultural income. It is just four units in Coimbatore region that produce almost 95 percent of the 1200 million broiler chicken per year. It was felt essential to study the socio-economic profile of the poultry farmers, their source of finance and their farming practices. Hence a study on Farming Practices of poultry farmers in Coimbatore District was undertaken and tools such as percentage analysis and chi-square analysis were applied.

Poultry is one of the fastest growing segments of the agricultural sector in India today. The production of agricultural crops has been rising at a rate of one and half to two percent per annum, but the production of eggs and broilers has been rising at a rate of eight to ten percent per annum. India produced two million tonnes of poultry meat in 2006, up from 1.8 million tonnes in 2005, 1.65

million tonnes in 2004 and 1.6 million tonnes in 2003. According to US Department of Agriculture estimates,

India's poultry meat production grew about six percent annually during the 1980s, accelerated to 11 percent annually in the 1990s and to nearly 19 percent during 1997-2002. Poultry development in India has made impressive progress during the last five decades evolving from back-



Dr.Kanchana V.S., Head of the Department, Department of B.Com[CA] & M.Com, PSGR Krishnammal College For Women, Coimbatore-4, Tamil Nadu, E-mail vskanchu@yahoo.co.in



Dr.Yesodha Devi N., Principal, PSGR Krishnammal College For Women, Coimbatore-4, Tamil Nadu, E-mail principal@psgrkc.com

yard ventures to a full-fledged commercial agro industrial business. Farmers both small and marginal find this to be an effective supplementary enterprise. Poultry production has some distinct advantages of being relatively easy to rise and it can be adapted to a wide range of climatic conditions and altitudes. This is business, which can be carried throughout the year and the farmers get a continuous flow of income through egg and meat sales. Poultry farming is seen as the main source of income by many agriculturists due to uncertainties in the sources of agricultural income.

The rearing of poultry also provides an excellent opportunity for underemployed members of the rural families. Poultry of 1000 birds either Layer or Broilers can support at least 15-20 persons upstream, direct and downstream, beginning from the input end (upstream), to farming (direct) and transport, processing and marketing (downstream). Poultry provides employment to about 1.5 million people. Poultry farming requires minimum capital and ensures quick returns that help to improve the quality of rural population. Poultry farming calls for a minimum amount of land in which maximum realisation is possible. It is an industry, which needs less capital and starts yielding within a short period with well-distributed turnover throughout the year. Poultry provides rich organic manure, source of employment to millions of farmers and other allied activities in the poultry industry. Growth of poultry units for a country like India has dual significance like fighting malnutrition and improving the socio economic condition of small, medium farmers and agricultural labourers.

The history of poultry development in India is a success story par with excellence. The poultry sector made a quantum leap to emerge as a dynamic industry within a short span of time. In India, both intensive and traditional systems of poultry farming are followed, but intensive system is rapidly increasing due to increase in land and other input costs. The poultry sector in India has undergone a paradigm shift in structure and operation. A significant feature of India's poultry industry has been its transformation from mere backyard activity into a major commercial activity in just about four decades. This transformation has involved sizeable investments in breeding, hatching, rearing and processing. Farmers in

India have moved from rearing non-descript birds to rearing hybrids. The industry has grown largely due to the initiative of private enterprise, minimal government intervention, and considerable indigenous poultry genetics capabilities and considerable support from the complementary veterinary health, poultry feed, poultry equipment and poultry processing sectors.

A notable feature of the structural change taking place in the Indian poultry industry is the contract farming which is on rapid increase at present. Tamil Nadu comprises 31 districts and of it broiler industry is mainly concentrated in Coimbatore District. Poultry integrators have been expanding most rapidly in Southern India, particularly in the Coimbatore area of Tamil Nadu. It is just four units in Coimbatore region that produce almost 95 percent of the 1200 million broiler chicken per year. It was felt essential to study the socio-economic profile of the poultry farmers, their source of finance and their farming practices. Hence this study on Farming Practices of poultry farmers in Coimbatore District was undertaken.

The Coimbatore District has been purposively selected as it reflects the agricultural oriented rural life where people have started taking broiler production on commercial basis to supplement their income. Hence the sample contract farmers were selected from Coimbatore District. There are more than 10 integrators and 3495 contract farms functioning in the study area. Of the 3495 contract farms, 350 broiler farms (approximately ten percent of the total contract farms and fifteen percent of the farms of individual integrators) which have completed five years of broiler farming were selected by adopting stratified random sampling technique. The number of the integrators, total number of contract farms and the number of contract farms selected for the study are presented in Table 1.

The 350 sample contract farms selected for the study was further classified in to small, medium and large farms based on the number birds reared using quartiles. The classification of the sample contract farms according to the size of the farm is presented in Table 2. Out of the 350 contract farms, 76 (21.71 percent) come under the category of small farms (less than 3863 birds), 173 (49.43

Table 1: Name of the Integrators, Total and Sample Contract Farms selected

Name of the Integrator	Total Number of Contract Farms	Sample Contract Farms
Suguna Poultry Farm Ltd.	525	80
Shanthi Poultry Farms	900	135
Pioneer Poultry Group	650	100
Others	1420	35
Total	3495	350

Table 2 - Size of the Farm

Size of the Farm	No. of Birds reared	No. of Farms	Percent
Small	Less than 3863 birds	76	21.71
Medium	3864 birds - 9473 birds	173	49.43
Large	More than 9473 birds	101	28.86
Total		350	100.00

Table 3: Age-wise Classification of Sample Contract Farmers

Size of the Farm Age group	Small		Medium		Large		Overall	
	No. of respondents	Percentage	No. of Percentage	Percentage	No. of Respondents	Percentage	No. of Respondents	Percentage
21 – 30 yrs	12	15.8	26	15.0	17	16.8	55	15.7
31 – 40 yrs	25	32.9	59	34.1	25	24.8	109	31.1
41 – 50 yrs	24	31.6	48	27.8	34	33.7	106	30.3
Above 50 yrs	15	19.7	40	23.1	25	24.8	80	22.9
Total	76	100	173	100	101	100	350	100

percent) belonged to the medium (3864 - 9473 birds) category and 101 farms (28.86 percent) come under the category of large farms (above 9473 birds).

Objectives

- To find out the socio-economic profile of the poultry farmers
- To identify the farming practices

- To find out the sources of finance of the poultry farmers.
- To analyse the relationship between the personal factors and the farming practices.

Results and Findings

The results and findings of the study are presented in the following paragraphs.

Age

Age is considered to be one of the important factors which influence the efficiency of farm management. An attempt is made to study the age-wise classification of sample contract farmers.

It is observed from the Table 3 that out of 350 contract farmers, 55 (15.7 percent) of them were in the age category of 21–30 years, whereas 109 (31.1 percent) of them were in the age category of 31–40 years. Further the table shows that 106 (30.3 percent) respondents belonged to the age group 41–50 years and 80 (22.9 percent) were in the age category of above 50 years. It is concluded that a maximum of the respondents were in the age group of 31–40 years in case of small (32.9 percent) and medium (34.1 percent) farms and 41–50 years in case of large farms (33.7 percent).

Sex

The Table 4 describes the sex wise distribution of the respondents in the three categories of small, medium and

large farms. It is found that out of the 350 contract farmers, 329 (94 percent) of them are male and 21 (6 percent) of them are female.

Educational Level

Educational level of broiler contract farmers is one of the important factors which influence the method of rearing the chicks, farm management and the like. Hence, an attempt is made to study the distribution of contract farmers based upon their literacy level. The Table 5 describes the educational qualification of the respondents in the three categories of small, medium and large farms.

It is inferred that out of the 350 respondents, 233 (66.6 percent) of the respondents have education up to school level, 67 (19.1 percent) have education up to higher secondary, 39 (11.1 percent) of them are graduates and 11 (3.2 percent) of the respondents are post graduates.

Table 4:- Sex wise Classification of Sample Contract Farmers

Size of the Farm \ Sex	Small		Medium		Large		Overall	
	No. of Respondent	Percentage	No. of Respondents	Percentage	No. of Respondents	Percentage	No. of Respondents	Percentage
Male	72	94.7	159	91.9	98	97.0	329	94.0
Female	4	5.3	14	8.1	3	3.0	21	6.0
Total	76	100	173	100	101	100	350	100

Table 5: Educational Level of Sample Contract Farmers

Size of the Farm \ Educational Level	Small		Medium		Large		Overall	
	No. of Respondents	Percentage	No. of Respondents	Percentage	No. of Respondents	Percentage	No. of Respondents	Percentage
School	55	72.4	120	69.4	58	57.4	233	66.6
Higher secondary	13	17.1	34	19.6	20	19.8	67	19.1
Graduate	5	6.6	15	8.7	19	18.8	39	11.1
Post graduate	3	3.9	4	2.3	4	4.0	11	3.2
Total	76	100	173	100	101	100	350	100

Agricultural Land Holding

The Table 6 describes the area of agricultural land holding wise distribution of the respondents in the three categories of small, medium and large farms. It is found that out of the 350 respondents, 160 (45.7 percent) have less than five acres agricultural land holding, 137 (39.1 percent) have 5–10 acres of land, 32 (9.2 percent) of them have 11–15 acres of land and 21 (6.0 percent) have more than 15 acres. It is concluded that majority of the respondents have less than five acres of agricultural land in case of

small farms (64.5 percent). A maximum of respondents in medium (46.8 percent) and overall (45.7 percent) farms have less than five acres of agricultural land and 5–10 acres in the case of large (43.6 percent) farms.

Other Occupation

The Table 7 describes the other occupation such as agriculture, dairy farming, business etc. of the respondents in the three categories of small, medium and large farms.

Table 6: Agricultural Land Holding wise Distribution of Sample Contract Farmers

Size of the Farm Area of agricultural land holding	Small		Medium		Large		Overall	
	No. of Respondent	Percentage	No. of Respond	Percentage	No. of Responde	Percentage	No. of Respondents	Percentage
Less than 5 acres	49	64.5	81	46.8	30	29.7	160	45.7
5 – 10 acres	23	30.3	70	40.5	44	43.6	137	39.1
11 – 15 acres	3	3.9	17	9.8	12	11.9	32	9.2
Above 15 acres	1	1.3	5	2.9	15	14.8	21	6.0
Total	76	100	173	100	101	100	350	100

Table 7: Other Occupation-wise Distribution of Sample Contract Farmers

Size of the Farm Other Occupation	Small		Medium		Large		Overall	
	No. of Respondent	Percentage	No. of Respond	Percentage	No. of Responde	Percentage	No. of Respondents	Percentage
Agriculture	76	100	170	98.3	97	96.0	343	98.0
Dairy Farming	3	3.9	10	5.8	10	9.9	23	6.6
Business	1	1.3	14	8.1	11	10.9	26	7.4
Employed	-	-	4	2.3	2	2.0	6	1.7

It can be inferred from the Table that out of the 350 respondents, 343 (98 percent) of the respondent’s occupation is agriculture, 23 (6.6 percent) have dairy

farming as other occupation, 26 (7.4 percent) of the respondents do business apart from poultry farming and 6 (1.7 percent) of them are employed.

Table 8: Type of Roofing of the Shed

Roofing	Small		Medium		Large		Overall	
	No. of Respondent	Percentage	No. of Respond	Percentage	No. of Responde	Percentage	No. of Respondents	Percentage
Thatched	24	31.6	49	28.3	16	15.8	89	25.4
Tiles	49	64.5	107	61.9	67	66.3	223	63.7
Asbestos	3	3.9	17	9.8	18	17.9	38	10.9
Total	76	100	173	100	101	100	350	100

Table 9: Method of Brooding

Method of Brooding	Small		Medium		Large		Overall	
	No. of Respondents	Percentage	No. of Respondents	Percentage	No. of Respondents	Percentage	No. of Respondents	Percentage
Coal	75	98.7	173	100	101	100	349	99.7
Gas	1	1.3	-	-	-	-	1	0.3
Total	76	100	173	100	101	100	350	100

Table 10: Type of Litter Material Used

Type of Litter Material	Small		Medium		Large		Overall	
	No. of Respondent	Percentage	No. of Respond	Percentage	No. of Responde	Percentage	No. of Respondents	Percentage
Thatched	24	31.6	49	28.3	16	15.8	89	25.4
Tiles	49	64.5	107	61.9	67	66.3	223	63.7
Asbestos	3	3.9	17	9.8	18	17.9	38	10.9
Total	76	100	173	100	101	100	350	100

Farming Practices

The operational efficiency in broiler farms could be measured through the farming practices carried on by the broiler farmers.

Type of Roofing

The maintenance of temperature is very important to determine the livability of chicks which depends on the type of farm shed. The Table 8 describes the type of roofing used for the shed in the three categories of small, medium and large farms.

It is evident from Table 8 that out of the 350 farms, 223 (63.7 percent) of the farms have tiles roofing, 89 (25.4 percent) of the farms have thatched roofing and 38 (10.9 percent) have asbestos roofing.

Method of Brooding

Brooding refers to the rearing of Day Old Chicks to an age of 10–15 days protecting them from inclement weather, predators and other problems, so as to give them a good growing start. Day Old Chicks received are prevented from free flow of air and kept in a secluded place. In addition to that artificial heat is provided through the coal pots or gas heaters or electric bulbs. This arrangement is called brooder and the process is called brooding. The Table 9 describes the method of brooding used by the respondents under the three categories of small, medium and large farms.

It is inferred from Table 9 that out of the 350 respondents, 349 (99.7 percent) of the respondents have used coal for brooding and only one respondent has used gas for brooding purpose.

Type of Litter Material

A thin layer of clean, soft and dry bedding material put over the floor of the brooder house is called litter. To absorb the moisture in the farm certain materials like paddy husk, groundnut shell or straw dust are spread on the floor of sheds under the deep litter system. These materials are known as litter materials. The Table 10

describes the type of litter material used by the respondents under the three categories of small, medium and large farms.

It could be inferred from the Table 10 that out of the 350 respondents, 202 (57.7 percent) of the respondents are using coconut husk as litter material, 146 (41.7 percent) are using groundnut waste and only 2 (0.6 percent) of them are using rice husk.

Source of Water

Table 11 describes the source of water used by the respondents under the three categories of small, medium and large farms. It is found that out of the 350 respondents, 175 (50 percent) of the respondents have bore well as the source of water, 54 (15.4 percent) of them are using open well for the source of water and 121 (34.6 percent) are using both bore well and open well as the source of water. It is concluded that majority of the respondents under the categories of small (56.6 percent) and medium (56.1 percent) farms are using the bore well as the source of water for the requirements in the poultry farms whereas majority (56.4 percent) of the respondents in the category of large farms use both bore well and open well.

Type of Disease Encountered

Table 12 describes the type of disease encountered (major or minor) by the respondents under the three categories of small, medium and large farms. It can be inferred that the diseases Gout and Chronic Respiratory Disease have occurred mostly both at major (40, 33 farms) and minor (47, 55 farms) level during the study period. The medium farms are more affected by the above diseases than the small and large farms.

Source of Finance

Finance is the main source to start any business and it is essential for broiler farming also. An attempt is made to analyse the source of finance which determines the economic conditions of farmers. The finance required for poultry farming is classified into two category namely permanent capital and working capital. Permanent capital

Table 11: Source of Water

Size of the Farm \ Source of Water	Small		Medium		Large		Overall	
	No. of Respondent	Percentage	No. of Respond	Percentage	No. of Responde	Percentage	No. of Respondents	Percentage
Open Well	18	23.7	27	15.6	9	8.9	54	15.4
Bore Well	43	56.6	97	56.1	35	34.7	175	50.0
Both	15	19.7	49	28.3	57	56.4	121	34.6
Total	76	100	173	100	101	100	350	100

Table 12: Type of Disease Encountered (No. of respondents)

Size of the Farm \ Type of Disease	Small		Medium		Large		Overall	
	Major	Minor	Major	Minor	Major	Minor	Major	Minor
Toxine	-	-	-	1	-	3	-	4
E-coli	1	4	4	8	8	6	8	18
Gout	3	11	25	22	12	14	40	47
Chronic Respiratory Disease	3	11	12	33	18	11	33	55
Coccidiosis	-	3	2	3	1	-	3	6

Table 13: Source of Permanent Capital

Size of the Farm \ Source of Permanent Capital	Small		Medium		Large		Overall	
	No. of Respondent	Percentage	No. of Respond	Percentage	No. of Responde	Percentage	No. of Respondents	Percentage
Own funds	53	69.7	87	50.3	32	31.6	172	49.1
Borrowed from relatives	2	2.6	6	3.5	4	4.0	12	3.4
Bank finance	17	22.4	71	41.0	61	60.4	149	42.6
Local money lenders	4	5.3	8	4.6	3	3.0	15	4.3
Jewel loans	-	-	1	0.6	1	1.0	2	0.6
Total	76	100	173	100	101	100	350	100

is required for the construction of farm shed, purchase of equipments and providing water facilities. The working capital is required for paying the labour charges, purchase of litter material, coal, to meet the electricity charges etc.

Source of Permanent Capital

Table 13 describes the source of permanent capital as given by the respondents under the three categories of small, medium and large farms. It is evident that out of the 350 respondents, 172 (49.1 percent) of the respondents have started their poultry farms with own source of funds, 149 (42.6 percent) have used bank finance, 15 (4.3 percent) of them have borrowed the amount from local money lenders, 12 (3.4 percent) of the respondents have borrowed the amount from their relatives and 2 (0.6 percent) of them have got jewel loans. It is concluded that majority of the respondents in the category of small (69.7 percent) and medium (50.3 percent) farms have used their own funds for starting the poultry farm whereas it is inferred that the large (60.4 percent) farmers have used more of bank finance.

Source of Working Capital

The Table 14 describes the source of working capital as given by the respondents under the three categories of small, medium and large farms. It is evident from the table that out of the 350 respondents, 330 (94.3 percent) of the respondents have used their own funds as a source

of working capital, 9 (2.6 percent) have borrowed the amount of working capital from local money lenders and only four (1.1 percent) of them have obtained their working capital requirements from their relatives and banks.

It is concluded that majority of the respondent have used their own funds for their working capital requirements in all the three categories of small (96.1 percent), medium (95.4 percent) and large (91.1 percent) farms.

Type of Labour Employed

Contract farmers employ two types of labour in broiler farming namely family labour (family members of contract farmers) and hired labour. Type of labour influences the broiler production. Effective involvement and spirit of family labour results in low mortality and high weight gain of broilers. Table 15 shows the type of labour employed by the contract farmers in the three categories of small, medium and large farms.

It is found from Table 15 that out of the 350 sample farmers, 200 (57.1 percent) had employed both family and hired labour. 150 (42.9 percent) of them had employed family labour. It was observed that majority (77.6 percent) of the small farmers had employed their family labour. In the case of medium farmers 49.1 percent of them had employed family labour. It is interesting to note that only 5.9 percent of large farmers had employed family labour.

Table 14: Source of Working Capital

Size of the Farm \ Source of Working Capital	Small		Medium		Large		Overall	
	No. of Respondent	Percentage	No. of Respond	Percentage	No. of Responde	Percentage	No. of Respondents	Percentage
Own funds	73	96.1	165	95.4	92	91.1	330	94.3
Borrowed from relatives-	-	-	3	1.7	1	1.0	4	1.1
Bank finance	-	-	2	1.2	2	2.0	4	1.1
Local money lenders	3	3.9	2	1.1	4	3.9	9	2.6
Jewel loans	-	-	1	0.6	2	2.0	3	0.9
Total	76	100	173	100	101	100	350	100

Table 15: Type of Labour Employed

Size of the Farm Type of Labour	Small		Medium		Large		Overall	
	No. of Respondent	Percentage	No. of Respond	Percentage	No. of Responde	Percentage	No. of Respondents	Percentage
Family Labour only	59	77.6	85	49.1	6	5.9	150	42.9
Both family and hired labour	17	22.4	88	50.9	95	94.1	200	57.1
Total	76	100	173	100	101	100	350	100

Table 16: Number of Family Members Employed

Size of the Farm Number of family Members	Small		Medium		Large		Overall	
	No. of Respondent	Percentage	No. of Respond	Percentage	No. of Responde	Percentage	No. of Respondents	Percentage
1	15	19.7	40	23.1	23	22.8	78	22.3
2	56	73.7	116	67.1	58	57.4	230	65.7
3 and above	5	6.6	17	9.8	20	19.8	42	12.0
Total	76	100	173	100	101	100	350	100

Table 17: Number of Labour Employed from Outside

Size of the Farm Number of Labour	Small		Medium		Large		Overall	
	No. of Respondent	Percentage	No. of Respond	Percentage	No. of Responde	Percentage	No. of Respondents	Percentage
1	14	82.4	54	61.4	13	13.7	81	40.5
2	3	17.6	28	31.8	40	42.1	71	35.5
3	-	-	6	6.8	18	19.0	24	12.0
4	-	-	-	-	15	15.8	15	7.5
5 and above	-	-	-	-	9	9.5	9	4.5
Total	17	100	88	100	95	100	200	100

Number of Family Members Employed

Table 16 shows the number of family members employed by the contract farmers in the three categories of small, medium and large farms. It is found that out of the 350 sample farmers, 230 (65.7 percent) had 2 family members engaged in poultry farming. 78 (22.3 percent) of them had employed one family labour and 42 (12 percent) of the respondents have employed 3 and more than 3 family members.

Number Labour Employed fom Outside

Table 17 shows the number of labourers employed from outside by the contract farmers in the three categories of small, medium and large farms. It is found that out of the 200 sample farmers who have employed hired labour, 81 (40.5 percent) had employed one labour from outside. 71 (35.5 percent) of them had employed two hired labour and 24 (12 percent) of the respondents have employed 3 hired labour and 15 (7.5 percent) have employed 4 labourers. It is concluded that majority of the respondents had employed one hired labour in case of small (82.4 percent) and medium (61.4 percent) and most of the respondents (42.1 percent) in the category of large farms have employed two hired labourers.

Number of days for receipt of payment

The number of days for the receipt of payment by the contract farmers in the three categories of small, medium and large farms is shown in the Table 18. It is found that out of the 350 sample farmers taken for the study, 158 (45.1 percent) of the respondents received their payment in about 16 - 30 days, 115 (32.9 percent) of them within 15 days and 37 (10.6 percent) of the respondents received their payment in about 31 - 45 days. 32 (9.1 percent) have received the payment within 45 to 60 days. It is concluded that most of the respondents in the category of small farms (32.9 percent) received their payment within 15 days and most of the farmers in medium (48.6 percent) and large (51.5 percent) received their payment in 16 to 30 days time.

Percentage of the Loan Repaid

Table 19 shows the percentage of loan repaid by the contract farmers who have availed loan in the three categories of small, medium and large farms. It is found from Table 19 that out of the 166 sample farmers who have availed loan for starting the poultry farm, 82 (49.4 percent) of the respondents have repaid their loan 76–100 percent, 41 (24.7 percent) of them have repaid 26–50 percent of the loan, 26 (15.7 percent) have repaid less than 25 percent and 17 (10.2 percent) have repaid 51–75 percent of the loan.

Table 19: Percentage of the Loan Repaid

Size of the Farm Percent of Loan Repaid	Small		Medium		Large		Overall	
	No. of Respondent	Percentage	No. of Respond	Percentage	No. of Responde	Percentage	No. of Respondents	Percentage
Less than 25%	7	33.3	10	12.5	9	13.9	26	15.7
26-50%	3	14.3	19	23.8	19	29.2	41	24.7
51-75%	2	9.5	9	11.2	6	9.2	17	10.2
76-100%	9	42.9	42	52.5	31	47.7	82	49.4
Total	21	100	80	100	65	100	166	100

Table 20: Personal Factors and Type of Roofing

Personal Factors \ Size of the Farm	Small		Medium		Large		Overall	
	Chi-Square Value	P Value	Chi-Square Value	P Value	Chi-Square Value	P Value	Chi-Square Value	P Value
Age	1.538	.674	0.960	.811	1.833	.608	2.519	.472
Sex	0.024	.877	0.343	.558	3.422	.064	0.336	.562
Educational Level	1.664	.645	0.020	.999	0.259	.968	0.265	.416
Area of Agri. Land	2.218	.546	7.030	.318	9.989	.125	10.768	.967
Other Occupation	1.787	.409	9.202	.560	2.568	.277	9.226*	0.10

* Significant at 5% level

Table 21 - Personal Factors and Method of Brooding

Personal Factors \ Size of the Farm	Small		Over	
	Chi-Square Value	P Value	Chi-Square Value	P Value
Age	2.067	.559	2.217	.529
Sex	0.056	.812	0.064	.800
Educational level	24.658*	.000	30.096*	.000
Area of agricultural land	76.000*	.000	15.712*	.001
Other occupation	0.053	.974	0.161	.984

* Significant at 5% level

Note: All the respondents in the category of medium and large farms have used only coal for the purpose of brooding. Hence chi-square has been applied only for small and overall farms.

Chi-Square Analysis

The chi-square test is employed to test the significance of one factor over the other. In order to employ chi square test the factors in the study are classified under two groups. One group comprising personal factors and the other group comprising study factors. Each of the factors in group one are compared with the factors of the study group and chi square test is applied to test the influence of one factor over the other. This analysis is employed for the difference size of the farms separately.

The personal factors considered in the study are

- Age
- Sex
- Educational level
- Area of agricultural land holding
- Other occupation

The study factors selected are as follows

- Type of roofing
- Method of brooding
- Type of litter material used
- Source of water
- Source of permanent capital
- Source of working capital

All the tests are carried out at five percent level of significance and the results are represented in the tables with suitable hypothesis and relevant interpretations.

Personal Factors and Type of Roofing

Hypothesis 1: The personal factors have no significant influence on the type of roofing in the different size of poultry farms.

It is found from the Table 20 that the hypothesis is accepted (not significant) in all the cases but is rejected (significant) only with respect to area of agricultural land when all the farms are considered. It is concluded that the area of agricultural land holding has significant influence on the types of roofing when we take into account the overall farms but the personal factors have insignificant influence over the type of roofing adopted in broiler farms.

Personal Factors and Method of Brooding

Hypothesis 2: The personal factors have no significant influence over the method of brooding in the different size of poultry farms.

It is found from the Table 21 that the hypothesis is accepted (not significant) for the personal factors such

as age, sex and other occupation in case of small and overall farms. It is rejected (significant) in respect of the personal factors namely educational level and area of agricultural land in case of small and overall farms.

It is concluded that educational level and area of agricultural land has significant influence on the method of brooding when small and overall farms are considered but all the other personal factors have insignificant influence over the method of brooding used in the broiler farms.

Personal Factors and Type of Litter Material Used

Hypothesis 3: The personal factors have no significant influence on the type of litter material used in the different size of poultry farms.

It is inferred from the Table 22 that the hypothesis is accepted (not significant) for all the personal factors in case of small farms. It is rejected (significant) when we consider medium farms in respect of age and in case of overall farms personal factors like age, other occupation.

It is concluded that age have significant influence on the type of litter material used when medium and overall farms are considered and other occupation has significant

Table 22 - Personal Factors and Type of Litter Material used

Size of the Farm Personal Factors	Small		Medium		Large		Overall	
	Chi-Square Value	P Value	Chi-Square Value	P Value	Chi-Square Value	P Value	Chi-Square Value	P Value
Age	1.919	.589	15.391*	.017	5.585	.471	13.386*	.037
Sex	2.327	.127	0.578	.749	3.848	.146	4.970	.083
Educational Level	2.788	.425	7.540	.274	3.607	.730	6.063	.416
Area of Agri. Land	2.218	.546	7.030	.318	9.989	.125	10.768	.096
Other Occupation	1.787	.409	9.202	.560	2.568	.277	9.226*	.010

* Significant at five percent level

Table 23: Personal Factors and the Source of Water

Personal Factors \ Size of the Farm	Small		Medium		Large		Overall	
	Chi-Square Value	P Value	Chi-Square Value	P Value	Chi-Square Value	P Value	Chi-Square Value	P Value
Age	1.538	.674	0.960	.811	1.833	.608	2.519	.472
Sex	0.024	.877	0.343	.558	3.422	.064	0.336	.562
Educational Level	1.664	.645	0.020	.999	0.259	.968	0.265	.416
Area of Agri. Land	2.218	.546	7.030	.318	9.989	.125	10.768	.967
Other Occupation	1.787	.409	9.202	.560	2.568	.277	9.226*	.010

* Significant at five percent level

Table 24 - Personal Factors and the Source of Permanent Capital

Personal Factors \ Size of the Farm	Small		Medium		Large		Overall	
	Chi-Square Value	P Value	Chi-Square Value	P Value	Chi-Square Value	P Value	Chi-Square Value	P Value
Age	6.631	.675	20.697	.550	18.362	.105	18.063	.114
Sex	0.363	.948	1.831	.767	2.027	.731	1.315	.859
Educational Level	3.425	.345	19.250	.083	15.100	.236	27.515*	.007
Area of Agri. Land	6.298	.710	11.938	.451	11.541	.483	14.948	.244
Other Occupation	1.699	.192	1.906	.386	1.543	.462	5.553	.475

* Significant at five percent level

influence on the type of litter material used when overall farms are considered but all the other personal factors have insignificant influence over the type of litter material used in the broiler farms.

Personal Factors and the Source of Water

Hypothesis 4: The personal factors have no significant influence on the source of water used in the different size of poultry farms.

It is observed from the Table 23 that the hypothesis is accepted (not significant) in respect of the source of

water irrespective of the size of the farms. It is concluded that the personal factors have insignificant influence over the source of water used in broiler farms.

Personal Factors and the Source of Permanent Capital

Hypothesis 5: The personal factors have no significant influence on the source of permanent capital used in the different size of poultry farms.

It is found from the Table 24 that the hypothesis is accepted (not significant) for all the personal factors in

case of small, medium and large farms. It is rejected (significant) when we consider all the farms in respect of educational level of the respondents. It is concluded that educational level of the respondents has significant influence on the source of permanent capital when all the farms are considered but all other personal factors have insignificant influence over the source of permanent capital used in the farms.

Personal Factors and the Source of Working Capital

Hypothesis 6: The personal factors have no significant influence on the source of working capital used in the different size of poultry farms.

It is found from the Table 25 that the hypothesis is accepted (not significant) for all the personal factors in case of small farms. In case of medium farms it is accepted (not significant) with regard to age, sex, educational level and other occupation. For large farms the hypothesis is accepted (not significant) in case of age, educational level and area of agricultural land holding. It is rejected (significant) in case of medium farms in respect of area of agricultural land handling and for large farms in respect of the personal factors sex and other occupation.

It is concluded that the area of agricultural land holding has significant influence on the source of working capital in case of medium farms and sex, other occupation has significant influence in case of large farms. All other personal factors have insignificant influence over the source of working capital used in broiler farms.

Table 25 - Personal Factors and the Source of Working Capital

Size of the Farm \ Personal Factors	Small		Medium		Large		Overall	
	Chi-Square Value	P Value	Chi-Square Value	P Value	Chi-Square Value	P Value	Chi-Square Value	P Value
Age	6.767	.080	9.932	.622	10.906	.537	10.279	.591
Sex	0.174	.677	0.739	.946	15.765*	.003	5.061	.281
Educational Level	0.824	.844	3.258	.993	6.602	.883	7.793	.801
Area of Agri. Land	1.721	.632	23.765*	.022	14.277	.283	13.025	.367
Other Occupation	0.165	.685	0.529	.768	62.349*	.000	4.408	.622

* Significant at five percent level

Conclusion

Majority of the respondents were in the age group of 30–50 years having educational qualification up to school level. Majority of the respondents have agriculture as other occupation. It is found that more than 60 percent of the respondents have tiles roofing, use coal for brooding and are using coconut husk as litter material. The diseases such as Gout, Chronic Respiratory Disease have occurred more frequently during the study period. Majority of the respondents in the category of small (69.7 percent) and

medium (50.3 percent) farms have used their own funds for starting the poultry farm whereas it is inferred that the large (60.4 percent) farmers have used more of bank finance. Majority of the respondents had employed both family and hired labour in case of medium and large farms and only family labour in case of small farms. Area of agricultural land holding mostly has significant influence over the farming practices.

In India, Poultry is one of the fastest growing segments of livestock/agriculture and contributes a major share in terms of protein supplementation, from eggs and poultry meat.

Amongst the animal products, which are, by and large substitutable in the diet, it is found that input output ratio for poultry is most favourable. With 10 Kgs. of similar feed in each case, chicken (both meat and egg type) gives more protein than swine, cow milk, beef and sheep. Therefore, it is evident that poultry contributes a major share in this revolutionary process. The value of output at current prices is steadily increasing for eggs and poultry meat during the last few years and during 2002-03 it was nearly Rs.16,000 crores. This is equivalent to nearly 10 percent of the total output from livestock and 2.8 percent of total agriculture. The value of exports is also increasing slowly with over Rs.200 crores during 2003-04 from a mere Rs.11 crores, ten years back. Overall it appears that the poultry sector has tremendous potential for growth and development.

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Automobile Scene: Brand - Awareness, Image, and Personality

Hossein Miladian and Nagendra Babu K.

In an ever more rising competitive environment, brand marketers are looking for ways to expand their portfolios and at the same time decrease the costs of the new products introduced as well as diminish the risk of new product failure. This paper investigates the impact of brand dimensions on the car users' satisfaction. Research hypotheses are defined according to identified structural model. The objective of this paper is to study and improve the brand perception of car users. The research results indicate that Brand awareness and brand sophistication play an important role in satisfying Indian consumers. Manufacturers should increase their controlling and commanding, and monitoring on these factors is vital. It is possible to use brands to differentiate commodity-like B2C services such as logistics.

The automotive industry continues to strive towards new horizons. In order to achieve sustainable growth, companies are adopting substantially different approaches to the assignment of the activities in the areas of both development and production. The manufacturers have come to realize that the factors allow them to stand out from their competitors are primarily those

characteristics of their products and services that shape the image of their brands. These have become the factors

upon which they know "concentrate" and "focus." There is an even developing and realization in the automotive industry that brands are assets to be carefully maintained and consistently enhanced, and manufactures are increasingly concentrating on the value of their brand



Mr. Hossein Miladian, Research Scholar at Commerce Department, #312, First Floor, 5th Cross, 5th Main, Vijayanagar (First Stage), Mysore-570017, Email: amirhossein_miladian@yahoo.com



Dr. K. Nagendra Babu, Faculty of Commerce, P.G. Department of Studies in Commerce, Manasagangotri, University of Mysore, Mysore-570006, Email: amphm@yahoo.com

whether this is related to the price conscious sector of the market or the premium vehicle sector. The realization that, through better brand management, there is an ability to add significant value has led to a need for better control of everything that impacts the brand experience—the development of vehicle concepts, the design, and the features of the various models, the selection of major suppliers and the definition of framework for after market sales. However, the return on brand investment in the premium vehicle sector is proving to be decisive factor in the differentiation of a brand, and it is here that significant efforts are being made by manufacturers. This paper investigates the impact of brand dimensions on the car users' satisfaction. Research hypotheses are defined according to identified structural model. The objective of this paper is to study and improve the brand perception of car users. Paper is organized as follows: First, we review the brand dimensions and the paper defines a structural model of impact of brand elements on car users' satisfaction. Next, we briefly discuss the methodology used and present the results of our data analyses. Finally, we discuss the potential managerial implications of our research.

Literature Review

The purpose of this note is to provide an overview and references on the various methods that can be used to measure brand knowledge (brand awareness and brand image), brand equity and brand personality. This note provides a short definition of each concept and illustrations of the most widely-used measurement techniques. Once you know what you want to measure, it is important to look at the original sources cited to understand how to properly use these techniques. Keller's (2003) excellent book also provides detailed information on each concept and its measurement.

Brand Knowledge

Brand knowledge refers to brand awareness (whether, and when, consumers know the brand) and brand image (what are the associations that consumers have with the brand) (Keller 2001). The different dimensions of brand knowledge can be classified in a pyramid (adapted from Keller 2001), in which each lower-level element provides

the foundations of the higher-level element. In other words, brand attachment stems from rational and emotional brand evaluations, which derive from functional and emotional brand associations, and which necessitate brand awareness.

Brand Awareness

Brand awareness measures the accessibility of the brand in memory. Brand awareness can be measured through brand recall or brand recognition. Brand recall reflects the ability of consumers to retrieve the brand from memory when given the product category, the needs fulfilled by the category, or some other type of probe as a cue. Brand recognition reflects the ability of consumers to confirm prior exposure to the brand.

Brand Image

Brand image is defined as consumer perceptions of a brand as reflected by the brand associations held in consumers' memory. To measure brand image, one can either use and adapt an existing list of brand associations or start from scratch by eliciting brand associations and by then measuring the strength of these associations. The outcome of this exercise is usually a short list of the positive and negative associations consumers have with the brand, ranked by their strength. For comparison purposes, it is useful to report the average strength of each association with the brand and the strength of the association with competing brands and to do this for each target segments (e.g., brand users and users of competing brands).

Brand Personality

Looking at the day-to-day life and the reasons that lie behind our choices, we can see that each product has different personalities from the car we drive to the beer we drink. This means that everything has its distinct personalities that appear to us differently in different situations. And, as Hawkins et al (2001) said, each consumer will purchase the respective product with the personalities that match the most of his/her personalities. As a formal definition of brand personality, Aaker (1997, p.20) considers that brand personality is "the set of

human characteristics associated with a brand," while Larson (2002) believes that brand personality is the first reaction people have to a brand when they hear, see, taste or touch a certain product belonging to a specific brand name. Aaker has described in detail how brand personality can create differentiation on the market. "First, a personality can make the brand interesting and memorable." He adds that "a brand without personality has trouble gaining awareness and developing a relationship with customers. Second, brand personality stimulates consideration of constructs such as energy and youthfulness, which can be useful to many brands. Third, a brand personality can help suggest brand-customer relationships such as friend, party companion or advisor." He concludes that "with the personality metaphor in place, relationship development becomes clearer and more motivating" Aaker (1997, p352). Sincerity (down to earth, honest, wholesome, cheerful), Excitement (daring, spirited, imaginative, up-to-date), Competence (reliable, intelligent, successful), Sophistication (upper class, charming), and Ruggedness (outdoorsy, tough). In theory, Aaker's five dimensions of brand personality can characterize all US brands (for an extension to Japanese and Spanish brands, see Aaker, Benet-Martinez, and Garolera 2001). However, you may feel that these dimensions are not relevant to your brand and want to measure other associations, or you may want to use consumers' own words to describe one association with the brand. The following set of techniques show you how to do this.

Research Methodology

In this, quantitative survey is used as data collection method. Since the aim of this study is classifying variables dimensions in automobile market from the consumers' point of view, the main focus thus is car owners. A questionnaire was prepared to get an idea about the car owner's experiences and expectations in automobile market. The questionnaire was distributed among Indian car owners and about 405 out of 915 Indian users replied. A survey is a procedure used to collect primary data from individuals. The questionnaire was developed based on research question and frame of reference. The logical structure of questionnaire followed the order of independent variables dimension in the frame of

reference. For understanding the importance and satisfaction of each independent variables dimension a 5-scale was used. Once we came up with the first draft of questionnaire, twenty questionnaires were handed out to the Indian and Iranian users and they were asked whether the questions made sense to them and were they easy to understand. After refining questions, the well-improved questionnaire was developed. Several steps were taken to ensure the validity of the study: (1) Data was collected from reliable sources; (2) Survey questions were made based on literature review and frame of reference to ensure the validity of the result; (3) Questionnaires had been pre-tested on the respondents before starting the survey, it was tested on at least 20 persons. Cronbach's was used as an examination indicator to determine the reliability of the measurement scale after pilot test. The value of Cronbach's α is generally required to be over 0.7 and the calculate results were over 0.7 in 5 variables. We preferred to use a probabilistic sample (Cluster). The car users were picked randomly over a period of six months. We have employed Excel software. Data gathered from an experimental study in various ways. A descriptive Statistics is distinguished from inductive statistics.

Data Analysis

The Brand instrument developed by Daniel A. Sheinin in 1998 was adapted. It contains six determinants; they are "Brand Awareness," "Brand Competence," "Brand Sophistication," "Brand Excitement" "Brand Sincerity" and "Brand Image." T-test indicates that the difference is significant ($t = 33.86, p < 0.001$). This means that the brand dimensions have positive influence on Indian car users' satisfaction.

The table shows the correlation between the satisfaction (experience) and car users' satisfaction. They are brought based on predefined aspects related to Brand factors. There is a strong correlation between satisfaction of Brand factors and car owners' satisfaction of these factors in Indian society if the satisfaction of brand factors increases then the importance of this attribute will also increase. The correlation between satisfaction and Brand Image is $r = 0.183, p < 0.01$, so, it can be interpreted as

Note on Measuring Brand Awareness, Brand Image, and Brand Personality in Automobile Market

Pearson Correlation				
Brand Awareness	—————>	Car users' Satisfaction	á1	0.206**
Brand Competence	—————>	Car users' Satisfaction	á5	0.176**
Brand Sophistication	—————>	Car users' Satisfaction	á3	0.196**
Brand Excitement	—————>	Car users' Satisfaction	á6	0.109*
Brand Sincerity	—————>	Car users' Satisfaction	á2	0.203**
Brand Image	—————>	Car users' Satisfaction	á4	0.183**

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

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

saying that if Brand Image increases then the satisfaction of this attribute will also increase . The correlation between Brand Sophistication and car users' satisfaction is positive ($r=0.196, p<0.01$). So, it can be interpreted as saying that if the satisfaction of Brand Sophistication increases then the satisfaction of this attribute will also increase and vice versa. The correlation between satisfaction of Brand Competence is $r=-0.162, p<0.01$. So, it can be interpreted as saying that if the Brand Competence increases then the satisfaction of this attribute will decrease and vice versa. Among the attributes Brand Awareness attribute (*Brand awareness is an important way of promoting commodity-related products*) has the highest meaningful result for Indian owners and the Brand Excitement attribute (*consumers are demanding brands that can provide meaningful experiences*) has the lowest score.

Conclusion

The research results indicate that *Brand awareness and brand sophistication* play an important role in satisfying Indian consumers. Manufacturers should increase their controlling and commanding, and monitoring on these factors is vital. It is possible to use brands to differentiate commodity-like B2C services such as logistics. Recognized brand names were reported to differentiate the offers among manufacturers and to give a firm an advantage over competitors. Customers reported they were willing to pay more to do business with automobile manufacture with strong, positive brand. In order to differentiate themselves from the thousands of competitors, logistics manufacturers must be diligent in

developing and communicating their distinctive capabilities, particularly those that support a superior company position, and associating these capabilities with their brand names. Automobile manufacturers must ensure that customers feel the manufacturer takes care of them as a trade partner by consistently delivering high quality performance. As more customers associate this performance with the manufacturers' name, the brand will not only differentiate the offer from others in the market, but also distinguish the service as one of higher value. Automobile manufacturers and their users had different perceptions of the relative importance of brand and car users' satisfaction. This finding is particularly important for automobile manufacturers of logistics services as they decide how to allocate resources. Efforts may be better expended in programmes that assure a positive, consistent brand image, such as employee training, rather than investments in costly expenditures related to building brand awareness, such as advertising. Customers expect service providers to consistently deliver high-quality performance. Distinctive brand awareness is likely to be one that identifies customers' needs and places them at the heart of the value proposition. This means that manufacturers will need to understand how their performance drives business success for customers and then communicate those attributes in their brand.

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Super Power in Higher Education

Venkatachalam S. and Palanivelu P.

Education plays an important role in the individual's life and also in the society. The relationship between education and human beings is very close. All development and achievements of people have been gained through education. Education is a powerful instrument for emancipation and empowerment for the quality life. While comparing the literacy rate at the time of independence with recent day's its very good improvement. Comparing with the rest of the world the position is far from satisfactory. To achieve the position 'Super Power' we must improve the higher education in India in terms of quality and quantity.

Education plays an important role in the individual's life in particular and also in the society in general. Education helps people learn how to achieve

fundamental human rights such as health, nutrition, safe motherhood and employment while improving quality of life. The relationship between education and human beings is very close. Man has achieved success in all most every field and made his life comfortable. All these developments

and achievements have been gained through education. It is right to say, education is a powerful instrument for emancipation and empowerment for the quality life.

Education not only enhances man's knowledge, skills, competencies, potential values and attitudes but also transforms his belief and thoughts. Education, more particularly higher education, is generally regarded as an effective instrument of upward social mobility.



Mr. Venkatachalam S., Faculty of Commerce, Karpagam University, Coimbatore-21, Email: venkivc@yahoo.com



Dr. Palanivelu P., Controller of Examinations and Director of School of Commerce, Karpagam University, Coimbatore -21, Email: palanivelu_ku@yahoo.com

The importance of education for social, economic, political and environmental progress is universally recognized without educational policies, policies aimed at alleviation of poverty, reducing infant mortality and improving public health, protecting the environment, strengthening the human rights, improving international understanding and seeking to gain or regain competitiveness in advanced technology are essentially incomplete.

Present Scenario of Literacy

India is one of the least literate countries in the world. There were altogether 328 million illiterates in the country according to the 1991 census. Of the 328 million illiterates in the country, 281 million live in rural areas, which is larger

than the total population of USA. However, for the first time since independence, the census of India recorded a declining trend in absolute number of illiterates from 328 million to 296 million during 1991-2001. The population of illiterate in India is still greater than the total population of any country in the world except China.

Table 1 shows that in India, literacy was 65.4 percent according to the latest census in 2001. Not more than 10 percent of our population has education above 10th standard. Only seven percent of the age group (16-23 years) is in higher education. But the developed countries are moving towards mass higher education. In the US 81 percent of the age group is in higher education; it is 80 percent in Australia; more than 50 percent in all developed countries.

Table 1: Literacy Rates in India, 1951-2001

Census Year	Persons	Male	Female
1951	18.3	27.2	8.9
1961	28.3	40.4	15.4
1971	34.5	46.0	22.0
1981	43.6	56.4	29.7
1991	52.2	64.1	39.3
2001	65.4	75.9	54.2

Note: Literacy Rate from 1951-1971 censuses is based on population aged 5 and above, while Literacy Rates from 1981-2001 censuses are based on population aged 7 and above. **Source:** Man and Development, March 2005, p.105.

Chart 1: Literacy Rates in India, 1951-2001

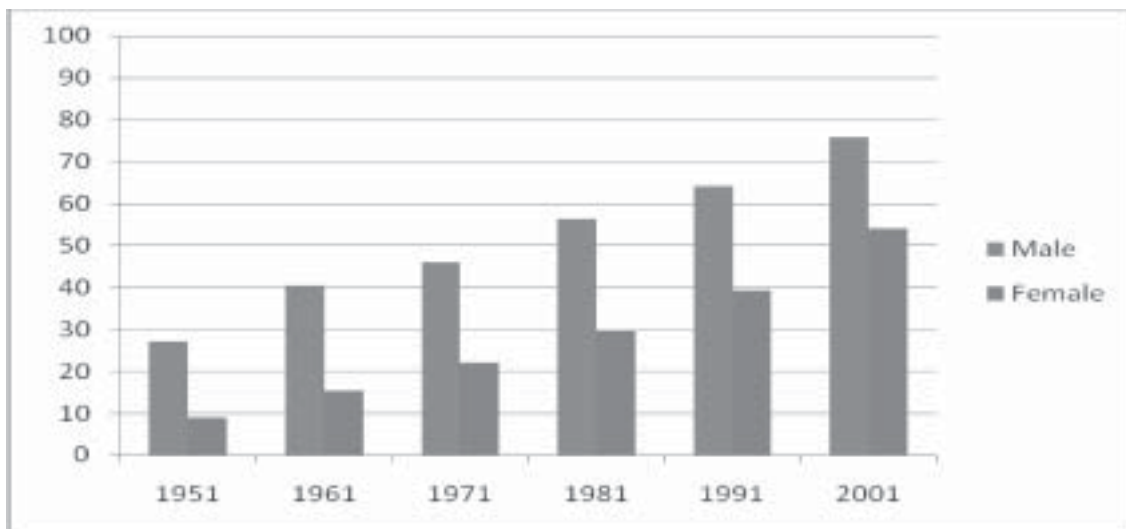


Table 2: Growth of Educational Institutions in India

Institutions	1950-51	1990-91	1996-97	2006-07
Universities	30	117	214	348
Colleges	750	7346	9703	17625
Enrolment('000s)	263	4925	6755	9954
Teachers('000s)	24.0	272.7	321	457

Note: *includes institutions deemed to be universities, but excludes other institutions.

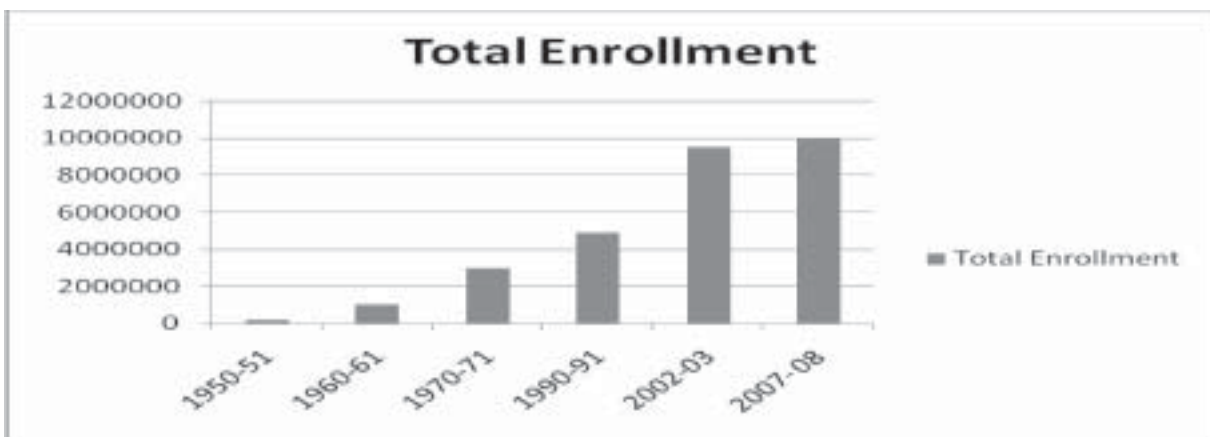
Source: UGC Annual Reports (New Delhi: University Grants Commission); and Selected Educational Statistics (New Delhi: Ministry of Human Resources Development) (relevant years).

Table 3: Enrollment of Students

Year	Total Enrollment
1950-51	173696
1960-61	1034934
1970-71	3001292
1990-91	4924868
2002-03	9516773
2007- 08	More than 99.54 laks

Source: www.education.nic.in

Chart 2: Enrollment of Students 1950-2008



Present Scenario of Higher Education in India

Higher Education helps a student in thinking decisively and inculcating a sense of responsibility towards the world around him or her. It plays an important role not only in the

progress of education but also in the overall development of a society. In a way, the growth and status of higher education indicates the development of a society.

Table 2 shows the number of Universities and colleges in

India at the time of independence and in the year 2007. As on today we have more than 340 Universities, institutions of higher education and Deemed Universities, out of which 95 deemed to be Universities, 13 institutions of national importance, 19 central Universities, and 203 State Universities, five institutions established under state legislation act and about more than 17600 colleges including 203 autonomous colleges.

Education system has increased sixteen-fold in terms of the number of Universities and thirty two-fold in terms of the number of colleges in comparison to the number at the time of independence, 4.57 lakh teaching faculty employed making India’s system of higher education the second largest in the world. To finance this expansion, the Government of India has consistently increased its share in the total expenditure on higher education – from 49.1 percent in 1950-51 to more than 90 percent today.

The figures in table 3 show as to how the student’s strength in higher education has increased from years to year. We can see that there is an increase in the total enrollment over the years. At present 99.54 lakh students are studying in all over India 4.57 lakh faculty are working in educational institutions.

Figures in table 4 show the age group entering higher education in some advanced countries and in India. The enrollment of students in the field of higher education works out at around seven percent while that in developed countries is above 50 percent and in some countries it is more than 80 percent. We certainly cannot be satisfied regarding the enrollment rate, because seven percent is too low as compared to the developed countries of the world. Hence, there is an urgent need to evolve the ways and means to increase the enrollment rate of students at the higher educational level.

Table 4: Age Group Entering Higher Education in some Advanced Countries and India

Country	Enrollment
Canada	88 %
Australia	80 %
USA	81 %
Finland	74 %
UK	52 %
India	7 %

Source: University News, March 2006, p.5.

Chart 3: Age Group Entering Higher Education in some Advanced Countries and India

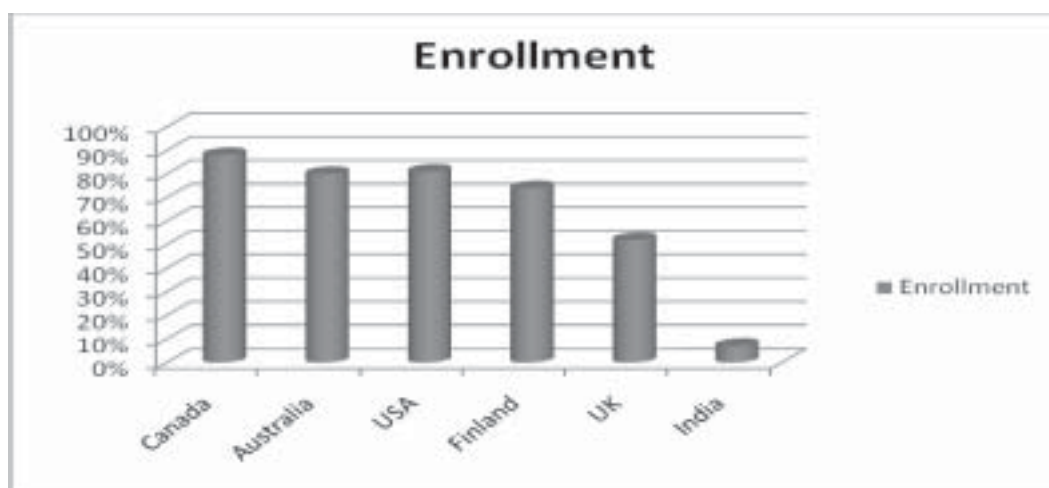


Table 5: Distribution of the World’s Leading Universities in a few Chosen Countries

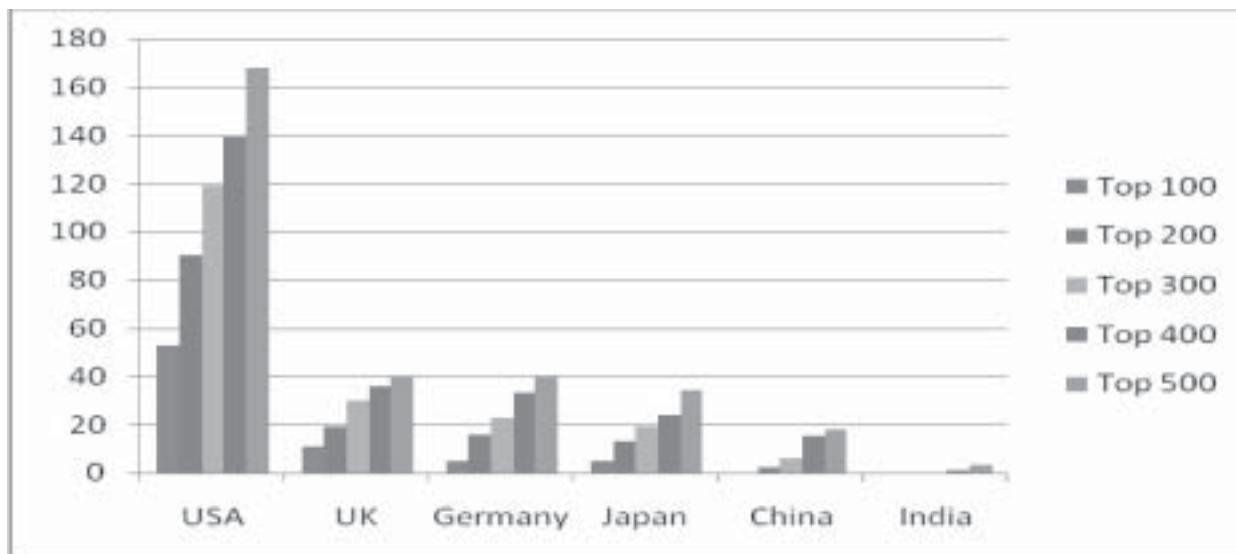
Country	Top 100	Top 200	Top 300	Top 400	Top 500
USA	53	90	119	140	168
UK	11	19	30	36	40
Germany	5	16	23	33	40
Japan	5	13	19	24	34
China	0	2	6	15	18
India	0	0	0	1	3

Status of Indian Universities

Table 5 provides evidence to the Status of Indian Universities. Our higher education system has not made grade with the systems prevailing elsewhere including such populous countries as China. A recent Chinese study (SJTU-2005) which ranked the Universities around the world using several indicators of academic or research performance that included alumni and staff winning major scientific prizes, highly cited researches, articles published

in prestigious journals and articles in major citation indices (Table 5), clearly illustrates this point. As per that analysis, the US undoubtedly is the world-leader with 53 of the best 100 universities. The best three Indian universities in this list are the Indian Institute of Science, Bangalore (301-400), and the Indian Institute of Technology, Kharagpur and the University of Calcutta in the range of 401-500. Even in the Asia Pacific region, these three best Indian Universities are laggards, while China has 18 Universities in the top 500, India has just three.

Chart 4: Distribution of the World’s Leading Universities in a few Chosen Countries



Challenges for Higher Education

The coming years will be the years of youth. Pressure in every where will be to put on institutions of the higher education to expand enrolment. Higher education in the

coming decades will become universal and can truly be borderless as world of knowledge and ideas will yield reciprocal benefits to all nations. Therefore, the major thrust will be to create vistas for a large percentage of youth to acquire relevant, good

quality higher education with an inclusive and flexible approach.

It is also interesting to note that employment opportunity patterns will also undergo a change. The world will be looking for trained persons with sound knowledge and with ability to adapt to new demands. Higher education has been in crisis for the past decades. The confidence in higher education has been eroded by graduate unemployment and the brain drain. Further financial crunch on higher education has also retarded its growth.

In a global village of tomorrow, lack of access to the latest information technology can have a negative impact on every level of scientific and technical education. Learning about science and technology must become an integral part of education for every one. The present system of education is also facing quality crisis. There will be a need to make a shift from quality assurance to quality enhancement.

Some points for developing higher education:

Quality enhancement in education will be remarkable by looking into the following areas:

1. Quality will be enhanced when quality checks are made on weak and inefficient administration, lack of morality and pressure of politics. We must plan our actions in such a way so as to overcome such conditions.
2. The Indian system of higher education has also kept itself aloof from the local knowledge base of the worker
3. The management of higher education and the total networking of the system for effective management has become an important issue. The shift can occur only through a systemic approach to change as also the development of its human resource, and networking the system through information and communication technology.
4. Evaluate a system, which will meet the demands of the present society i.e., a system in which academics and technical skill embrace each other, a system whose creative capabilities can be used for human and natural resource development.
5. Majority of the students join the universities or colleges to get a degree and not to become scholars. Institutions are encouraging the students to do research in their respective fields.
6. The programmes offered in universities and colleges are traditional old fashioned and ineffective. Improved programmes can be more effective and technically oriented.
7. The need is to respond to new and changing demands and employment. The need is an alternative system of education. i.e., colleges which would prepare students for self employment / sports and physical education / cultural activities from drama and music / making advertisement and films would be considered.
8. Internal evaluation of students can be done by teachers on different measures depending on their ability and performance. External evaluation can be done by giving carefully designed assignments, which provide learning in different fields.
9. UGC has rigid control to private educational institutions and UGC must confirm private educational institutions are appointing qualified faculties for their programmes.
10. India can no longer continue the model of general education as it has been persisting in for the large bulk of the student population. Rather, it requires a major investment to make human resource productive by coupling the older general disciplines of humanities, social sciences, natural sciences and commerce to their applications in the new economy and having adequate field based experience to enhance knowledge with skills and develop appropriate attitudes.

Conclusion

While comparing the literacy rate at the time of independence with recent data the literacy rate increased from 18.3 percent to 65.4 percent. In case of number of universities it increased from 20 to 348; the number of colleges increased from 500 to more than 17625, and the enrollment of students in higher education increased from 2.63 lakh to 99.54 lakh. All these figures show a very good improvement in Indian higher education system. But while comparing India with the rest of the world particularly with

the developed countries it is too small. In order to achieve the position 'Super Power' we must improve the higher education in India in terms of quality and also in terms of quantity. India recognizes that the new global scenario poses unprecedented challenges for the higher education system.

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“Downsizing” on Retainers’ Behaviour

Dileep Kumar M.

Downsizing, in general, refers to the reduction of workforce in an organisation. For employees, downsizing is considered as a 'management weapon' to enforce greater control over the workforce. To management, it is a strategic measure to bring 'optimized operational efficiency and productivity' in organisation. Those employees, who remain after "downsizing," suffer from significant problems. They have greater concern on their future within the organisation. They are faced with the fear of job insecurity. Employees not only have to cope with the emotional trauma, but also with loss of self confidence, self esteem. This paper tries to analyze the effect of downsizing on employees on varied service years within the organisation. This particular study further suggests measures to improve the motivation level of retainers after the downsizing, at various levels in the organisation.

A noted scholar recently assessed downsizing as “probably the most pervasive yet understudied phenomenon in the business world” (Cameron, 1994). As a part of liberalization and privatization policies, many of the Indian organisations are implementing downsizing policies to curb the financial outlay and improve the quality, to become competitive at the global market. Organizations in every industry and sector face an environment of continuous and accelerating change. The organisational members vary in their perception regarding the imple-

mentation of the downsizing policy within their organisation. Research indicates that culture change becomes tougher as organizations become more established and successful. Some have of the opinion that organisational downsizing produce better result in performance and productivity. While, others indicate downsizing as a threat to the human resources and existing organisational culture.



Dr. Dileep Kumar M., Director of Corporate Relations and Training and Professor of Management Studies, Acharya Institute of Management and Sciences, I Cross, I Stage, Peenya, Bangalore, Pin-560058, Email: dr.dileepk@yahoo.co.in

Definition

Downsizing is defined as a deliberate organizational design to reduce the work force that is

intended to improve organizational performance. Cameron, (1994:194) defines downsizing as a positive and purposive strategy: "a set of organizational activities undertaken on the part of management of an organization and designed to improve organizational efficiency, productivity, and/or competitiveness." Downsizing thus defined, falls into the category of management tools for achieving desired change, much like "rightsizing" and "reengineering" (Kozlowsky, Chao, Smith & Hedlund, 1993).

Effect of Downsizing

Pro-arguments

Many researchers are supported with the argument that the downsizing policies improve the organisational productivity and profit. The right sizing contributes to better decision-making and the control of human resource so that the cost of expenditure can be cut short effectively. It develops a value system of proactive work culture where the members in the organisation get opportunity for better participation and involvement in the decision making process. It develops an ownership mentality among members and they shoulder forward an organisation with more collaboration, fidelity, and accuracy.

Downsizing has been defined as an attempt to increase organizational effectiveness (Kozlowsky, et. al. 1993). Freeman & Cameron (1993) and Tomasco (1990) indicate from their findings that the presumed benefits of downsizing include faster decision making, greater flexibility, improvements in quality and increased efficiency and productivity. Another survey profiled in Wall Street Journal found that of the 1005 downsized forms questioned only 46 persons had actually cut expenses, 32 percent had increased profits, 22 percent had increased productivity and 22 percent had reduced productivity. Research has identified that only one-fourth of firms that downsized have achieved improvements in productivity, cash flow or shareholder return investment (Tomasko 1992).

Cameron et al (1991) conducted the most extensive single study of downsizing to date in terms of number of organizations involved, breadth of investigation, and time

span. The authors conducted a four-year longitudinal study of 30 organizations in the automotive industry. Their viewpoint was that downsizing is a necessary and affirmative approach to becoming more competitive and an appropriate response to the disproportionate growth in the white-collar work force over recent decades.

Human Resources Management report indicates that (2001), "This mandatory retirement system (VRS) gives firms a slow but sure way to cut back employment levels through attrition, whereas the call for voluntary retirement is seen as a more proactive way to move ahead with the reorganization of a firm."

"In February 2001 Mazda, the auto manufacturer, announced "Early Retirement Special Program" packages. The packages targeted 1,800 employees engaged in duties not directly related to production who were aged 40 or older, and had been with the firm for 10 years or more. Of these, 350 packages were available to employees aged from 30 up to 40 with a minimum of five years" tenure. In the end 2,213 employees applied for the plan. The company has not revealed how it handled the excessive number of applications or the nature of the incentives it actually offered to those applying for early retirement."

"While the call for voluntary retirement is seen as an unaggressive way of reducing employment levels which can result in solutions acceptable both to the employee and to management, there is concern that firms and the government pay adequate attention to the career development of employees and to their smooth movement through the labour market after taking such retirement."

"In the communications industry, both NTT East and NTT West called for voluntary retirement. Both firms aimed their packages at employees aged 40 or older but younger than 57 who had been at the firm for 10 years or more. They expect a total of 6,500 applicants in fiscal 2000 and 2001. As incentives, they have proposed special retirement payments equivalent to 12 months' basic pay for those who retire in fiscal 2000, and nine months" basic payments for those who retire in fiscal 2001. NTT West announced that it already had 4,000 applicants from two rounds in fiscal 2000 which exceeded the 3,500 initially

planned for the two fiscal years together" (Human Resources Management Vol.40-No.5 May 1, 2001).

Two studies of change at major U.S. corporations - Xerox (Kearns and Nadler, 1992) and General Electric (GE) (Tichy and Sherman, 1994) deal explicitly with culture change. Tichy and Sherman refer to a revolution at GE; part of that revolution, under Jack Welch, was to eliminate almost 170,000 positions. One of the basic assumptions at GE: "The ultimate test of leadership is enhancing the long-term value of the organization. For leaders of a publicly held corporation, this means long-term shareholder value" (p.367). GE turned against the notion of lifetime employment in favour of a stated goal of providing employees with the best training and development opportunities, but only conditional employment. Xerox also resorted to massive layoffs. Like GE, this downsizing was framed within the larger picture of adopting a total quality management culture. Kearns believed that the number one key to success was shifting focus outward to the customer.

Counter Arguments

While many others strongly disagree with those arguments and indicates that it has devastating effect on human morale, motivation, and productivity. Many researches reported that it would develop stagnation, deterioration, low morale, low trust and productivity. The downsizing has more effect on the psychological contract that exists in between management and workers within the organisation. This indicates that the downsizing have more devastating effect on the human resource of the organisation. The fear and anxiety of the retainers of the organisation is more, as there is more uncertainty and insecurity feeling among them. This is called as "retainer"s syndrome."

Psychological Contract and Downsizing

The major issue for those at the receiving end of downsizing-the survivors and the victims concerns. This term as point by Harry Levinson (1962), to describe people"s unconscious choice of an organization to respond to their psychological needs and support their psychological defenses in exchange for meeting the organization"s unstated needs. Brockner, 1992; Sherman

1993 indicate that incase of downsizing, the organization breaks this implicit psychological contract between employer and employee-a contract that implies life time employment in return for hard work and loyalty. As a result, the feeling of dependency that may have evolved into entitlement is transformed into a sense of betrayal.

Morale and Productivity

According to a Director, the Wyatt Company Layoffs, and restructuring have a severe adverse impact on the morale of the surveyors. Indeed 58 percent of the surveyed companies reported that employees' morale was seriously affected (Bennet 1991). Cameron, Freeman, and Mishra, (1993), reported that four-year study of thirty firms in the automotive industry, which revealed that "very few of the organizations in the study, implemented downsizing in a way that improved their effectiveness. Most of them deteriorated in terms of pre-downsizing levels of quality, productivity, effectiveness, and the "dirty dozen," e.g., conflict, low morale, loss of trust, rigidity, scape-goating.

However, research has identified that downsizing may have unintended negative consequences for individuals and organizations (Cameron 1994; Cascio 1993; Kozlowski et. al. 1993). In addition, downsizing is not always effective the first time an organization attempts it. Two-thirds of the companies that downsized had to do it again a year later (Pearlstein, 1994). Henkoff 1990 reported that "according to a survey by a society for human resource management, more than 50 percent of the 1468 restructured firms surveyed reported that productivity either remain stagnant or deteriorated after downsizing stagnant or deteriorated after downsizing. A study by an outplacement firm noted that 74 percent of the senior executives in downsized companies experienced problem with morale, trust and productivity."

Stress and Downsizing

The research clearly shows that organizational downsizing is a strong stress-inducing factor that has a profound influence on the work behaviours and attitudes of the remaining work force. These findings underline the importance of managing interpersonal relations to help employees deal with the stress caused by the increased

level of uncertainty and ambiguity generated by the downsizing process (Gilmore & Hirshorn, 1984; Sutton 1987). Job loss or the threat of job loss which makes for feelings of loss of mastery and control over one's and threatens ones internalized concept of self, seem to be a strong stressor.

Researches results have indicated that many organizations have enjoyed an initial upsurge in productivity immediately after downsizing but then become depressed and lethargic (Appelbaum, Simpson & Shapiro, 1987; Custer, 1994). One consulting firm reported that stop prices of firms that downsized during the 1980s actually lagged before the industry average in 1990s (Baumohl, 1993).

Organisational Culture and Downsizing

It is argued that, ultimately, the most prominent effects of downsizing will be in relation to culture change, not in relation to saved costs or short-term productivity gains. He notes three observations in relation to the impact of downsizing on organizational culture. First, it clearly appears that power has shifted away from rank-and-file employees in the direction of top management/ownership. Accompanying this change is a shift in emphasis away from the well being of individuals in the direction of the pre-eminence and predominance of the organization as a whole. Second, it appears working relationships have changed away from being "familial" in the direction of being more competitive. Third, the employer-employee relationship has moved away (Hickok, 2002).

Further the studies indicate that "A truer and fuller understanding of the forces shaping and thrusting downsizing forward today comes from an appreciation of increased global competition; changing technologies, which in turn are profoundly impacting the nature of work; increasing availability of a contingent work force and shifting balance of power among organizational constituents away from rank and file employees and in the direction of shareholders and the chief executives who serve as their proxy. When we conceptualize downsizing within these broader frameworks, it becomes clear that we are speaking of downsizing both as a response to and as a catalyst of organizational culture change (Fierman, (1994).

Another reason that it is difficult to draw a specific link between downsizing and organizational culture is that

there are many different variations and approaches to downsizing. A distinction has been made between proactive downsizing, which is planned in advance and usually integrated with a larger set of objectives, and reactive downsizing, which would be typified by cost-cutting as a last resort after a prolonged period of inattention to looming problems by management (Kozlowski et. al., 1991).

Cost Reduction and Downsizing

According to a Wyatt Company survey covering the period between 1985 and 1990, 89 percent of organizations, which engaged in downsizing, reported expense reduction as their primary goal, while only 42 percent actually reduced expenses.

While substantiating the above discussion it is pointed out that downsizing for the sake of cost reduction alone has been castigated intellectually as short-sighted and neglectful of what resources will be needed to increase the revenue stream of the future (Hamel and Prahalad, 1994).

Job Involvement and Downsizing

Leana and Flednan (1988, 1990) take a closer look at how employees differ in their reactions with respect to downsizing...financial distress and previous detachment to the job seem to have the greatest negative impact. For the victims of downsizing losing the job often evokes reactions comparable to those experiences with someone close (Greenhalgh and Rosenblatt, 1984; Henkoff 1994).

Feelings of desperation over job loss may even culminate in violence in self destruction, as illustrated by statistics that denote murder in the work place as the fastest growing form of homicides in the United States, with about 40 percent of these homicides followed by suicide (Thornburg, 1992).

Downsizing and Coping

Other researchers have explored possible defensive reactions aroused by the downsizing process. One among common reaction seems to be denial a coping mechanism common to both management and employees in the

downsizing process. It has been suggested that the higher the organizational level, the stronger the denial tends to be (Noer 1993).

Researchers have also found various cognitive coping strategies leading to two different reactions to downsizing: people either resort to denial detachment—thus distancing themselves psychologically from the perceived threat, or show signs of hyper sensitivity, closely monitoring for dangerous signs (Greenhalgh and Jick 1989).

Downsizing on “Survivors”

A stream of research, both laboratory and field, has provided documentation of the harmful effects downsizing can have on “survivors,” these effects have been described in terms of lower morale (e.g., Armstrong-Stassen, 1993), high stress (e.g., Leana and Feldman, 1992), and a “syndrome” marked by anger, envy, and guilt (e.g., Noer, 1993). The perceived fairness of the downsizing is considered a key-mediating variable (e.g., Brockner, 1992), as is the effectiveness of the communication of information (e.g., Bridges, 1987).

Voluntary Retirement System

It is reported that “Voluntary Early Retirement allows eligible employees to retire early. It does not matter whether they are facing involuntary separation, transfer to another commuting area, or immediate reduction in the rate of basic pay. Their retirements create vacancies that can be filled by employees who would otherwise be separated or downgraded” (Edwina Bressette, 2001).

The studies further indicate that “the VRS now gets “implemented,” despite the fine tuning and improvements, in 50 to 60 percent of the cases the initial response is dull and sluggish and the formulators are the schemes spent nervous days waiting for the clouds to part and the sun to shine again. In a number of instances the response is so poor that the scheme is scrapped with the management threatening action as per law (Varma 2000).

Cameron (1994) indicates that “because of the downsizing mania of the last several years most employees at all levels is feeling very insecure about their jobs.” Hemendra K. Varma (2000) stated that “there is a sharp drop in morale, for everybody knows that VRS is an admission of failure and helplessness; this takes its own toll on motivation.”

Gopalakrishnan (2002) indicates that “an unexpected consequence of the VRS- “the Golden Shake hand” – only led to the exit of the more competent employees for whose services there was demand in the private sector. The PSU’s were then saddled with employees who could not gravitate to greener pastures.”

Varma (2000) views that “what is the effect on VRS on people who remain? In one word devastating.”

Rationale of the Study

The pro and contra argument cited in the review of literature clearly indicates that there are differences of opinion in the implementation and benefits of downsizing, within the organisation. Many researchers reported that the downsizing has severe consequence on the human resource of the organisation. It affects the psychological contract between workers and management. It leads to stress and strain among members in the organisation. Hence it is necessary to understand the attitude and feelings of the retainers towards the downsizing and the remaining life at work. This particular research tries to ascertain the attitude of the retainers on downsizing within the organisation.

Methodology

Population and Research Design

The population selected for this particular study is 200 employees of downsized private sector industries in Bangalore. Since the study follows a fact finding methodology, the research follows descriptive study design as its plan of action. The employees from electrical, plant, instrumentation, materials and civil, are considered for the study.

Sampling

The sampling population of this research includes 200

employees of two of the downsized private sector industries in Bangalore. The major departments of technical and administrative areas are considered for the research study. The study covered a population of 200 employees from different service years. The shorter service years belong to 1-10 and longer service years belong to 11-20 years of service. The rationale behind the selection of this particular group is considering their

level of services. They are in the middle years of service having high aspiration towards achievement and advancement in their work life. This research followed the systematic random sampling method representative population. The population belongs to an age group of 30-40. Since the companies selected for the study is having a few female employees, only male members are considered in this research.

Table: 1

	Sampling	LEVEL		Total (N)
		Shorter Service	Longer Service	
Organisations One	Electrical	10	10	20
	Plant	10	10	20
	Instrumentation	10	10	20
	Materials	10	10	20
	Civil	10	10	20
Organisations Two	Electrical	10	10	20
	Plant	10	10	20
	Instrumentation	10	10	20
	Materials	10	10	20
	Civil	10	10	20
TOTAL				200

Objectives

- o To understand shorter years of service and longer years of service retainer’s attitude towards downsizing policy.
- o To analyze the effect of moderating variables on retainer’s attitude towards downsizing policy.
- o To analyze the socio-demographic variations on retainer’s attitude towards downsizing policy.

Hypothesis

- o There will be significant difference between shorter years of service and longer years of service

members in their attitude towards downsizing.

- o The moderating variables may have significant effect on the retainer’s attitude towards downsizing.
- o The socio-demographic variable having significant effect on the retainer’s attitude towards downsizing.

Operational Definitions

- o **Downsizing:** Downsizing is a deliberate organizational design to reduce the work force that is intended to improve organizational performance. Kozlowsky, Chao, Smith & Hedlund (1993).
- o **Feeling of Uncertainty:** The degree to which

members in the organisation feel uncertain about the future of the organisation

- o **Feeling of Job insecurity:** The degree to which members in the organisation feel insecure about the security of job.
- o **Feeling of Lack of relatedness:** The degree to which members in the organisation feel lack of group cohesiveness at work.
- o **Feeling of lack of growth:** The degree to which members in the organisation feel lack of opportunity for achievements and advancement at work

Tool of Data Collection and Reliability

A multidimensional analysis of downsizing effect on organisational members is the primary focus of this research. For the collection of data an inventory was prepared initially involving 16 variables which closely related

to attitude of employees. A factorial analysis was conducted to identify the relevant variable. Out of the 16 variable which closely touch the attitude of employees four variables are thus considered. These variables are Feeling of Uncertainty, Feeling of Job insecurity, Feeling of Lack of relatedness and Feeling of Lack of growth. Accordingly, several stages of empirical research have assessed the psychometric properties of this inventory. These analyses suggest that the seven dimensions have acceptable reliability estimates (Coefficient Alpha ranges from .75 to .85). The four factor structure was also found to fit the empirical data reasonably well.

Analysis and Results

The table No.2 indicates that the retainers of short years of service have high mean score (77.95) in relation to downsizing policy, compared to retainers of long years of service (63.37) in public sector, in this particular research.

Table 2: Mean SD and t-values of Retainer’s with respect to Longer and Shorter Years of Service

Sl. No.	Variable	N	Shorter Service		Longer Service		t	Df
			Mean	SD	Mean	SD		
	Total	200	77.95	11.65	63.37	11.37	4.15**	198

** indicates significance at 0.01 level

Table 3: Mean, SD and t- values of Retainer’s with respect to Longer and Shorter years of Service Different Feelings

Variables	Shorter Service		Longer Service		t-value	Df	P
	Mean	SD	Mean	SD			
Uncertainty	10.94	1.06	3.77	0.56	3.85	198	0.01
Insecurity	22.57	4.12	7.05	1.89	3.99	198	0.01
Lack of relatedness	6.87	0.56	30.83	5.96	2.11	198	0.05
Lack of growth	37.57	5.91	28.77	2.96	3.12	198	0.01
Total	77.95	11.65	63.37	11.37	4.15	198	0.01

The above table No.3 indicates that the feeling of lack of growth and job insecurity have high mean score to retainers of shorter years service (37.57 and 22.57) in relation to the downsizing policy. While the retainers of longer years of service have high mean score in relation to related-needs and growth needs (30.83 and 28.77) in

relation to the downsizing policy, in this particular research.

Major Findings

1. There is significant difference in the short term

and long term retainers in their attitude towards downsizing policy.

2. The retainers of short years of service have high concern towards the downsizing policy compared to the retainers of short years of service.
3. The retainers of short years of service have concern towards the lack of growth and job insecurity related to downsizing policy.
4. The retainers of long years of service have concern towards related needs and growth needs towards the downsizing policy

Discussion

This section incorporates a short discussion on the major two findings of the shorter years service group and longer years service group in the research finding. The finding is in tune with the hypothesis formulated in the research. There is significant difference between shorter years of service and longer years of service members in their attitude towards downsizing.

The finding clearly pointed out the differences in the needs of the shorter years of members and longer years of members in this research. The longer year members are very much anxious about the growth needs and security needs. While the longer year members gives much importance to the related needs and growth needs. The common factor we can observe here in this research is the attitude towards growth needs. The shorter year service members give more importance to their growth needs while the longer years service group gives comparatively lesser importance. The new comers in the organisation have high aspiration towards their achievement and advancement in their life. The members of the shorter year service have high work importance to their career development. This is in correlation with the Herzbergs two-factor theory. Here the shorter year members have high concern towards the motivational needs like achievements, recognition and advancement in their life. The shorter year service members consider the downsizing policy as a threat to their advancement and achievement in their organisational life.

While the longer years members have high concern towards the related needs. Longer the service members

have within the organisation higher the social relationship members have with co-workers. The implementation of the downsizing policy breaks away these bonds that they developed during their past years in the department and organisation and they have to work with different groups and members in the future. The longer year members higher work importance related to the affiliation need is very clear in these findings. Thomas A. Hickok (2002) rightly pointed out in this context that the most prominent effects of downsizing will be in relation to culture change that it appears working relationships have changed away from being "familial" in the direction of being more competitive. The work relationship and work behaviour will be based on the competition and meeting the targets. The impact of downsizing is more at the psychological level to the human resource of organisation. The move shatters the psychological contract that exists between the members and the management at work and work organisation. The finding indicates that the member's affiliation need is affected by the downsizing policy.

The second finding indicates that the members of the shorter years of service give much importance to the job security. This indicates that to satisfy their growth needs they should be able to continue in their job. In the wake of downsizing there are chances that the members will be down graded or transferred to the sister concerns. The transfers affect their family relationship and the exiting work relationship within the organisation. The concern towards better compensation packages in the wake of downsizing also develops high concern among members. The members have to work in tune with the expectation of the organisation in order to cope with the market changes and high competition. The job profile off members also changes, since it is necessary to support the organisation when they face acute competition. The fear towards their job, job profile, working relationship and familial concerns develops deep anxiety and tension among members within the organisation. Brockner (1988) shows clearly that organizational downsizing is a strong stress-inducing factor that has a profound influence on the work behaviours and attitudes of the remaining work force. These findings underline the importance of managing interpersonal relations to help employees deal with the stress caused by the increased level of uncertainty and ambiguity generated by the downsizing

process (Gilmore & Hirshorn, 1984; Sutton 1987). Job loss or the threat of job loss which makes for feelings of loss of mastery and control over one's and threatens one's internalized concept of self; seem to be a strong stressor.

The longer year members also have high concern towards their career growth. The longer year service groups are at senior positions within the organisation. The senior positions area attached with high power, authority, autonomy and prestige. The prestige is more associated with the higher knowledge and skill they have at work. The probability to dilute the authority and power is very high in the wake of downsizing implementation. The members can expect changes in the position and power now they held within the organisation. This indicates that members of longer years of service give higher work importance to their existing privileges and prestige. The fear towards dilution of the roles and responsibilities and the probability for down gradation etc are other concerns in the downsizing implementation process. The senior members consider that their motivational needs like advancement and recognition are at stake in the downsizing implementation process. The high concerns of the longer years, senior level people are then related to member's anxiety towards lack of opportunity for advancement, recognition, feeling of insecurity and relationship at work.

Implications:

1. Feeling of fear, anxiety and tension affects the productivity.
2. Feeling of lack of motivation affects the work performance.
3. Feeling of high stress affects the physical condition of members.
4. Feeling of lack of opportunities affects the work oral.
5. Feeling of uncertainty develops deep insecurity feeling.
6. Feeling of job insecurity develops low commitment and involvement at work.
7. Feeling of lack of support shatters the psychological contract.
8. Feeling of unimportance develops secondary importance to work.
9. Feeling of fear develops high resistant behaviour.
10. Feeling of low affiliation develops alienation and estrangement at work.

Recommendations

To help members in downsizing implementation, more effort on the part of policy makers, practitioners, and organizational management envisaged. The author, there by making a few effort to suggest some effective measures, that can improve coping strategies of employees that lead to better adjustment within the organisation.

They can be detailed as follows:

Ways to accept downsizing in the right spirit

1. Develop strategies to convince the retainers continuously that the decision regarding downsizing was right to great extent.
2. For every reward allocation convince the retainers that this opportunity you got because of downsizing.
3. Continuously remind the employees that they should be thankful to the top management/organizers that they have not chosen closure of undertaking considering employees life.
4. Develop effective plan to meet the needs of the retainers family members also.
5. Conduct attitudinal survey to get the feed back of the retainers to improve the working condition.

6. Make the retainers inform that there is more opportunity for you to get reward as the volume of employees downsized.
7. Engage outside institutions to make the retainers more enthusiastic, positive and soothing of their stress.
8. Do reduce the situational shock to celebrate the occasions of joy and festivals.
9. Through immediate reward develop an employee group to show others as they themselves are beneficiaries of change effort.
10. Develop a vision of future that draws retainers towards doing right things.
11. Practise empathetic leadership than autocratic bossy way of style of management during downsizing period.
12. Take confidence on union members to persuade low performing employees to opt VRS.
13. Make clear the work design by informing the workers new role and responsibilities and workload.
14. Making investment in the form of training and education to the retainers to take up challenges of new work schedule.
15. Management should well prepare to understand the psychological problems of the workers to respond in more empathetic way.
16. Reward system should be associated with cost cutting effort to be encouraged to develop new behaviour.
17. Encourage broader participation in diagnosis and discussion with the retainers to develop a new culture of sharing and empowering.
18. Reduce the number of employees who perform same kind of functions.
19. Merge different departments, which perform almost different functions.
20. Go for flat organization structure cutting across hierarchical levels.
21. Use self-managing teams to carry out functions independently with specific tasks.
22. Considering cost effectiveness prefer outsourcing.
23. Lessen the differentiation at various managerial and operational levels.
24. Give adequate time to adjust with the new changes to the retainers.
25. Concentrate more on productive working populations.
26. Analyze the probability to offer part time jobs to those experienced downsized employees.

Conclusion

Organisational downsizing is common in the wake of globalization, liberalization and modernization process across industries. Managers have to perform more preventive role that curative role in the advent of downsizing or right sizing. The management should be more proactive than reactive in the approach. The above findings lights upon the concerns of the longer and shorter service years members towards downsizing. The author expects to invite adequate attention from policy makers, consultants, trainers, management and men of eminence in the related fields of concerns to draw effective interventions in the said issues. It facilitates better integration among members in the organisation to orient towards productivity if any and business growth. HR has to function here as strategic partners and facilitate more strategic interventions that support mentoring, coaching and counseling is envisaged here.

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Interpersonal Relations and Competence

Kripa Kumar K.S. and Sonny V.A.

The art of Managing People productively and effectively is perhaps the most challenging task facing today's managers. The problem facing today's managers is not lack of experience, energy, intelligence or dedication but neglect of building and maintaining productive relationships with employees and subordinates. Tourism has been identified as the topmost labour intensive activity in the service sector. Though tourism industry is experiencing a spurring growth and a plethora of studies are available on the various aspects of tourism, Interpersonal relations are still an unexplored area of academic research.

The concept of interpersonal relationship, being Central to most peoples lives, has developed as an area of intense research over the years. With rapid

growth of industries and technology, Managing technology has become easier. The art of Managing People productively and effectively is perhaps the most challenging task facing today's managers. The problem facing today's managers is not lack of experience,

energy, intelligence or dedication but neglect of building and maintaining productive relationships with employees and subordinates.

The service sector is gaining increasing importance in Indian economy. Among the service sectors IT and Tourism have become buzz words today. Tourism has been identified as the top most labour intensive activity in the service sector. Though tourism industry is experiencing a spurring



Mr. Kripa Kumar K.S., Research Scholar, M.G. University, Kottayam, Kerala, Email: kskripakumar@yahoo.co.in



Dr. Sonny V.A., Reader, Department of Commerce and Management Studies, St. Thomas College, Round East, Thrissur-1, Email: vasonny@yahoo.co.in

growth and a plethora of studies are available on the various aspects of tourism, Interpersonal relations are still an unexplored area of academic research. Since tourism sector is purely based on human relations and Interpersonal skills, there is great significance to study the various aspects of interpersonal relations.

Kerala Tourism Development Corporation Ltd. (KTDC), being the premier organization in the State Providing tourism related services, is one of the major public sector undertakings in Kerala. India's most idyllic state, Kerala is today one of the most sought after tourist destinations in the world. And introducing the very best of Kerala to the world is the Kerala Tourism Development Corporation, the official Host to 'God's own country.' KTDC is Kerala's largest tourism service provider and has the largest chain of hotels in Kerala. It is the State's premier destination developer with over 70 properties - ranging from luxury resorts to mid-market hotels, motels and restaurants. KTDC offers a comprehensive range of services including package tours at some of its exotic properties, Ayurveda rejuvenation packages and customised tours besides Information centres, Central Recreation Cells.

Considering the peculiar nature of interpersonal relations and communication needed in tourism industry, it is imperative to examine the various aspects of interpersonal relations and competence in Kerala Tourism Development Corporation, being the premier tourism provider in the state of Kerala. For analysing the interpersonal relations and competence in KTDC, various aspects of interpersonal relations and competence such as Bond Creation, Employer - Employee relationship, Organisational climate, Interpersonal skills, Behavioural aspects of employees, Emotional intelligence, Motivational aspects, Communication skills, HRDM practice, Conflict management, Productivity, Organisational effectiveness etc. are taken in to consideration through structured questionnaire.

As a part of Research Design, 42 questions are designed in such a way to analyse the various aspects of interpersonal relations and competence of KTDC. An average of 6 - 8 questions is designed to analyse each and every aspect. Primary and secondary methods of data are used for collecting relevant data. Primary data are collected through structured questionnaire and interview whereas Secondary data from KTDC's annual reports, economic review, book

review and other journals. With the help of five points scaled questionnaire, data and response are collected from the targeted respondents of KTDC through interview and discussions with managers. The sample, which consists of 30 respondents, is further classified in to three levels i.e. top level managers, middle level managers and lower level managers or supervisors based on their positions in KTDC. This is intended to know the attitude and response of each category towards the various aspects of interpersonal relations and to know the degree of Interpersonal relations and competence maintained by them.

The data collected through the questionnaire are processed by using the statistical tools such as tables, charts, arithmetic mean and testing technique of chi-square to test the independence. The following part of this report makes a brief study of sense of the respondents of this survey.

Organisational Climate is some what like personality for a person. Organisational climate conveys the impressions people have of the organisational internal environment with in which they work. With regard to the internal atmosphere - friendliness and cordialness of KTDC are concerned, most of the respondents, irrespective of category, are not fully satisfied. Management rarely discusses the new ideas with subordinates and the employees are strongly dissatisfied with this state of affairs existing in the concern. The Management and co-workers 'sometimes' overwhelm the person who suggests new ideas. Most of the middle and lower level managers are of the opinion that top level managers do not praise the subordinates who suggest innovative ideas. They think that management does not provide the platform for employees to express their opinions, views and feelings frankly in the meetings. Most of the respondents irrespective of category want their subordinates/colleagues to be sincere and honest and have a co-operative mind for the growth of the organisation. They think that environment at the workplace has a direct influence in the motivational level of employees and the productivity of the organisation.

To survive on the job, to get co-operation of others and be successful, depend upon how we relate with our colleagues. Co-operation is the key to any human interaction. Co-operation brings harmony of relations and happiness and improves productivity. Most of the

respondents irrespective of category opined that managers or staffs are friendly and approachable only to the similar category of staff. Most of the lower level managers are of the opinion that their superior managers have the ability to meet mutual expectations, develop trust and to influence the subordinates but most of them do not have the initiative in doing so. Survey shows that managers and employees are not fully honest, sincere and co-operative in their dealings with the staff. They are of the opinion that Managers

are reluctant to spend enough time to help their subordinates or peers to develop their skills. Most of the respondents are of the opinion that Managers/ Superiors do not allow subordinates or employees to challenge their views and to question the organisation norms, policies, rules and objectives. They also opined that managers/superiors abstain from praising subordinates even if they desire it and do not mingle freely with them.

Organisational Climate

	Good	Satisfactory	Unsatisfactory
Top	18	24	48
Middle	16	17	57
Lower	17	27	46

Null Hypothesis (Ho): Organisational Climate has a direct influence in the Motivational level of employees and the productivity of the organisation.

Alternative Hypothesis (H₁): Organisational climate has no direct influence in the Motivational level of

employees and the productivity of the organisation.

$$\begin{aligned} \text{Test Statistic} & : \text{Chi - square Test} \\ \text{Chi - Square} & = \frac{(O - E)^2}{E} \end{aligned}$$

Observed values	18	24	48	16	17	57	17	27	46
Expected Values	17	22.67	50.33	17	22.67	50.33	17	22.67	50.33

Calculated value = 3.81

Tabled value $\chi^2_{24} (0.05) = 9.49$

Since computed value of chi-square is 3.81 which is lower than that of the tabled value of 9.49, falls in the acceptance region. Hence accept the null hypothesis ie organisation climate has a direct influence in the motivational level of employees and the productivity of the organisation.

On the basis of the analysis of data and interpretation drawn, from the following suggestions are arrived at:

1. Internal atmosphere of the organisation has an important role in creating organisational climate.
2. Management necessarily has the readiness to discuss new ideas with subordinates and praise them who suggest innovative ideas.

3. Management should provide the platform for employees to express their feelings and reactions frankly themselves or in meeting with the management.
4. Environment at the workplace has a direct influence in the motivational level of employees and the productivity of the organisation.
5. Managers will have the ability to meet expectations, develop trust and to influence the subordinates.
6. Managers will show the readiness to help their subordinates or Peers to develop their skills.
7. Subordinate or Colleagues are to be sincere and

honest and have a co-operative mind for the growth of the organisation.

8. Managers or Superiors have the readiness to praise subordinates if they deserve it and to mingle freely with them.

Human resource is considered to be the most important asset in an organisation. Employees feel committed to their work and the organisation if the organisation develops a feeling of 'belonging' in them. Employees are likely to have a feeling of 'belonging' in them if the organisation adequately cares for the satisfaction of their basic and high order needs. It is every manager's responsibility to ensure the development and utilisation of the capabilities of his subordinates, to create a healthy

and motivating work climate and to set examples for subordinates to follow. With regard to the identification of the capabilities and potential of the employees and better utilisation of it for the progress of KTDC are concerned, the employees are not at all satisfied. They are of the opinion that, management should provide the platform for employees for personal improvements/growth. Most of the respondents irrespective of category are of the opinion that management should give due attention to the Fringe benefits and social welfare of its employees. They are of the view that, in this fast changing world of competitive environment, management should give due importance to the human resource development activities for achieving organisation's success.

Human Resource Development Activities

	Good	Satisfactory	Unsatisfactory
Top	12	24	54
Middle	15	29	46
Lower	14	18	58

On the basis of the analysis of data and interpretation drawn, from the following suggestions are arrived at:

1. KTDC Management should try to identify the Capabilities and Potentials of employees and must be utilised for the development of the organisation.
2. Management has to provide the platform for subordinates/staff for personal improvements and growth.
3. Management has to give due attention to the Fringe benefits and social welfare of its employees.

Interpersonal skills become paramount importance in Management of an organisation. It is easy to manage technology, but difficult to manage people. Most of the lower level managers of KTDC are of the opinion that, Superiors are reluctant to help their subordinates or Peers to develop their skills. They think that Managers or Superiors should treat others in the organisation with respect and to understand the viewpoints and interests of subordinates. They are of the opinion that Managers or Superiors should have the readiness to share knowledge with others and

should have enough time in interacting with others. Most of the respondents irrespective of category are of the view that everyone should have an open mind in receiving suggestions and ideas from others. Respondents belonging to the lower and middle level managers are of the opinion that managers should develop necessary interpersonal skills in dealing with colleagues and subordinates. They think that interpersonal relations have a direct relation to the productivity and efficiency of the organisation. By maintaining good interpersonal relations with the staff, productivity and organisational effectiveness can be increased. They are of the opinion that superiors or managers are not successful enough to engage in mutually helpful relationships. They opined that managers should be able to maintain co-operation, social skills such as affiliation, inclusion and control.

No organisation can exist without communication among its employees. Communication serves four major functions with in the organisation, such as control, motivation, emotional expression and information. Research indicates that the most cited source of

interpersonal conflicts is poor communication. So it is necessary for an organisation to understand communication thoroughly and improve the process to develop better interpersonal communication, interpersonal relations in the organization. The building blocks of interpersonal communication affect the performance of an organisation. The survey shows that there is communication channel exists in KTDC between management and employees. But they think that existence of a strong and effective communication

channel helps the management to meet the organisations objectives and expectations. Most of the respondents feel that employees or managers have communication problems when dealing with customers, employees etc. They think, a strong communication channel is necessary to express their ideas, thoughts, opinions, feelings, frustrations etc.

On the basis of the analysis of data and interpretation drawn, from the following suggestions are arrived at:

Interpersonal and Communication Skills

	Good	Satisfactory	Unsatisfactory
Top	14	20	56
Middle	13	25	52
Lower	12	16	62

1. Managers or Superiors have to show the willingness to treat lower category of employees with respect and to understand the viewpoints and interest of subordinates.
2. Managers or Superiors should have the readiness to share knowledge with other staff and to find enough time in interacting with them and have an open mind in receiving suggestions and ideas from others.
3. Managers have to develop necessary interpersonal skills in dealing with colleagues and subordinates.
4. Interpersonal relations have a direct role in increasing productivity and efficiency of the organisation.
5. Managers are able to maintain co-operation, engage in mutually helpful relationships and have social skills.
6. A strong communication channel in necessary for the employees to express their ideas, thoughts, opinions, feelings, frustrations etc.
7. The informal interaction between the management of KTDC and the employees must be enhanced for the smooth functioning of the organisation which will help to enhance the productivity and efficiency of the organisation.
8. Management should give due attention to overcome the communication problems when dealing with

customers, employees etc. and to develop better interpersonal communication.

Emotional intelligence is very important for a person to succeed in Modern organisation. Emotional intelligence is the capacity for recognizing one's own feelings and those of others, motivating oneself's and managing emotions well, in oneself's and in one's relationships. Managers deal with people. They need to manage their emotions and that of others in order to be effective. Majority of the respondents are of the opinion that Managers/superiors have only limited level of emotional intelligence.

Today's challenge for a Manager is not technology management, but management of human resources. Those who can understand the human behaviour and human nature can adjust and manage the organization better. Those who can handle human resources and develop improved human relations will be successful managers. Majority of the respondents irrespective of category are of the view that behavioural aspects of employees/managers have a great role in maintaining Interpersonal relationship. They think that understanding of human behaviour is fundamental to the success of both the individual and the organisation as a whole.

Emotional Intelligence

	Good	Satisfactory	Unsatisfactory
Top	18	24	48
Middle	12	26	52
Lower	18	28	44

On the basis of the analysis of data and interpretation drawn, from the following suggestions are arrived at:

1. Managers have to develop higher level of emotional intelligence to deal with their own emotions and that of others.
2. Understanding of behaviour of employees is necessary for the success of both the individual and the organisation as a whole.

All behaviour is motivated towards some goal. A motivated and satisfied work force contributes significantly to achieve the objectives of the organisation. So motivation is the process by which behaviour is energized and directed. Most of the respondents belonging to lower level managers are of the opinion that top officials of KTDC are reluctant to keep promises or commitment towards employees and their needs. They are of the view that good working environment and good salary packages helps in motivating the employees which further helps in maintaining good relationship with the

management. Majority of respondents irrespective of category are of the opinion that motivated and satisfied workforce resulted in improved Interpersonal relationship and to achieve the objectives of the organisation.

An organisation is said to be effective only if it is able to achieve its goals. The factors which determine the effectiveness of the organisation are communication, creativity, employee, customer satisfaction, morale etc. An organisation is likely to be more effective if there is two way communication and employees are co-operative and have better perception of the organisation so that employees have higher job satisfaction and feel committed to the organisation. Majority of the respondents irrespective of the category are of the view that good working environment and good salary packages help in motivating the employees which further increases the productivity of the organisation. Top level managers are of the opinion that employees or subordinates of the organisation express initiative in their work and are optimistic and deterministic.

Organisational Effectiveness

	Good	Satisfactory	Unsatisfactory
Top	16	28	46
Middle	14	24	52
Lower	17	24	49

On the basis of the analysis of data and interpretation drawn, the following suggestions are arrived at:

1. Management has to keep promises or commitment towards employees and their needs.
2. Good working environment and good salary packages helps to motivate the employees which

helps in maintaining good relationship with the management and increase the productivity of the organisation.

Interpersonal conflicts occur in all organisations in varying degrees and are natural part of social relationship. It will be found whenever there are dealings with people. The

Dealing with Interpersonal Conflicts

	Good	Satisfactory	Unsatisfactory
Top	13	15	62
Middle	12	24	54
Lower	15	22	53

problem lies not in the existence of the conflict but in the management of the conflict. Managers need strong negotiation strategies to deal with conflicts. Survey shows that most of the Managers or Superiors are not fully successful in identifying the problems of subordinates, negotiating effectively, making decisions and helps in problem solving.

On the basis of the analysis of data and interpretation drawn, the following suggestions are arrived at;

1. Managers or Superiors should have to identify the problems of subordinates, negotiating effectively, making decisions and helps in problem solving.
2. Managers have to spend enough time to solve employees' grievances, problems and conflicts.
3. Managers should have a balance among authority, responsibility and accountability to manage conflicts.

Kerala Tourism Development Corporation, (KTDC) being the largest tourism service provider in the state, with its activities centred around human relations and interpersonal skills has a direct influence towards the attainment of customer satisfaction and organisational goals. Since managers deal heavily with various categories of employees, their success depends upon their ability to understand interpersonal problems and deal effectively with them. Many managers try to keep the interpersonal problems out by ignoring them but these problems appear in subtle forms such as lack of motivation, less productivity, lack of organisational effectiveness, communication problems, interpersonal

conflicts etc. Understanding of the vast interpersonal underworld becomes a necessity that operates beneath the observable behaviour.

Interpersonal relations have an important role in improving the efficiency of Public Sector undertakings. Interpersonal relations help to create a work environment where employees can use a greater portion of their latent potential to achieve organisational goals. This does not mean that there are no conflicts between the achievement of organisational goals and the attainment of individual satisfaction. Interpersonal conflict at work place is inevitable. Interpersonal relations help to allow the intelligent and creative resources of employees to be applied to the resolution of the many conflicts that occur in the organisation. The operational effectiveness and development of Public sector undertakings will very much depend upon the human relations existing in the organisation and the utilization of these resources by maintaining relations among the employees and providing better motivation for achieving work.

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Skimming and Scanning

Book Title : *The Simplicity Survival Handbook*
32 Ways to do Less and Accomplish More

Author : Bill Jensen

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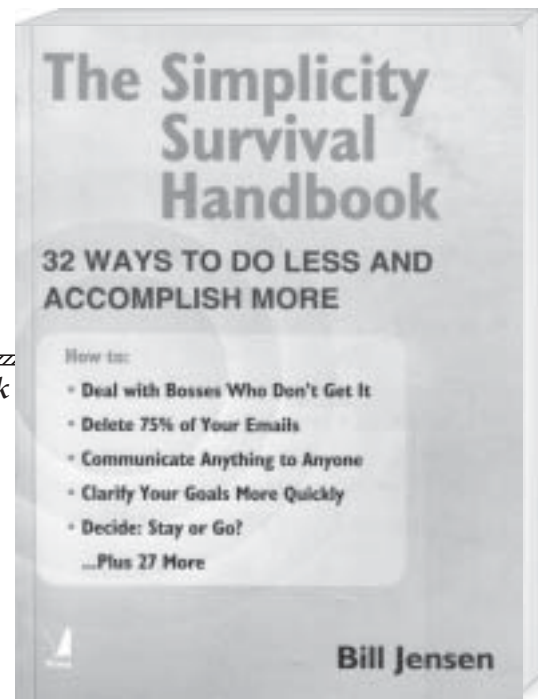
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In *The Simplicity Survival Handbook*, 32 ways to do less and accomplish more, Bill Jensen offers step-by-step techniques on how to do less and still help you to keep your job and thrive. It is highly readable, with a pleasing layout of text and graphics. Crack the book open and you will immediately see how it is different from other business books, which waste chapter after chapter, describing and defending a theory and finally getting on to the how-to at the end. This book gets down to business quickly. You will realize very soon that much of what you do during your day is superfluous. There's too much silliness, noise and crap coming at you and you want a shut-off-valve. You want to make more of a difference, working on only what truly matters.

Jensen has come up with 32 ways to cut down on the unnecessary things you do each day, and has boiled them down into three sections: Daily Rituals, Career

Milestones and Leader Essentials. In each, he provides a series of "How to-s" such as "How to Ignore Most Corporate Communications," "How to Delete 75 percent of your Emails," "How to Go to Fewer Meetings and Get More Out of Them," "How to get Better Budgets with a Lot Less Effort," "How to Fix Performance Management," "How to Spot Tomorrow's Great Places to Work," and so on. In all these sections Jensen offers proven strategies for communicating more effectively, setting priorities and balancing the competing demands on your time, while avoiding the time-sinkers.

Each of us has only 1440 minutes in a day. Use them wisely and respect others' 1440. This book provides the reader with a bag full of workplace tools and concepts to manage better time and attention-both our own and the people we work with. As such, the book will be of value to any Employee, Manager Executive or Professional who is challenged to



This book was reviewed by Dr. Mary Fatima Cross, Professor, Business Communication, SCMS School of Technology and Management (SSTM), Prathap Nagar, Muttom, Aluva-683106, Cochin, Email: Fatima@scmsgroup.org

figure out how to balance finite time and attention with infinite information and choice.

You may be ready to take on your whole company and engage in full-scale “push back,” but implementing even one idea from this book, could do a world of good for you, your job and your career, while helping your company as well. The format is brilliant. Because of it, readers can make their own “mini-book,” read what interests them, and begin to apply it. For example, you get too many messages from the outside of your team and your department, therefore you can’t pay attention to all the information about your company that you are supposed to know, there is simply not enough time. To fix it, find out the two essential points in your messages—any action that you must take and the deadlines for these actions. If the message contains neither actions nor short-term dates, ignore it, or delete it. Regarding how to write shorter emails for better results, Jensen states, voice messages are constrained by time and emails by space. You must capture someone’s attention, connect with them and help them to act, all that in 3"x5." Otherwise you will become part of their 75 percent deleted messages. In “How to do Less and Still Deliver an Awesome Presentation,” three tools for cutting through clutter and competing on clarity are strongly recommended by Jensen— Know, Feel, Do - What do I want people to know, how do I want people to feel, and what do I want people to do?

This “how to” guide is a must-read to manage workplace complexity and it delivers on-demand answers for a more-better-faster world of work. He also walks you through how to be more productive and take greater control of your work time and by extension, your life.

The 32 chapters are in bites; you can easily devour in short sittings. But still Jensen’s advice is, if all of the material is not relevant to a given reader’s immediate needs, let him pick out three or four chapters that scream at him and follow the steps in those respective chapters. It works equally well for executives, managers and worker-bees. Best of all, it is not tied to some product or technology. You can apply all the tools in ways that will work for you. Another interesting fact is, the author, even encourages readers to skip to the

“Do-Less Toolkit” at the back of the book, which distills every chapter into quick-read summaries of the tools, you should be using in your world of work, and to save even more time by not reading the book—Great Idea.

Each of the regular chapters is introduced by 3 “Less-O-Meters.” These graphical gauges give you an “at a glance” reading on how much courage you will need to put this tip in place, how difficult it can be and the possible yield to your productivity and happiness, on a scale of 1 to 10. The author had asked 260 people over a course of six months to evaluate test and the contents in the book. Then he asked them to rate each rule on the three criteria. The rating provided is the average of the ratings of all the 260 people.

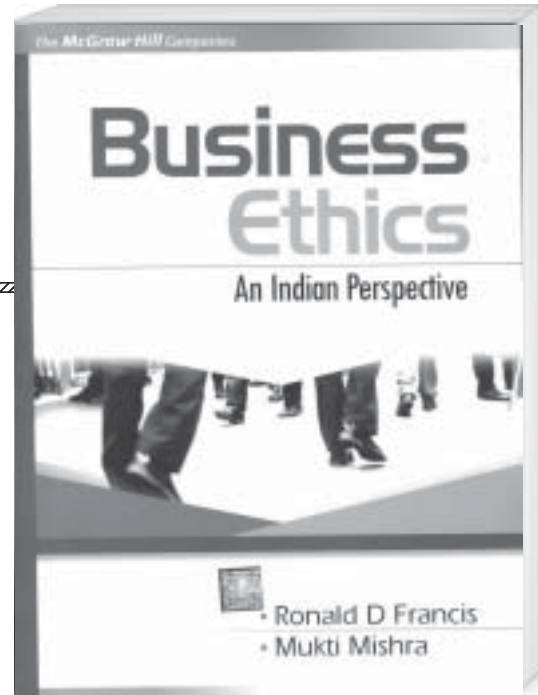
Jensen’s techniques were developed over the course of a decade long research project and he frequently directs readers to the web site of his Change Consulting Firm for additional info. His concise presentation, with even more concentrated substance – lays everything out perfectly the first time. Moreover the book uses pleasantly different fonts and sizes. It is also filled with drawings—often funny and explanatory diagrams of all kinds.

The Simplicity Survival Handbook thus leads you to a level of how to complete critical tasks in a modern business organization with a minimum of time, energy and politics. Jensen shows no mercy, in finding ways to circumvent or eliminate everything in your working life that gets in the way of getting the most important things done. Bill Jensen’s concentration is on the work place and on what can be done to make the work environment and experience more effective to attract, optimize and retain top talent. In short, this is one of the best books that deal with the challenges of work in these hyper-turbulent times.

Bill Jensen is President and CEO of the Jensen Group (www.work2.com). Founded in 1985, this Change-Consulting Firm has helped clients to apply the principles of simplicity to business management and work design. He lives in Morristown, New Jersey.



Skimming and Scanning



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The authors make a reasonable attempt to provide a broad justification for ethics and its importance in business. An argument is made for corporate social responsibility and its linkages which are traced to business. The money issues involved in ethics are detailed in Chapter 2 and try to justify the cause of ethics in containing what is termed as social excesses. There is an effort to discuss the organizational and social causes of ethics and its varied manifestations. The conceptual basis for ethics and the dividing line between morals in various socio-cultural contexts and ethics have been discussed. The intricacies and interlinkages between ethics, morals and law are debated in some measure in Chapter 6.

Ethical dilemmas are discussed with case studies and they are approached in a process mode. However the context and scope of such dilemmas are limited. The question of fostering ethics is also

discussed by the authors but in a broader sense, thus making the discussions very general. The reasons outlined are arrived in a theoretical plane bereft of practical modern day demands. About 20 different cases are provided. They can at best be called caselets and provide reasonable insight to a beginner in the subject. However resolving cases involving ethical dilemmas is often tricky and very troublesome and may not be as easy as times it is made to appear. The various challenges in balancing corporate social

responsibility is touched upon with some examples. However details pertaining to the complexities and the changing horizons and yardsticks in various socio-cultural politico contexts would have provided more depth to the subject dealt with.

The author proposes a model code for business conduct. The positive thing is that this is a good attempt but there is room for improvement as code for business conduct can



This book was reviewed by Dr. Ram Mohan R.,
 Director - Research and Training, SCMS-COCHIN
 Prathap Nagar, Muttom, Aluva-683106, Cochin
 Email: rammohan@scmsgroup.org

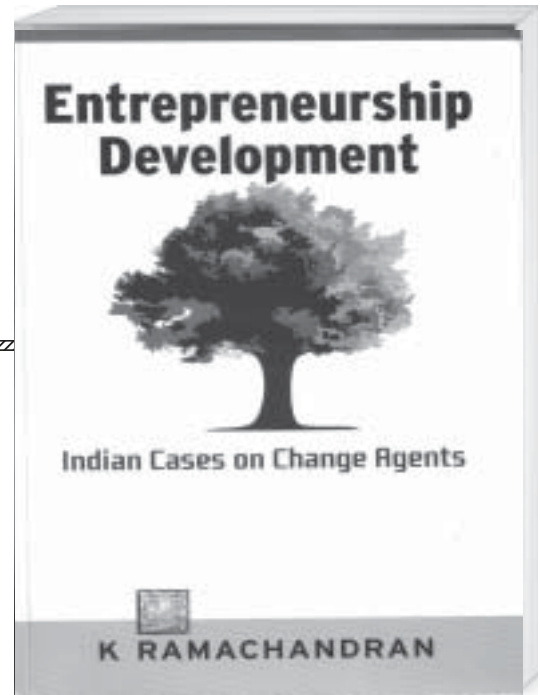
be interpreted based on the socio-cultural politico-legal frame work of societies. Three case studies made at the end of the book made interesting reading. A detailed bibliography is presented. The

practice of providing summary and the opportunity provided to gauge ones progress through multiple choice could reassure the progress of an avid learner.



Skimming and Scanning

Book Title : *Entrepreneurship Development*
Author : K.Ramachandran
Edition : 2009
ISBN-13 : 978-0-07-024887-8
Pages : 257
Publisher : Tata McGraw-Hills Publg. Co. Ltd.,
 New Delhi.



India today is undergoing an extraordinary transformation at an unprecedented rate of change, driven mainly by its entrepreneurs. A silent revolution is taking place in various parts of our country, in factories, in work places and in academic institutions. Emergence of an entrepreneurial spirit is seen everywhere, not only among the business executives, but among the engineering students, B-school graduates and even High school students. What is the reason for the sudden spurt and the new interest in the country for entrepreneurship? As observed by Klaus Schwab, President and Founder of the World Economic Forum, Indian companies that had earlier enjoyed protected markets have now adapted well to the opening up of the economy, moving from a management style rooted in a protected environment to one that is focused on exploiting global competitiveness.

In a recent study commissioned by 'Teamlease – MBAUniverse.com'

about the career aspirations of the country's elite MBA students, 82 percent of the final year students said that they are considering to become an entrepreneur sooner or later. If this is so, it is a great change that is happening among our youth today. What is surprising is that only 14 percent amongst them do not have the idea of entrepreneurship in their minds. Inspired by the Narayana Murthys and L. N. Mittals, Indian MBA students and IITians are today willing to forgo fat salaries and overseas jobs in pursuit of entrepreneurial dreams. No doubt, industry sees this attitudinal change among professionals as a big milestone.



This book was reviewed by Dr. George Sleeba, Chairman and Managing Director, Fertilisers and Chemicals Travancore Ltd., Udyogamandal Division, Eloor, Udyogamandal-683 501, Kochi, Kerala, Email: sleeba@factltd.com

The change of a cultural inclination towards entrepreneurship in the new generation has been fuelled, to a great extent by several entrepreneur networks such as The Indus Entrepreneurs (TiE) and the National Entrepreneurship Network (NEN). Today there is a strong realization that Entrepreneurs play a vital role in economic development as key contributors to

technological innovation and new job growth. Realizing both the economic and social impact of entrepreneurship, many states and local communities have implemented aggressive strategies aimed at cultivating and nurturing entrepreneurs. There is a need to complement these efforts by entrepreneurship education. As the new breed of entrepreneurs have to come mostly from our educational institutions after graduation or later, these institutions have to sow the seeds of entrepreneurship that would germinate over the years. But the question is, to what extent our educational institutions are equipped to take up this responsibility? The absence of the right type of teaching materials, especially real-life case studies drawn from business experiences from within the country adds to the problem.

The book *Entrepreneurship Development – Indian cases on Change agents* by Prof. K. Ramachandran is a major contribution to fill this gap. It is a collection of 16 cases in the Indian scenario that presents how entrepreneurs as ‘agents of change’ have contributed to economic and social development in different parts of the country while striving for realizing their cherished dreams. The Society of Entrepreneurship Educators (SEE) has selected these case studies through a national level competition. The cases discuss how the entrepreneurs spotted their business opportunity and went about building up their business, the strategies adopted during growth stages and the emerging challenges that they expect to meet in future. No doubt, it provides a rich source of material for classroom discussions and for developing insight into the process of entrepreneurship.

The cases in the compilation are different in terms of the nature of businesses involved, present phase of the firm in the business cycle, the challenges faced and the strategies adopted to overcome the challenges. The cases are presented as an assorted compilation, numbered serially from 1 to 16. Switz Foods(1) and Foster Foods(14) are cases that focus on Manufacturing and distribution area. Subhiksha(12) represents the Retail chain business and its emerging challenges. From Stabilizer to Theme park (13) is the case of a diversified business engaged in manufacturing, outsourcing and theme parks. Mahesh Edible Oils (4) is a traditional family business involved in trading and manufacturing. Fact-Tree

Global solutions (10) describe the experience of a software company that has grown to become multinational. Innovation in education systems is the theme of two cases- Future Kids Schools(5) and WIMI Long Duration Executive Education(16). Two cases are examples of social entrepreneurship- The Banyan(2) and Parivaar(11). There is one case in the area of design and marketing services titled Design Studio(3). Two cases- Mess to Restaurant(6) and Nishotech Systems Pvt Ltd(9) – are examples of entrepreneurs who use the knowledge and experience gained by working with other organizations to start a related business on their own and make it into success. The Knowledge Company(7) and Emerging Trends in Outsourcing-eClerk (8) are cases that share the experiences of organizations in the IT area of Knowledge Process Outsourcing. These sixteen cases are presented following a general framework that starts with the genesis and growth of business, the challenges faced and how they were successfully overcome. Some cases present the dilemma of the entrepreneur at the maturity phase of business, when they are required to think of new strategies to sustain the growth momentum. Some others present an overview of how the tools for organization analysis such as SWOT can be effectively used at various stages of business for assessing the current business scenario and for developing appropriate strategies to take the business forward. In general, these cases are intended to provide the necessary inputs for developing entrepreneurs and for gaining more insight into the content and process of entrepreneurship.

The sixteen cases in the compilation provide variety in terms of content also.

The case of “Switz Foods Private Limited”(1) is a detailed account of an entrepreneurial organization in Kolkata, that had adopted a strategy of innovation at all stages in the supply, processing and distribution chain, to move closer to the customer and for meeting challenges on a continuing basis. The case of “Banyan”(2) is the story of a non-govt. voluntary organization in Chennai established by two socially responsible women with limited resources but with remarkable idealism, compassion and determination for helping and rehabilitating mentally ill/ destitute women. The Case on “Aadharshila Design Studio”(3) deals with a Design and marketing consultancy

services firm set up by a marketing professional with MBA, who ventured out to establish a business of his own and make it a success, turning down his campus recruitment offers. The entrepreneur is now at the cross roads, not sure of the direction he should take and the strategies to be adopted to lead his business to further growth.

“Mahesh Edible Oil Industries(4) is the case of four brothers who carried on with their family business of trading mustard seeds, established a downstream Oil mill and made it into a success by adopting competitive strategies in procurement, production, finance and sales, following a SWOT analysis at various stages. “Future Kids School(5) deals with an institution started by a Post Graduate in Child Development, who differentiated her school from the rest by offering education as “a child would want it.” Mess to restaurant”(6) is the success story of an employee of a hotel who had ventured to become an entrepreneur by taking up a small contract for running the mess for the students of a management school and then grows his business to establish a chain of restaurants.

“The Knowledge Company”(7) is a case study of a marketing Research Company started by three management graduates, who after finding it difficult to keep pace with the high-tech business environment, carries out a SWOT analysis, evaluates various options and finally decides to get into the new emerging field of Knowledge Process Outsourcing. “Emerging trends in Outsourcing–eClerk (8) is a case of a BPO company adapting itself to the rapidly changing Knowledge Process Outsourcing sector and growing its business in the new area using technology and software capability as their key differentiators. “Nishotech Systems Pvt Ltd.”(9) is a case of two chemical engineers who spotted an opportunity while working in a firm that imports water filter systems, to indigenously develop the item at lesser cost, acquires specialized training in the field, quits their job and starts a new company, expands their business with focus on effective vendor management, project planning and execution and finance management.

“Fact – Tree Global solutions”(10) is the case of a small software services company started by four aspiring entrepreneurs which had grown into a multi-national

company in a period of 17 years with presence in 45 countries, to become one of the top IT players in the world taking advantage of the emerging new concept of outsourcing in the 1980s, with customer focus as the core driving principle. Case (11) is an account of the genesis and growth of a home for the destitute established by an Engineering graduate from IIT Kharagpur and a post-graduate in management from IIM Kolkota, who turned to spirituality and find solace in serving the community by establishing a family for the destitute children called “ Parivaar.” “Subhiksha”(12) presents the growth of a Retail Chain from a single outlet in Chennai to become the largest chain of supermarkets and pharmacies, by following a ‘low cost and no frills’ branding strategy to establish the firm as one that cared for its customers and ensured the best deals and savings.

Foster Foods(14), is the story of a Keralite working in Abhudhabi, who wants to start a business in Kerala and establishes a Biscuit manufacturing company roping in a few of his friends for equity participation. The case deals with the start up, growth and maturity phase of business along with the ordeals the entrepreneur had to face in a not-so investor friendly state like Kerala. “Navnirmiti”(15) is the story of an NGO involved in a different type of social programme of taking the underprivileged children to the world of education by enabling them to master mathematics and science skills through innovative tools and methods. What is of significance is that these new tools and methods developed for the underprivileged children from the slums were embraced by prestigious public schools also, proving the point that imparting quality education to the masses is possible at ‘low cost, no cost’ if we are innovative.

Out of the Sixteen cases, two cases stand out from the rest in terms of their content, presentation and scope they offer for class room discussions and for capability – building in students. One is the case titled “ From Stabilizer to Theme Park(13) “ by Prof. K. J. Paulose and Prof. Ranjan Varghese. This case presents the story of a young Engineer from an agricultural family, who had ventured into starting a voltage stabilizer unit in a small way, by capitalizing on his experience of working in an electronic manufacturing firm and later, by sheer hard work, dedication and strong ambition, expands his

business with related products, diversifies into other areas and finally into the business of Amusement Parks. During this period of growth and diversification, the company had transformed from a partnership firm to a proprietary firm and to a private limited company, getting his family members also involved through the business journey. The case describes the genesis, the development phase the growth, diversification phase and the challenges and breakthrough which the company had faced in its journey. The organizational evolution and the restructuring carried out, the establishment of the supply chain management system and the marketing and promotional strategies adopted by the entrepreneur, the financing pattern followed and the management style that nurtured entrepreneurship within the organization are explained in detail. This case is different from others in as much as it makes a critical analysis of the structure, processes and strategies followed, and how the entrepreneur had succeeded in placing innovation as a center of all management processes. The case ends with the emerging challenges, in a scenario of the older products entering the maturity phase and the profit margins getting strained. There are a number of questions that come to the readers mind as to the factors that contributed to the success of the entrepreneur, the effectiveness of the strategies adopted in the past and whether the same strategies are going to take the company forward in future as well. There are enough opportunities for an in-depth discussion by relating theoretical concepts and frameworks with its application in real-life situations.

The other case of interest is "WIMI Long Duration Executive Education"(16) by Ranjan Das, Raveendra Chittoor and Sougata Ray, that deals with the changing face of management education in the country and how a corporate executive-turned visiting professor in one of the prestigious management institutes in the country could spot an opportunity in Long Duration Executive education and make it into a success, while all others were still competing with the run-of-the mill type short duration MDPs. The Liberalization of Indian economy in the early 1990s had brought challenges to the Govt-funded management institutions in the country to sustain themselves, by being self-reliant in terms of finance. This is a case on how such challenges can be met by developing and implementing innovative and effective

strategies that make competition irrelevant. This is also a good example of how the 'Blue Ocean Strategy' coined by Kim and Maughm could be used to gain competitive advantage in a situation where the existing market space is crowded with a number of players who are competing with each other and undercutting their price to grab a bigger share of the total pie. The case demonstrates that new ideas and innovative ways of working can be implemented in govt-controlled bureaucratic academic institutions also, if the process of change management has been undertaken with proper planning and executed with close monitoring. It further shows that the strategies like market segmentation, product differentiation, innovative systems of delivery and branding are relevant for academic institutions also as in industries, to ensure its survival and growth. It also points to the likely problems that could arise due to sole dependence on one man for the success of the programme and the need for institutionalizing the knowledge and skills to ensure that the success continues in future and does not remain person-dependant.

One aspect to be mentioned in this context is that all the cases deal mostly with success stories only and do not elaborate on the failures, that are quite natural in an entrepreneur's business journey. To that extent, these cases limit our thinking and learning to success factors in entrepreneurship. But, experience shows that there are more lessons to be learned from failures than from success stories. In fact, discussions and deliberations on the experiences of companies that had failed, the reasons for their failure and how they learned from their experiences and made a come back, provide valuable inputs in the study of entrepreneurship. After all, success in entrepreneurship is measured not only by how many times the entrepreneurs have faced successes in their ventures, but on how they could avert a failure or how fast they could bounce back after the failure and take charge of the situation. Inclusion of such cases and experiences of entrepreneurs who have dealt with such failures without losing enthusiasm and have converted such setbacks into opportunity would have been a valuable addition to this compilation. Another aspect to be mentioned is that there are no cases dealing with turnaround experiences, or about such turnaround heroes who have reinvented or rebuilt their companies from a

stage of sickness, or considered as written off. I feel, as Winston Churchill remarked, "Success is moving from failure to failure without losing enthusiasm" should be the guiding spirit of entrepreneurs in the present dynamic business environment. Ability to face failures without losing enthusiasm and learning from those failures are important qualities for successful entrepreneurship that should be discussed as an essential part of entrepreneurship education.

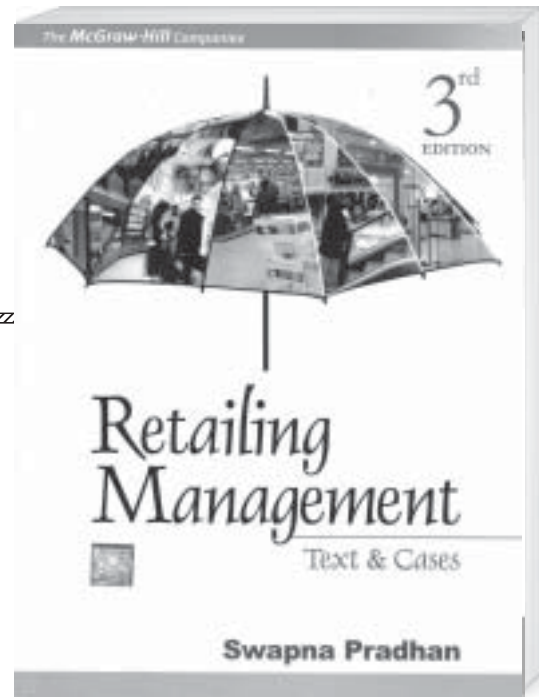
As Prof. Ramachandran, the Editor of this volume mentions in the introductory chapter, cases are not an end in themselves and are only vehicles to reach an end. Each case has one or more central themes. The impact a case can create and the value addition it provides to the students will depend on selecting the right cases from the compilation, keeping in mind the core purpose of facilitating development of the desired capabilities. The entrepreneurial journey begins with developing an attitude for entrepreneurship, by which they spot opportunities. As the business moves to the growth and maturity stages, the skills required to manage the venture are different. As

the business grows, the organizational processes also become complex. At each stage, the entrepreneurs need the right skills and knowledge to think strategically, critically analyze the internal and external business environment, evolve alternatives and choose the right option in the given situation. These phases demand lot of analytical thinking also. It is hoped that the cases in this volume will serve as a source book for teachers and the students to gain knowledge and develop the right skills for entrepreneurship. It can be a rich source of input for practising managers also.

It is said that entrepreneurs and not managers will be in demand in organizations in the future. Technological obsolescence will become the order of the day and new enterprises will be the main provider of jobs in the emerging economy. And for this to happen there should be an enabling environment and a congenial ecosystem that promotes entrepreneurship in our country. The book *Entrepreneurship Development - Indian cases on change agents* will be a valuable input in meeting this objective.



Skimming and Scanning



Book Title : *Retailing Management
Text & Cases*

Author : Swapna Pradhan

Edition : Third-2009

ISBN-13 : 978-0-07-026429-8

Pages : 613

Publisher : Tata McGraw-Hills Publg. Co. Ltd.,
New Delhi.

The book covers the spectrum of retailing in India - from the rural mandis and haats to the sophisticated store operations of city focused retailing juggernauts. The author has touched upon the role of Foreign Direct Investment in the growth of this sector, the operating mechanics of various store formats, the role of IT and HR as also many other topics of interest to a wide audience. Each chapter has its learning objectives, real life case examples and a summary followed by review questions for the serious student.

The author has skirted away from the domain of controversies that have so often been associated with the introduction of retailing in many parts of this country. She has avoided the political context in which retailing has been either nurtured or obstructed by different stakeholders.

The book would be suitable for students interested in taking up retail assignments in India as a career option. It would serve as reference material for both academicians and practitioners involved in the field of training.

The book can also be used as a reference guide for those involved in the broader fields of marketing and sales where retail segment is the new inescapable reality they have to contend with sooner or later.

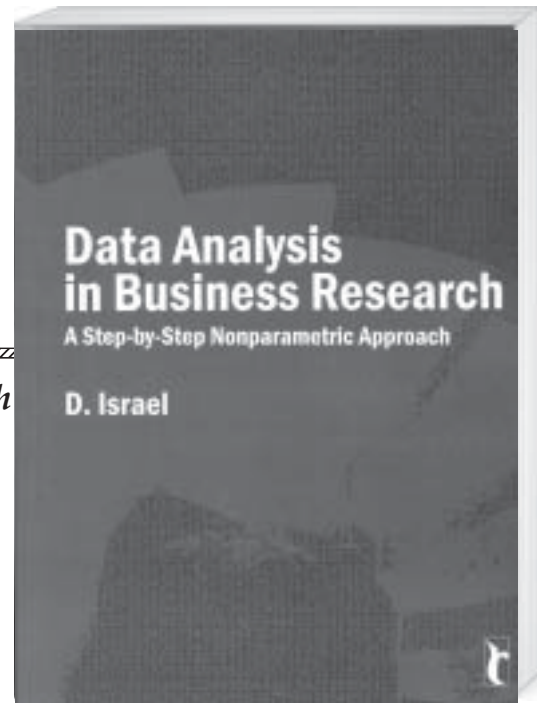
The prospective reader would be advised to read this book only if he has an elementary knowledge of marketing and sales concepts.

This third edition of retailing management vindicates the Best Teacher in Retail Management award received by the author from the Dewang Mehta Foundation.



This book was reviewed by Sudheer Sudhakaran, Associate Professor - Marketing, SCMS-COCHIN, Prathap Nagar, Aluva, Cochin - 683106, Email: sudheer@scmsgroup.org

Skimming and Scanning



Book title : *Data Analysis in Business Research*
A Step-by-Step Nonparametric Approach

Author : D.Israel

Edition : First -2008

Pages : 281

ISBN : 978-81-7829-875-7 (PB)

Publisher : Response Books, New Delhi.
 [Business books from SAGE]

In today's technology driven world, information and data are plentiful. Successful managers, need to analyze data and use it effectively. Data analysis and statistical analysis skills are required in various disciplines.

Data analysis is a process of gathering modeling and transforming data, with the goal of highlighting useful information, suggesting conclusions and supporting decision-making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names in different business, science and social science domains.

While there are books focusing on parametric tests the domain of non-parametric tests, is mostly unexplored. DATA ANALYSIS IN BUSINESS RESEARCH, A STEP-BY-STEP NON PARAMETRIC APPROACH brings under one umbrella all the major non-parametric statistical tools that can be used by undergraduate and

postgraduate students of all disciplines especially students of research methods in social sciences and management studies, in their dissertation work.

Students face difficulty in analyzing data collected from small samples. They end up reporting mere percentage analysis which results in the loss of information collected. Hence there is a need to create awareness among students and researchers about the application of major non-

parametric tools that can be applied confidently without worrying about sample size, scale of measurement, normality assumptions or other parameters of the nature.

The lucid presentation of the step-by-step procedures, explaining in simple English how to perform each of the non-parametric tests, is a major attraction of the book. The text contains eight chapters as follows:



This book was reviewed by Rama L., Lecturer-Quantitative Techniques and Operation Research, SCMS-COCHIN, Prathap Nagar, Muttom, Aluva-683106, Cochin, Email: rama@scmsgroup.org

1. One-Sample Tests

The first chapter focuses on the basic description of selected statistical terminologies for warming up before proceeding into the tools section. Here all the non-parametric statistical techniques that are used for analyzing one-sample central tendency are discussed.

2. Two Independent Samples Tests

Chapter 2 describes the tools used for testing the significant difference between 2 independent samples.

3. Two related Sample Tests

Here the concern is to identify the significant difference between 2 samples that are related to each other in one way or another. Under this three tests have been identified which include the sign test for matched pairs, Wilcoxon signed-ranks test for matched pairs and the McNemar test. The sign test for matched pairs is used for comparing the results from the experiment conducted on the same samples in a before – after study.

4. K related Sample Tests

Chapter 4 focuses on major k related tests such as Friedman two-way ANOVA, Cochran's q, match test etc., while the Friedman ANOVA is used to find out the consistency in ranking the different objects by different respondents.

5. K Independent Samples Tests

In chapter five, the major analytical tools for testing the significance differences among three or more independent sample groups are discussed with appropriate illustrations.

6. Measures of Correlation and Association

In chapter 6 various measures of association are presented. The tools used for measuring the relationship between two ordinal variables, nominal variables each with 'n' number of categories are discussed. The point biserial correlation analyses the relationship between two variables in which one variable is measured on a nominal scale and the other on an interval scale.

7. Test of Interaction and Multiple Comparisons

Chapter-7 discusses the various comparison tests. In this chapter the question "which of the two groups is significantly different from the other has been answered. This requires the application of multiple comparison techniques, which are discussed in detail.

8. Multivariate Non-Parametric Test for Interdependence

The last chapter of the book describes the advanced multivariate technique of correspondence analysis i.e., perceptual mapping, a non-parametric test usually performed through sophisticated software packages. Efforts have been made to describe the objectives, assumptions and major terms to illustrate the application of this versatile technique in a non-technical way. It helps to locate those categories of variables that are highly associated on a graphical map.

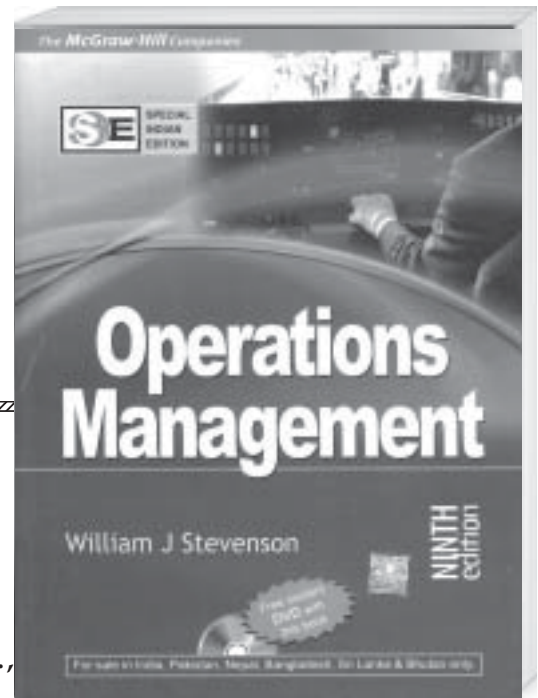
The text covers the most commonly used non-parametric statistical techniques by emphasizing applications rather than theory. Exercises and examples are drawn from various disciplines including sociology, education psychology, business and anthropology. This edition serves as a quick reference book which offers clear, concise instructions on how and when to use the most popular non-parametric procedures. The book creates awareness about several statistical tools that are widely available for application in research projects for making meaningful interpretation by extracting most of the information available in the collected data. Many a times students and researchers are baffled by the data analysis stage. The book contains all the necessary statistical tools that can be used as repository by the student and research communities. It also has a comprehensive question bank.

What makes this book useful is that it is written from the view point of the active student researcher. This book will also be informative for marketing research professionals and organizations, consultancies and organizations of economic research.



Skimming and Scanning

Book Title : *Operations Management*
Author : William J. Stevenson
Edition : Ninth Edition
ISBN-13 : 978-0-07-066821-8
Pages : 906
Publisher : Tata McGraw-Hills Publg. Co. Ltd.,
 New Delhi.



Any business organization has three basic functional areas – Finance, Operations and Marketing. While the finance takes care of all the capital requirements, it is the operations that manufactures goods or delivers the services. The sales and customer feedback about these goods and services are obtained through marketing.

Operations Management is evolving and growing. The success and failure of operations functions impact the economy of a nation. Operations Management is viewed as a system and like other functional management areas; it has got a major role in strategic decision making.

The book 'Operations Management' by William J. Stevenson introduces the concept of operations management to novice students in simple language with detailed cases studies and readings.

The book devotes an entire chapter on forecasting, its process and techniques/methods, for it being the first step in any kind of business. The operations environment is affected by the changes in economic, social and demographic, political, liability or legal, competitive, cost or availability and technological factors. Any change in these factors leads to the redesign of the product or services for the focus being customer satisfaction.



Product and Services choices, capacity planning, process selection and layout of facilities have long-term consequences for a business organisation. These are the most basic strategic decisions a manager has to make. With the help of case studies the author has described in detail how these factors or parameters have to be evaluated carefully before making any decision.

Location decisions represent a key part of the strategic planning process of virtually every organisation. The need for location decisions, its nature and a general procedure for developing and evaluating location alternatives is examined. The reader finds the simple mathematical illustrations given for location analysis very comprehensive and understandable.

The author has detailed one of the oldest aspects in operations management, the Work Design. This concept is important for productivity and for continuous improvement of resources. Design of the work system, the job design, Method and Time study forms the integral part of Work Design. The book devotes a full chapter with the descriptions and illustrations of this concept that makes it reader friendly.

Quality is the ability of a product/ service to consistently meet or exceed customer expectations. A book on operations management is not complete unless the 'Quality' component is mentioned. The author explains the dimensions of product quality and service quality that are very much needed in manufacturing/service industry for customer satisfaction and orientation. The reader gets an insight to the importance and relevance of quality in manufacturing/ service sectors.

A section on Supply Chain Management with readings, clippings and the case studies makes it an interesting reading for the reader and he understands the concept of SCM, logistics and reverse logistics. The technological advances in the field of SCM with initiatives like RFID, CPRF (Collaborative Planning, Forecasting and Replenishments). The concepts like supply chain visibility and event management that contributes for the effective supply chain management is dealt with substantially in this section.

Another important activity in Operations Management is 'Inventory Management.' For the business and supply chain to be successful good inventory management is important. The four classes of models in inventory management; the EOQ (Economic Order Quantity), ROP

(Reorder Point), Fixed-order-interval and single-period models are described in the chapter on Inventory Management. The section on Inventory Management and Scheduling also covers the concept on aggregate planning, MRP (Material Requirement Planning, MRP II (Manufacturing Resource Planning), ERP (Enterprise Resource Planning) are also covered in detail. MRP is a planning and scheduling technique used for batch production of assembled items. All of these are computer-based information systems that are used in the manufacturing and scheduling process.

The Just-In-Time (JIT) technology which was broadened and is associated with the term the lean operations is also covered in this section with suitable readings and case studies so that the reader finds easy to conceive the topic. Lean operation is that where there is high degree of coordination wherein it uses minimal resources and produces high quality of goods or services.

Project management – a term-based approach for managing projects – its uses, relevance, success factors and the tools associated with it are explained substantially with cases, problems and readings.

Final section of the book deals with waiting lines and simulation process. Each concept is followed by the relevant operation research techniques and the applications of these techniques are explained with illustrations so that the reader is able to imbibe the concept and its applications in a simple and easy manner.

From a student's point of view, the concepts and applications are narrated in such a manner that even a novice in the field of operations management can get a general idea about Production and Operations Management. Though it lack in the examples and case studies in the Indian Context, from the teaching point of view, the additional readings and case studies in the chapters as well as the supplementary chapters for the application of operations research techniques makes it a simple and easy ready-to-reference book.



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For all communications contact:

Editor, SCMS Journal of Indian Management, SCMS New Campus, Prathap Nagar, Muttom, Aluva - 683 106, Kochi, Kerala, India.

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SENESCENCE

Employee Aging: Climate, Stress, and Coping

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Ph: 91-484-262 3803 / 262 3804 / 262 3885 / 262 3887 Fax: 91-484-262 3855
E-mail: editor@scmsgroup.org / scmseditorcochin@yahoo.com
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