

UTTARANCHAL BUSINESS REVIEW

A Bi-Annual Journal of Management & IT

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From the Chief Editor’s Desk

It gives me immense pleasure to place before all the new issue of Uttaranchal Business Review.

The present issue provides a really exciting opportunity to consider the truly interdisciplinary nature of subjects and focus upon research-based articles and give idealistic view about business in particular, and concerns on dynamic world scenario in general. The principal objective of Uttaranchal Business Review is to publish research-based, innovative, high-quality and original research papers together with relevant and appreciative reviews. As such, the journal aspires to be vibrant, engaging and accessible, and at the same time integrative and challenging.

In advanced economies, the urgent need towards financial inclusion is felt for allocation and increasing accessibility of appropriate financial products and services to all sections of the society irrespective of rich and poor alike. Mr. Ashutosh Shukla has highlighted the state of financial inclusion in India. He also discussed its meaning, progress and various issues related to the marketing of financial products. Repatriation management has drawn attention of all the researchers, planners, Government and the society as a whole. Dr. Ruchi Srivastawa has discussed the issues of Repatriation Management. She focused it as a “Tool For Congruency of The Motivations and Expectations Between the Company and the Repatriates”. Ms. Kritika Dadheech & Ms. Nidhi Mathur have discussed the role of globalization in strengthening the Indian economy.

*It is important to understand the legislative, policy and institutional frameworks that govern contemporary Corporate Social Responsibility. Mr. Vijay Srivastava and Mr. Mohit Sharma have discussed **Concept of Corporate Social Responsibility** and the related legal issues in the interest of society as a unified solitary unit.*

Recession in the Indian economy has posed many challenges in household savings and other investment issues. Ms. Ritika Aggrawal and Dr. SM Tariq have thrown light on the determinants of indian household savings in pre-recession period using an ARDL co-integration technique. “THE Influence of Service Quality on Customer Satisfaction and Customer Loyalty in the Banking Institutions of Rajasthan” was analysed by Mr Naveen Kumar Sharma & Dr. Amit Sharma.

The green products and their promotion have become major issues in the interest of society by large at national and international levels. Shaping of consumer behaviour has become essential. It has been elaborately discussed by Dr. D. S. Chaubey & Prof. K. R. Subramanian. They have analysed the consumer attitude in predicting purchasing behavior towards green products sold in supermarkets. In the present dynamic business environment, employees’ satisfaction and their motivation to work have become strong areas for the management. Ms. Ayushi Mathur & Dr. Ashish Mathur have analysed the employees satisfaction in higher education system with special reference to select employees of higher

education institutes in Jodhpur division. Digitalization of library services has brought many changes in the traditional management system of libraries. Mrs. Chanderkanta Sood & Mrs. Shivangi Sharma analysed it in the “Librarians’ Attitude Towards Marketing of Library Services In The Libraries Of Professional Institutions”

The data base management system has become very complex in the agricultural domain. “Issues in Modelling ETL for Agricultural Domain” was discussed by Er. Sonal Sharma & Dr. Rajni Jain.

Needless to mention, any paper that you wish to submit with us in future- either individually or collaboratively, will be highly appreciated and these will make a substantial contribution towards the journal. We do look forward to your reactions, suggestions and feedback. I, whole-heartedly, thank our advisory board members and our editorial board for their strong help and guidance. My warm thanks for you all towards your worthy contribution in UBR.

I remain to be,

Sincerely,

Prof. (Dr.) D.S. Chaubey

(Professor & Editor-in-Chief)

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FINANCIAL INCLUSION IN INDIA – MEANING, PROGRESS AND ITS IMPACT ON MARKETING OF FINANCIAL PRODUCTS

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ABSTRACT

Financial Inclusion may be defined as a tool that aims at engaging all the segments of the society in an equitable manner in order to achieve inclusive growth, which can only be achieved by establishing a systematic mechanism with all the resources aligned in an optimal manner, from top to bottom. It intends to provide financial help to the economically weaker section of the society, in order to enhance their standard of living. Financial inclusion is a globally acclaimed conception which focuses to inculcate and promote the banking habits among the rural people because; India is a country with significantly large rural population. Financial inclusion anticipates providing banking and financial services to all segments of society and vulnerable groups in particular; in a transparent and fair manner; and that too at an affordable cost by the mainstream institutional players. It is often found that the households with low income often lack access to bank account and have to spend a considerable time and money for visits to avail even the most basic banking services, such as opening a savings bank account or availing a loan. As a result, these families find it challenging to save and to plan financially for their future. India, where the Reserve Bank of India acts as an expediter in establishing, regulating and monitoring the financial services provided to the people by the banking sector, is also substantially improving its efforts to attain the goal of financial inclusion. The objective of the paper is to examine the current scenario of financial inclusion in India and highlight major challenges and bring about suggestions to improve its growth in the days to come along with studying its impact on the marketing of financial products.

Key Words: Financial Inclusion, Financial services, Inclusive Growth, Reserve Bank

1. Introduction

Employee retention becomes a major aspect to be considered by a company to retain skilled workforce. The organizations always try to retain the skilled and talented workforce. For those international companies that are regularly sending the employees on global assignments and spending millions of dollars a year, there is a need to focus on repatriation management. Expatriation has become a common application for multinational companies. Many companies assign their high level employees for overseas jobs within the same organization for a certain time period. As a result of these assignments, expatriates gain international knowledge and upon their return they are expected to utilize their

international experience to increase performance and knowledge sharing at their home organizations. However, the positive returns from expatriation cannot be harvested right away as the repatriation process also involves some difficulties regarding adjustment to the home country after an international experience and this process can be more traumatic than expatriation.. This article aims to examine the antecedents and the role of organizational and individual level factors moderating the repatriation process.

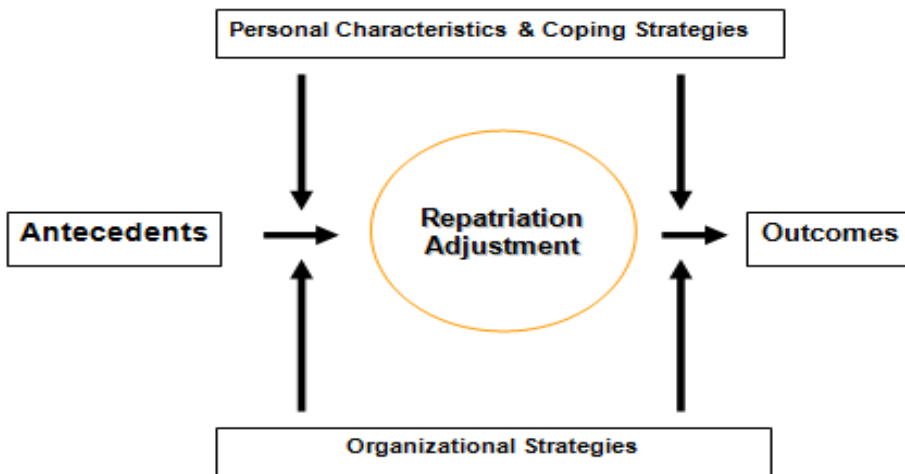


Figure 1: Main Frame of the Model

Having in mind that the company has spent a huge amount of money on his or her expatriates, on an average it costs two to three times more than having the same employee working in his or her home country, the repatriation process has to be studied carefully. Companies often underestimate the repatriation process because the employees are just “coming back home” so there are supposed to be having no difficulties in adjusting to their own environment. There is a tendency that employees who have been sent to work abroad are more likely to seek for new job opportunities than the ones who have not. Black and Gregersen (1999) show in their study that 25% of the repatriates left their companies within one year of repatriation .This is a turnover rate that is double that of managers who were not sent abroad. In addition , according to the Global Relocation Trends Survey Report , 10 percent of expatriates leave their firm within one year after repatriation ,and 14 percent leave between two and three year after .Experts have offered various reasons for such a high attrition rate. Some of the most common reasons are that when expatriates return home, they have changed, the company they work for has changed and their

communities have changed as well. Studies also suggest the high expatriate turnover can often be attributed, to the lack of career counseling and insufficient repatriation program.

2. Prominent Problems faced by Employees on Repatriation

Unmet Expectations- Problems encountered upon return mostly arise from unmet expectations and the perceived gap between expectations and realities. Change in society of home country during their absence may be much different to what they had expected. Moreover, they may also feel that while they were out of sight they were also out of mind. Namely, nobody may be much interested in listening to them. Thus, they will realize that their absence did not affect anyone except their families. In terms of work, they may experience disappointment, because in general, they are provided with limited job opportunities, unappreciative of the value of their overseas work experience. They are bound to develop feelings of underutilization. Loss of status and role conflict arising from structural changes or changes in the organizational culture of the parent company is also possible. . In addition, contrary to their expectations, they may not be welcomed as heroes by their colleagues and their experience may be debased by coworkers

Organizational and coworker negligence - Expectations of individuals can be either positive or negative and both may lead to different consequences when repatriates see realities. In general, repatriates think that after expatriation experience, they will be offered many job opportunities with increased levels of authority, responsibility and autonomy. They believe that their organization will consider them as valuable and as special employees and treat them with due respect. They expect that their companies will provide them with a good position consistent with their career prospects. They also think that they will be idolized by their coworkers who usually listen impatiently to their stories about overseas experience.

The 2006 ERC Global Benchmarking Survey found that two-thirds of the Human Resources respondents believed international assignments essential to career mobility in their companies. But immediately upon their return many repatriates are alarmed to find that nobody knows what to do with them. They are stuck in lower level, temporary jobs that nobody knows the precise duration of. The old position is gone, either filled or absorbed by other functions and a job of equal challenge and authority did not materialize in honor of his return.

Change happens- This disconnects between myth and reality takes place not only in the mind of the repatriate but also in the fact that even the reality they left has changed. It is not just a matter of the new supermarket where

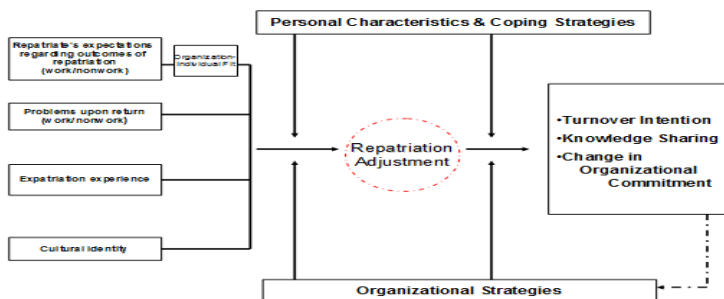
the old grammar school was razed, the duplication of route one, the modernistic renovations to First Community Church and the annoying traffic light interrupting the flow of main street traffic. It's also the people. Some of the old friends and acquaintances have departed and been replaced by outsiders. Others have found new, time-consuming pursuits and aren't available much. With others it is just hard to reconnect.

Unwelcome lifestyle changes- On a practical level, unpleasant adjustments in lifestyle may prove necessary. While on foreign assignment the employee and family are often able to live in a semi-luxury that can't be sustained in the home country. After returning to the US following seven years abroad, one woman, self-sufficient in many ways, sheepishly admitted that one of the most jarring adjustments of her resettlement in the US was the absence of domestic help. Ironically, along with the absence of maids repatriates may miss rubbing shoulders with that slice of the intellectual and cultural elite found in many expatriate communities but seemingly in short supply back home.

Repatriation Adjustment

Repatriation Adjustment problems mostly arise from anxiety and uncertainty experienced upon return and the adjustment process generally takes 1 to 1.5 years. Repatriation adjustment is examined on the basis of three main dimensions; *work adjustment*, *socio cultural adjustment* and *psychological adjustment*. *Work adjustment* includes changes in job responsibilities characterized mainly by a decrease in the level of responsibility and authority upon their return to the home organization. Furthermore, adjustment to changes within the organization such as relationships among colleagues is another aspect of work adjustment. Secondly, *socio-cultural adjustment* consists of adjustments to life style, social activities, relationships, financial conditions and to the culture of the home country. Thirdly, *psychological adjustment* includes expectations, experienced stress and perception of loss of previously held conditions and relationships.

Figure 2: Comprehensive Framework of Repatriation Adjustment



Repatriation adjustment is thought to be affected by three variables:

- a. **Individual variables** include a person's attitudes, values, needs, or characteristics.
- b. **Job variables** refer to the tasks and characteristics of the individual's job.
- c. **Organizational variables** which are the characteristics of the home country Organization.

3. Individual Variables

Individual variables impacting anticipatory repatriation adjustment include the amount of time spent abroad, the amount of change which has occurred at home during this time, and the number and length of visits home. The degree of change at home may be more important to the formation of accurate anticipatory expectations than the length of time away. Findings also indicate that more organizational change is negatively associated with work adjustment.

Proactive in Career Development -Coping strategies which may be practiced during expatriation as well as during repatriation can moderate repatriation adjustments. Expatriates should put an effort to maintain contact with their social and job related networks, especially with possible future supervisors who may offer them good job opportunities. In short, they should be proactive in career development and maintain visibility of business circles in order to avoid job related disappointment. They can also put extra energy for keeping up-to-date about occurrences and problems in their home countries, as well as about the changes in their parent organizations. Finally, they should not trust HR systems of their organizations too much; instead they should claim the responsibility of their possible problems.

4. Change in their perspective

During repatriation, repatriates should first try to change their perspective and realize that repatriation may be a backward step in one's career. They should make personal attempts for resocialization, try to stay informed about changes, and contact with previous repatriates to observe them as role models who know possible negative experiences upon return. In addition, instead of criticizing and humiliating their home countries, they should try to combine best aspects of foreign and home cultures. They should also be aware of the fact that apart from their country, organizations and friends, they themselves also changed to some extent during the international experience. Finally, they should try to remain patient and flexible during adjustment, to achieve better results.

5. Job variables

Although Black et al. (1992) believe similarities in work duties will facilitate expectations and adjustment, many repatriates find discontinuities between the domestic and international positions, and feel a loss of momentum in their careers. Research on the connection between foreign work assignments and long-term career goals shows a positive association with expectations, work performance, skill acquisition,

and job satisfaction. Briody and Baba (1991) found repatriates who were satisfied with their jobs utilized their skills and experience, and reported their work was interesting and rewarding, whereas dissatisfied repatriates were in jobs that did not meet their expectations, were not using their skills and experience, and believed their international experience was not career enhancing.

Perhaps the best way to achieve these goals is through planned career development. Planning can help to establish matches between organizational objectives and employee career goals and help to track employee competencies gained through international work assignments. These may include knowledge of other languages, the ability to work with people from other cultures and skills for managing international transitions.

6. Organizational variables

1) Role of HR -Organizational strategies are mainly the responsibility of HR departments and they should not include only work-related problems because other factors like observed change at socio-cultural environment and problems arising from adjustment of families of expatriates will also influence work – related adjustment. Therefore, organizations should take them into account as well. Organizations also have the responsibility of providing expatriates with accurate and realistic information about job demands and definitions, and changes occurred in organization prior to return, so that expatriates can have more accurate expectations. These strategies are also important for positive perceptions of repatriates and their feeling of belongingness. According to the study of Bossard and Peterson (2005), repatriates reported that they were unsatisfied with organizational strategies regarding their adjustment.

2) Need for Formalized repatriation policies- Many organizations do not make special efforts for their returning expatriates. Dunlap-Hinkler and Parente (2004) mentioned that, according to the annual survey of Organizational Resource Counselors in 1998, 76 % of the organizations had no formalized repatriation policies, even though expatriation policies were generally very strong. There are three main reasons behind the lack of

organizational practices. Firstly, there is a lack of expertise in this process. Secondly, organizations avoid these efforts because of costs attached to them. Finally, there are widely accepted false assumptions which ignore the problems expatriates may experience during expatriation and repatriation. As a result, planners can not determine the costs of problematic repatriation adjustment.

During expatriation, organizations can assign sponsors, or contact-persons, for expatriates, who are only responsible for communication with the expatriates. The perception of organizational support alone is very important; therefore, organizations should support the expatriates. Selection of highly qualified employees for expatriation might be important because increased levels of professionalism may decrease adjustment problems. Finally, career planning of expatriates should be conducted carefully from a realistic perspective with regard to repatriation, and overseas assignment should be linked to long term career plans.

7. Conclusions

In the end we can say that organizational practices like preparing a repatriation directory, organizing reorientation programs, training expatriates prior to return, negotiation with expatriates for job role after return, clarifying tasks and job placement, empowering in consistency with the expectations of repatriate can greatly improve the repatriation process. After their return, organizations should put effort in maintaining quality of interaction, being flexible in process, utilizing repatriates as trainers, personal and career counseling, relocation and financial assistance, and finally providing support to spouses and children.

The present findings in the literature may help expatriates and repatriates by providing some tactics for successful repatriation adjustment. On the other hand, these findings are also valuable for the organizations to increase the return on investment in expatriation. HR departments should realize their critical role in the repatriation process because current trends like globalization and “boundaryless career” increase the importance of organizational expatriation and repatriation practices.

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GLOBALIZATION: STRENGTHENING THE INDIAN ECONOMY

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ABSTRACT

People across the globe are more connected with one another than ever before. Now Information and money flow more quicker than earlier. Goods and services produced in one part of the world are increasingly available in all parts of the world. And the world's economy has now been emerging as a global and a transactional economy. A global and transnational economy is one which transcends the national borders are unhindered by artificial bottle necks like Government restrictions on trade and factor movements. Globalization in a true sense is a way of corporate life necessitated, facilitated and nourished by the transnationalisation of the world economy and developed by corporate strategies. Therefore, Globalization is an attitude of mind – it is a mindset which views the entire world as a single market so that the corporate strategy of the dynamic global business environment could be easily achieved. In economic context, it is often understood to refer almost exclusively to the effects of trade, particularly trade liberalization or “Free Trade”. This paper is an attempt in understanding the way how the Globalization is strengthening the world's economy at a large by promoting free and unrestricted trade between the national boundaries of the countries.

1. Introduction

In the recent past, many meanings of the word ‘*Globalization*’ have been circulated. The word ‘Globalize’ was first attested by the *Merriam Webster Dictionary* in year 1944. People around the globe are more connected with each other than ever before. The international travel and international communication have become more frequent and often phenomenon. And this phenomenon has been titled as “**Globalization**”. It refers to the increasing integration of economies around the world, particularly through trade and financial flows. The term sometimes has also refers to the movement of people (labor) and knowledge (technology) across international borders. Globalization is a modern term used to describe the changes in societies and the world economy it results from dramatically increased international trade and cultural exchange. It describes the increase of trade and investment due to the opening of barriers across borders and the interdependence of countries.

The *World Bank* defines Globalization as the “*Freedom and ability of individuals and firm to initiate voluntary economic transactions with residents of other countries*”.

The *International Monetary Fund* defines Globalization as, “*the growing economic interdependence of countries worldwide through increasing volume and variety of cross border transactions in goods and services, free international capital flows, and more rapid and widespread diffusion of technology.* (IMF, *World Economic Outlook*, May, 1997).

In this management challenges for the 21st Century, *Peter Drucker* caution: “*All institutions have to make global competitiveness a strategic goal. No institution, whether a business, a university or a hospital, can hope to survive, let alone succeed, unless it measures up to the standards set by the leaders in its field, any where in the world.*”

Therefore, Globalization is the process of integration of economies across the world through cross – border flow of factors, products and information. The globalization could be considered at two levels, viz, at the micro level (i.e., globalization of world economy) and at the macro level (i.e. Globalization of the business and the firm). Most business enterprises, big or small, are drawn to do business across national borders today. They may be purchasing raw materials from foreign suppliers, assembling products from components made in several countries, or selling finished goods or services to customers in other nations. With the passage of time more and more countries are reducing trade barriers, the number of firms affected by international competition keep on increasing every day. Many MNC’s have subsidiaries, affiliates and joint venture partners in most of the developing countries. So much so that, in some cases, the number of foreign employees of these corporations may exceed that of the home country.

2. Factors Facilitating Globalization

At the beginning of the 21st century, nations are most closely linked to another than ever before through trade in goods and services, through flows of capital, through movement of labor – though to a limited extent – and through investments in each other’s economies. Today, the situation is drastically different;” Business operations can be managed effectively simultaneously”. The following are the factors that have played a key role in promoting international trade in recent times:-

Trade Barrier Have Fallen: - A number of factors – free trade agreements, emergence of trade blocs and the facilitating roles played by international organizations such as the World Trade organization, International Monetary Fund and the World Bank – have accelerated the liberalization of trade.

Political Reforms Have Opened – Up New Frontiers: - Millions of people in the countries like Eastern Europe are now open to do business with the world, and now have access to the goods and services that global commerce provides in an open, free market place.

More Developing Nature Have Joined the Bandwagon of Global Business: - In addition to the industrial powers of Japan and South Korea in the Asia Pacific region, several countries such as Taiwan, Thailand, Malaysia, Singapore and Indonesia have grown rapidly in recent years. Recently, China, India, Brazil and Russia have emerged as successful global players, inviting organizations from across the world to invest in these countries.

New Technologies and Businesses Spanning Continents have Emerged: - New technologies and business based on them such as computer hardware and software, pharmaceuticals, and communications that have worldwide investments and markets have effected a remarkable transformation in fostering world trade. Likewise, Business Process Outsourcing (BPO's) and several IT – enabled services (ITES) have widened the horizons of international business opportunities.

Therefore, companies which have adopted a global outlook stop “thinking of themselves as national marketers who venture abroad and start thinking of themselves as global marketers. The top management and staff are involved in the worldwide manufacturing facilities, marketing policies, financial flows and logistical systems. A truly global corporation views the entire world as a single market – it does not differentiate between domestic market and foreign market. In other words, there is nothing like a home market and foreign market – there is only one market, the global market.

Globalization is not a new phenomenon. The period 1870 to 1913 experienced a growing trend towards globalization. the new phase of globalization which started around, the mid 20th century became very widespread, more pronounced and overcharging since the late 1980's by gathering more momentum from the political and economic changes that swept across, which seeks to substantially liberalize international trade and investment and the technological and communication revolutions. At the corporate level, globalization in its true sense is a way of corporate life necessitated, facilitated, nourished and developed by corporate strategies. International marketing or international investments do not amount to globalization unless it is the result of such a global orientation. Normally, a firm passes through different stages of development before it becomes a truly global corporation. Typically, a domestic firm starts its international business by exporting. Later it may establish joint ventures or subsidiaries

abroad. From an international firm it may then evolve into a multinational firm and finally into a global one. There are some essential conditions to be satisfied on the part of the domestic economy as well as the firm for the successful globalization of the business. And this include:- Business freedom, Required facilities, Government support, Resources, Competiveness and Proper Strategic Orientation.

Impact of Globalization on Indian Business: - India's economic integration with the rest of the world was very limited because of the restrictive economic policies followed until 1991. Indian firms confined themselves, by and large, to the home market. Foreign investments by the Indian firms was very insignificant. With the ushering new economic policy 1991, there has however been a drastic change. Globalization has, in fact, become a buzz – word with Indian firms now, and many are expanding their overseas business by different strategies.

The Indian businesses, however, suffers from a number of disadvantages in respect of globalization of business. Not only that the government policy lacks a positive orientation in some respects but also the government policy and procedures in India are among the most complex, confusing and cumbersome in the world. Another problem is that the high cost/inadequacy of many vital inputs and other factors like raw materials and intermediaries , power, finance infrastructure facilities like port etc. tend to reduce the international competitiveness of the Indian business.

Factors Favoring Globalization: - Although India has several handicaps, there are also a number of favorable factors for globalization of Indian business which could directly foster the economy as a whole and these include:-

Human Resources:- Apart from the low cost of labor, there are several other aspects of human resources in India's favor. India has one of the largest pools of scientific and technical manpower. Although, the labor productivity in India is generally low and if the right environment is provided it could eventually improve. While several countries are facing labor shortages and may face diminishing labor supply, India presents the opposite picture. Cheap labor has a particular attraction for several industries.

Growing Domestic Market with Wide Base: The growing domestic market enables the companies to consolidate their position and to gain more strength to make foray into the foreign market or to expand their foreign businesses provided with a wide base.

Niche Markets: There are many marketing opportunities abroad present in the form of market niches. (A niche is a small segment of a market ignored or not properly served by large players). Such niche is particularly attractive for small companies.

Economic Liberalization: - The economic liberalization in India is an encouraging factor of globalization. The delicensing of industries, removal of restrictions on growth, opening up of industries earlier reserved for the public sector, import liberalization, liberalization of policy towards foreign capital and technology etc., could encourage globalization.

Competition: - The growing competition, both from within the country and abroad, provokes many Indian companies to look to foreign market seriously to improve their competitive position and to increase the business. Sometimes companies enter foreign market as a counter – competitive strategy, i.e. to fight the foreign company in its own home market to weaken its competitive strength.

3. Conclusion

The intent of Globalization is efficiency improvement and strengthening the Indian economy with markets optimization and taking advantages of the opportunities of the global environment. Therefore, in many cases, Indian companies have to globalize to survive and grow in the emerging competitive environment. The limitation of national markets, the diversity and unevenness of resource endowments of different nations, complexity of technological developments, differences in the levels of development and demand patterns, differences in production efficiency and costs, technological revolution in communication and other fields etc., mandate globalization. The restrictive economic policies of the past severely affected the competitiveness and growth of the Indian industry in general. Many of the problems could be ridden with the helping hand of globalization, but only globalization is not the solution to the problem. A controlled trade policy is what must be stressed on. No nation must be allowed to infringe upon the rights of other nations to trade freely in the world market. Greater concessions must be given to products of the developing nations so that they may develop themselves to the fullest. At the same time, quality of goods available and efficiency of services provided must not be compromised. The developed nations must allow developing nations access into their markets and third world dumping must be discouraged. This has become all the more important in the modern era particularly after the Iraq war and the economic recession which the world has lately been facing.

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THE CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY: AN OVERVIEW

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ABSTRACT

The meaning of corporate social responsibility (CSR) includes corporate responsibility, corporate citizenship, responsible business and corporate social opportunity whereby organizations consider the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment. This obligation is seen to extend beyond the statutory obligation to comply with legislation and sees organizations voluntarily taking further steps to improve the quality of life for employees and their families as well as for the local community and society at large. The definition, scope and practice of CSR are subject to much debate and criticism. Different thinkers have different perception about the term CSR but The Pyramid of CSR provided by Carroll is the most appropriate answer to many question about meaning nature and scope of Corporate Social Responsibility in present scenario. As it includes Economical, Philanthropic, Legal and ethical responsibility at same time.

There are thinkers who are in favour of practice of CSR and at the same time there are critics who strongly oppose the concept. Proponents argue that there is a strong business case for CSR, in that corporations benefit in multiple ways by operating with a perspective broader and longer than their own immediate, short-term profits. Critics argue that CSR distracts from the fundamental economic role of businesses; others argue that it is nothing more than superficial window-dressing; still others argue that it is an attempt to preempt the role of governments as a watchdog over powerful multinational corporations. Many other arguments both in favour and in against have been given but we can conclude that CSR is the need of the hour and the concept is here to stay and needs support from corporate and Govt. at the same time for the overall benefit of corporate and society at large. The present paper is an effort to analyze the concept of CSR in broader way in context of Indian economy.

Key Words: Corporate Social Responsibility, Ethical responsibility, Economical, Philanthropic

1. Introduction

In liberalized economic pattern most of us live in a highly corporatized world. These big Corporations are nothing but by product of the activity called business. So there is need to have some basic idea as to what business is, how it developed, how the present structure of Corporations

came into existence, what is the relationship between society and business/corporate and why there is need for corporate to be socially responsible.

Business relates to any activity that creates utility for either the masses or the classes, and to command a price for these utilities, the demand has to be more than the supply. This, in economics, is called the demand—supply gap and business can manipulate this gap in various ways to earn profit. The free market economy is supposed to reduce this gap and offer enough choice to consumers by encouraging free entry and free exit to organizations operating in the market. The great trading companies were the first business enterprises.^{*} Business activities got organized into three major categories—sole trading concern, partnership firms, and joint-stock companies (both private limited and public limited)—depending on resources, business development plans, and promoters. The most commonly used term for a business enterprise is the word Company. Company can be defined as an association of persons coming together voluntarily to pursue a certain economic activity with the motive to make profit. ‘Like any juristic person, a company is a legal entity distinct from its members, capable of rights and duties of its own, and endowed with the potential of perpetual succession’ (Hahlo and Trebilock 1977).

The relationship of the company beyond the legal existence to the socio economic scenario is well summarized by Berle (1959). According to him, the ‘Company’ is not merely a legal institution. It is rather a legal device for the attainment of any social or economic end and to a large extent; this is done publicly and by being socially responsible.[†] It is, therefore, a combined political, social, economic, and legal institution. This brings us to the concept of corporate social responsibility (CSR) and moreover corporations derive wealth from society, create wealth for society, and earn profit by dealing with the wealth for society. Thus, in the larger perspective, it is society that actually gives permission to business to operate in society and earn money. This obviously demands that the business world should pay for this permission by a legitimate sharing of the wealth it is earning from society by sharing it with society.[‡]

Till recently, CSR was viewed as philanthropic activity indulged into only when firms were in jeopardy. But it is now viewed to be inclusive, broad and diverse. CSR is now viewed as an integral part of business strategy to minimize the business risks linked to uncertainty. Also the critics are of

^{*} Madhumita Chatterji, *Corporate Social Responsibility* (Oxford University Press, 2011) at 3

[†] E.S. Mason, *The Corporation in Modern Society* (Harvard University Press, Cambridge, 1959)

[‡] Madhumita Chatterji, *supra* note 1, at 5

the view that CSR is nothing but corporate conspiracy to snatch Resources in the name of CSR. Therefore, to understand the subject in detail and its importance for society in general and corporations in particular, we need to study various aspects of the subject ‘Corporate Social Responsibility. Till recent past, the focus of companies was on charity, which is not really CSR. Sustainable CSR programmes mean a cohesive mix of economic, legal, ethical and philanthropic tenets. In today's changed business scenario, there is an increased focus on giving back to society and creating a model which works long term and is sustainable and it is imperative that the best practices for inclusive growth are shared with the stakeholders.

2. Definition of CSR

There are as many definitions of CSR as there are disagreements over the appropriate role of the corporation in society. Here is an overview of just some of the definitions of CSR that have been proposed over the years.⁵

Source	Definition
Bowen (1953)	(The social responsibilities of businessmen) ‘refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society.’
Friedman (1970)	‘The social responsibility of the firm is to increase its profits.’
Davis (1973)	CSR refers to ‘the firm’s consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm.’
Carroll (1979)	‘The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time.’
Jones (1980)	‘Corporate social responsibility is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract.’

Epstein (1987) ‘Corporate social responsibility relates primarily to achieving outcomes from organizational decisions concerning specific issues or problems which (by some normative standard) have beneficial rather than adverse effects on pertinent corporate stakeholders. The normative correctness of the products of corporate action have been the main focus of corporate social responsibility.’

Wood (1991) ‘The basic idea of corporate social responsibility is that business and society are interwoven rather than distinct entities; therefore, society has certain expectations for appropriate business

⁵ Andrew Crane and Dirk Matten, “Corporate Social Responsibility,” *SAGE Publications*, pp.xix-xx

behaviour and outcomes.’ Brown and Dacin CSR is defined as a company’s ‘status and activities with respect to its perceived societal or, at least, stakeholder obligations.’^{***}

In addition to these definitions there is one definition given by The World Business Council for Sustainable Development (WBCSD) about corporate social responsibility as “the commitment of business to contribute to sustainable economic development.” The primary purpose of CSR is to engage with the internal and external stake holders. The point is that defining CSR is not just a technical exercise in describing what corporations do, but is also as much a normative exercise in describing what corporations should be responsible for in society, or even an ideological exercise in describing how the political economy of society should be organized more broadly. For instance if we compare the early definitions of CSR from Friedman (1970) ‘the social responsibility of the firm is to increase its profits’.^{††}

Davis (1973: 312) ‘consideration of issues beyond the narrow economic, technical, and legal requirements of the firm ‘we can see a great deal of difference in their assumptions about what firms should be responsible for. Similarly, whilst the originators of CSR tended to define the concept in terms of obligations to restrain corporate power within a pluralistic system, developments in the 1980s and 1990s saw CSR definitions evolve into purely voluntary exercises of discretion from corporate executives (Marens 2004).^{‡‡}

The definitional debate on CSR is unlikely to go away, especially with different national perspectives on CSR being developed from alternative cultural, legal, and political assumptions about the role and responsibility of the firm in society. The development of new CSR literature in continental Europe, Asia, Latin America and Africa brings with it very different definitions of CSR that include, for example, elements of legal obligation, political participation, and development — all of which may redefine CSR in ways very different to its US identity.

Despite these ongoing definitional disputes, however, what we can probably say without creating too much controversy is that, in its broadest sense, CSR is about the social obligations and impacts of business in society. Beyond this, admittedly, there is a great deal of contestation over

^{**} *Ibid.*

^{††} M. Friedman, *The New York Time Magazine*, 13th September, 1970, pp.32-33

^{‡‡} Marens R. Whobbling, “A One-Legged Stool: the Decline of American Pluralism and the Academic Treatment of Corporate Social Responsibility”, 2 *Journal of Academic Ethics*, pp.63-87

the nature and extent of these obligations, how or whether they should be translated into concrete actions to create positive corporate or societal benefits — or even whether the obligation to consider societal impacts exists in the first place. CSR questions are ultimately questions about societal obligations and impacts.

3. Objectives

- To analyze the basic concepts of problems of CSR and its suggested solution.
- To analyze the positive and negative aspects of CSR.
- To evaluate and assume the proposed solution for the problem in context of Indian corporate sectors.

4. Research methodology

- Keeping in view the problem evaluative, informative, analytical and descriptive, the hypothesis of research work have been varied.
- Material from both the sources Primary & Secondary has been obtained .Various books, Articles, Statutes/ legislations & websites have been consulted for such purposes.

5. Various Theories Of CSR

Since the second half of the 20th century a long debate on Corporate Social Responsibility (CSR) has been taking place. In 1953, Bowen (1953) wrote the seminal book *Social Responsibilities of the Businessman*.^{§§} Since then there has been a shift in terminology from the social responsibility of business to CSR. Additionally, this field has grown significantly and today contains a great proliferation of theories, approaches and terminologies. Society and business, social issues management, public policy and business, stakeholder management, corporate accountability are just some of the terms used to describe the phenomena related to corporate responsibility in society. Recently, renewed interest for corporate social responsibilities and new alternative concepts has been proposed, including corporate citizenship and corporate sustainability.^{***}

Frederick (1987, 1998) outlined a classification based on a conceptual transition from the ethical—philosophical concept of CSR (what he calls CSR1), to the action oriented managerial concept of social responsiveness

^{§§} H.R. Bowen, *Social Responsibility of the Business* (Harper & Row Publication, New York, 1953)

^{***} Elisabet Garrige and Domence Mele, "Corporate Social Responsibility Theories: Mapping the Territories", in Andrew Grane and Dirk Matten (eds.) *Corporate Social Responsibility*, 2004, at 43

(CSR2). He then included a normative element based on ethics and values (CSR3) and finally he introduced the cosmos as the basic normative reference for social issues in management and considered the role of science and religion in these issues (CSR4). In a more systematic way.^{†††}

As the starting point for a proper classification, we assume that the most relevant CSR theories and related approaches are focused on one of the following aspects of social reality: economics, politics, social integration and ethics.

According to Parsons (1961), four aspects can be observed in any social system: adaptation to the environment (related to resources and economics), goal attainment (related to politics), social integration and pattern maintenance or latency (related to culture and values):^{†††} Thus various theories related to CSR can be classified in four groups:

1. A first group in which it is assumed that the corporation is an instrument for wealth creation and that this is its sole social responsibility. Only the economic aspect of the interactions between business and society is considered. This group of theories could be called instrumental theories because they understand CSR as a mere means to the end of profits.
2. A second group in which the social power of corporation is emphasized specifically in its relationship with society and its responsibility in the political arena associated with this power. This leads the corporation to accept social duties and rights or participate in certain social cooperation. This group may be called political theories.
3. A third group includes theories which consider that business ought to integrate social demands. They usually argue that business depends on society for its continuity and growth and even for the existence of business itself. This group can be termed as integrative theories.
4. A fourth group of theories understands that the relationship between business and society is embedded with ethical values. This leads to a vision of CSR from an ethical perspective and as a consequence, firms ought to accept social responsibilities as an ethical obligation above any other consideration. This group can be termed as ethical theories.

6. Instrumental Theories

In this group of theories CSR is seen only as a strategic tool to achieve economic objectives and, ultimately, wealth creation. Representative of this

^{†††} W.C. Frederick, "Theories of Corporate Social Responsibility", 37(1) *Business and Society*, 1998, pp.40-60

^{†††} T. Parsons, *An Outline of Social System from Theories of Society* (Free Press, New York, 1961)

approach is the well-known Friedman's view that "the only one responsibility of business towards society is the maximization of profits to the shareholders within the legal framework and the ethical custom of the country" (1970).^{§§§}

Concern for profits does not exclude taking into account the interests of all who have a stake in the firm (stakeholders). It has been argued that in certain conditions the satisfaction of these interests can contribute to maximizing the shareholder value (Ogden and Watson, 1999).^{****} An adequate level of investment in philanthropy and social activities is also acceptable for the sake of profits (McWilliams and Siegel, 2001).⁺⁺⁺⁺

In practice, a number of studies have been carried out to determine the correlation between CSR and corporate financial performance. Of these, an increasing number shows a positive correlation between the social responsibility and financial performance of corporations in most cases (Frooman, 1997).⁺⁺⁺⁺

Three main groups of instrumental theories can be identified, depending on the economic objective proposed. In the first group the objective is the maximization of shareholder value, measured by the share price. Frequently, this leads to a short-term profits orientation. The second group of theories focuses on the strategic goal of achieving competitive advantages, which would produce long-term profits. The third is related to cause related marketing. The philosophy and some variants of these groups are discussed briefly.

(a) Maximizing the Shareholder Value

A well-known approach is that which takes the straightforward contribution to maximizing the shareholder value as the supreme criterion to evaluate specific corporate social activity. Any investment in social demands that would produce an increase of the shareholder value should be made, acting without deception and fraud. In contrast, if the social demands only impose a cost on the company they should be rejected.

^{§§§} M. Friedman, *supra* note 6

¹³ S. Ogden, and R. Watson, "Corporate Performance and Stakeholder Management: Balancing Shareholder and Customer Interest in U.K. Privatised Water Industry", 42(5) *Academy of Management Journal*, 1999, pp.526-538

¹⁴ A. McWilliams and D. Siegel, "Corporate Social responsibility: A Theory of Firm Perspective", 26(1) *Academic of Management Review*, 2001, pp.117-127

¹⁵ J. Frooman, "Socially Irresponsible and Illegal Behaviour and Shareholder", 36(3) *Business and Society*, 1997, pp.221-250

(b) Strategies for Achieving Competitive Advantages

A second group of theories are focused on how to allocate resources in order to achieve long-term social objectives and create a competitive advantage (Husted and Allen, 2000).^{§§§§} In this group three approaches can be included: (a) social investments in competitive context, (b) natural resource-based view of the firm and its dynamic capabilities and (c) strategies for the bottom of the economic pyramid.

(c) Cause-related Marketing

Cause-related marketing has been defined as “the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in a revenue-providing exchanges that satisfy organizational and individual objectives” (Varadarajan and Menon, 1988, p. 60).^{*****} Its goal then is to enhance company revenues and sales or customer relationship by building the brand through the acquisition of and association with the ethical dimension or social responsibility dimension (Murray and Montanari, 1986).⁺⁺⁺⁺⁺ In a way, it seeks product differentiation by creating socially responsible attributes that affect company reputation (Smith and Higgins, 2000).⁺⁺⁺⁺⁺ As McWilliams and Siegel (2001, p. 120) have pointed out: “support of cause related marketing creates a reputation that a firm is reliable and honest. Consumers typically assume that the products of a reliable and honest firm will be of high quality”.^{§§§§§}

7. Political Theories

A group of CSR theories and approaches focus on interactions and connections between business and society and on the power and position of business and its inherent responsibility. They include both political considerations and political analysis in the CSR debate. Although there are a variety of approaches, two major theories can be distinguished: Corporate Constitutionalism and Corporate Citizenship.

^{§§§§} Husted, B.W. and D.B. Allen:2000, Is it Ethical to use Ethics as Strategy?, *Journal of Business Ethics* 27(1-2),P. 21-32.

^{*****} Vardrajan, P.R. and A. Menon:1988, ‘Cause Related Marketing: A Coalignment of Market Strategy and Corporate Philanthropy’,*Journal of Marketing* 52(3),P.58

⁺⁺⁺⁺⁺ Murray and Montanari:1986. ‘Strategic Management of the Socially Responsible Firm: Integrating Management and Marketing Theory’, *Academy of Management Review* 11(4) P.-,815-828

⁺⁺⁺⁺⁺ Smith, W. and M.Higgins:2000, ‘Cause-Related Marketing: Ethics and the Ecstatic’, *Business And Society* 39(3),P.304-322.

^{§§§§§} McWilliams, A. and D. Siegel:2001, ‘Corporate Social Responsibility: A Theory of the Firm Perspective’, *Academy of Management Review* 26(1),P. 117-127

(a) Constitutionalismz

Davis (1960) was one of the first one to explore the role of power that business has in society and the social impact of this power. In doing so, he introduces business power as a new element in the debate of CSR. He held that business is a social institution and it must use power responsibly. Additionally, Davis noted that the causes that generate the social power of the firm are not solely internal of the firm but also external. Their locus is unstable and constantly shifting, from the economic to the social forum and from there to the political forum and vice versa. *****

Davis formulated two principles that express how social power has to be managed: “the social power equation” and “the iron law of responsibility”. The social power equation principle states that “social responsibilities of businessmen arise from the amount of social power that they have”. The iron law of responsibility refers to the negative consequences of the absence of use of power. In his own words: “Whoever does not use his social power responsibly will lose it. In the long run those who do not use power in a manner which society considers responsible will tend to lose it because other groups eventually will step in to assume those responsibilities”. ++++++

According to Davis, the equation of social power-responsibility has to be understood through the functional role of business and managers. The limits of functional power come from the pressures of different constituency groups. This “restricts organizational power in the same way that a governmental constitution does.” The constituency groups do not destroy power. Rather they define conditions for its responsible use. They channel organizational power in a supportive way and to protect other interests against unreasonable organizational power (Davis, 1967, p. 68). As a consequence, his theory is called “Corporate Constitutionalism”. ++++++

(b) Integrative Social Contract Theory

Donaldson (1982) considered the business and society relationship from the social contract tradition, mainly from the philosophical thought of Locke. He assumed that a sort of implicit social contract between business and society exists. This social contract implies some indirect obligations of business towards society. §§§§§

***** Davis, K.: 1960. ‘Can Business Afford to Ignore Corporate Social Responsibility?’. California Management Review 2, P.-70-76

+++++ Ibid 63

+++++ Davis, K.: 1967, ‘Understanding The Social Responsibility Puzzle’, Business Horizon 10 (4), P. 68

§§§§§ Donaldson, T.: 1982, Corporation and Morality (Prentice-Hall, Englewood Cliff, NJ)

Afterwards, Donaldson and Dunfee (1994, 1999) extended this approach and proposed an “Integrative Social Contract Theory” (ISCT) in order to take into account the socio-cultural context and also to integrate empirical and normative aspects of management. Social responsibilities come from consent.^{*****} These scholars assumed two levels of consent. Firstly a theoretical macro social contract appealing to all rational contractors, and secondly, a real micro social contract by members of numerous localized communities. According to these authors, this theory offers a process in which the contracts among industries, departments and economic systems can be legitimate. In this process the participants will agree upon the ground rules defining the foundation of economics that will be acceptable to them.

(c) Corporate Citizenship

In the 80s the term “corporate citizenship” was introduced into the business and society relationship mainly through practitioners (Altman and Vidaver Cohen, 2000).⁺⁺⁺⁺⁺ Matten (2003) have distinguished three views of “corporate citizenship”: (1) a limited view, (2) a view equivalent to CSR and (3) an extended view of corporate citizenship, which is held by them. In the limited view “corporate citizenship” is used in a sense quite close to corporate philanthropy, social investment or certain responsibilities assumed towards the local community. The equivalent to CSR view is quite common. Finally, in the extended view of corporate citizenship, corporations enter the arena of citizenship at the point of government failure in the protection of citizenship.⁺⁺⁺⁺⁺ This view arises from the fact that some corporations have gradually come to replace the most powerful institution in the traditional concept of citizenship, namely government.

The term “citizenship”, taken from political science, is at the core of the “corporate citizenship” notion. For Wood and Logsdon “business citizenship cannot be deemed equivalent to individual citizenship-instead it derives from and is secondary to individual citizenship” (2002, p. 86).^{§§§§§§} Whether or not this view is accepted, theories and approaches on “Corporate Citizenship” are focused on rights, responsibilities and possible partnerships of business in society.

^{*****} Donaldson, T. and T.W. Dunfee: 1994, ‘Towards a Unified Conception of Business Ethics: ‘Integrated Social Contracts Theory’, *Academy of Management Review* 19, P.252-284

⁺⁺⁺⁺⁺ Altman and Vidaver-Cohen: 2000, ‘Corporate Citizen in the New Millennium: Foundation for an Architecture of Excellence’ *Business and Society Review* 105(1), P.145-169.

⁺⁺⁺⁺⁺ Matten, Crane and Chappel 2003, ‘Behind de Mask: Revealing the True face of ‘Corporate Citizen’, *Journal of Business Ethics* .P.109-120

^{§§§§§§} Woods and Lodgson: 2002, ‘Business Citizenship: from Individuals to Organisations’ *Business Ethics Quarterly*, Riffin Series, No.3, P.59--94

8. Integrative Theories

This group of theories looks at how business integrates social demands, arguing that business depends on society for its existence, continuity and growth. Social demands are generally considered to be the way in which society interacts with business and gives it a certain legitimacy and prestige. As a consequence, corporate management should take into account social demands, and integrate them in such a way that the business operates in accordance with social values. So, the content of business responsibility is limited to the space and time of each situation depending on the values of society at that moment, and comes through the company's functional roles (Preston and Post, 1975).^{*****} The theories of this group are focused on the detection and scanning of, and response to, the social demands that achieve social legitimacy, greater social acceptance and prestige.

(a) Issues Management

Issues management has been defined by Wartick and Rude (1986) as the corporation can identify; evaluate and respond to those social and political issues which may impact significantly upon it". They add that issues management attempts to minimize "surprises" which accompany social and political change by serving as an early warning system for potential environmental threats and opportunities.⁺⁺⁺⁺⁺ Further, it prompts more systematic and effective responses to particular issues by serving as a coordinating and integrating force within the corporation. Other factors, which have been considered, include the corporate responses to media exposure, interest group pressures and business crises, as well as organization size, top management commitment and other organizational factors.

(b) The Principle of Public Responsibility

Preston and Post(1981) proposed "the principle of public responsibility". They chose the term "public" rather than "social", to stress the importance of the public process, rather than personal-morality views or narrow interest groups defining the scope of responsibilities. According to them an appropriate guideline for a legitimate managerial behavior is found within the framework of relevant public policy. They added that "public policy includes not only the literal text of law and regulation but also the broad pattern of social direction reflected in public opinion emerging issues,

^{*****} Preston and Post:1975, Private Management and Public Policy. The Principle of Public Responsibility (Prentice Hall, Englewood Cliffs, NJ)

⁺⁺⁺⁺⁺ Watric,S.L. and R.E. Rude:1986, ' Issue Management: Corporate Fad or Corporate Function?, California Management Review 29 (1), P.124.

formal legal requirements and enforcement or implementation practices” (Preston and Post, 1981).⁺⁺⁺⁺⁺⁺ This is the essence of the principle of public responsibility.

Preston and Post analyzed the scope of managerial responsibility in terms of the “primary” and “secondary” involvement of the firm in its social environment. Primary involvement includes the essential economic task of the firm, such as locating and establishing its facilities, procuring suppliers, engaging employees, carrying out its production functions and marketing products. It also includes legal requirements. Secondary involvements come as consequence of the primary. They are, e.g., career and earning opportunities for some individuals, which come from the primary activity of selection and advancement of employees.^{§§§§§§}

(c) Stakeholder Management

Stakeholder management tries to integrate groups with a stake in the firm into managerial decision-making. It includes topics such as how to determine the best practice in corporate stakeholder relations, stakeholder’s relations to managers, the impact of stakeholder management on financial performance , the influence of stakeholder network structural relations and how managers can successfully balance the competing demands of various stakeholder groups .^{*****}

In recent times, corporations have been pressurized by non-governmental organizations (NGOs), activists, communities, governments, media and other Institutional forces. These groups demand what they consider to be responsible corporate practices. Now some corporations are seeking corporate responses to social demands by establishing dialogue with a wide spectrum of stakeholders. Stakeholder dialogue helps to address the question of responsiveness to the generally unclear signals received from the environment. In addition, this dialogues “not only enhances a company’s sensitivity to its environment but also increases the environments understanding of the dilemmas facing the organization” (Kaptein and Van Tulder, 2003 P. 208).⁺⁺⁺⁺⁺⁺

(d) Corporate Social Performance

⁺⁺⁺⁺⁺⁺ Ibid.36, P.57

^{§§§§§§} Ibid.36,P.57

^{*****} Garriga and Mele:2004, Corporate Social responsibility Theories: Mapping The Territory, Journal of Business Ethics, P.53

⁺⁺⁺⁺⁺⁺ Kaptein and Van Tulder: 2003, 'Towards Effective Stakeholders Dialogue', Business and Society Review 108(Summer) P. 208.

A set of theories attempts to integrate some of the previous theories. The corporate social performance (CSP) includes a search for social legitimacy, with processes for giving appropriate responses. Carroll generally considered to have introduced this model suggested a model of “corporate performance” with three elements: a basic definition of social responsibility; a listing of issues in which social responsibility exists and a specification of the philosophy of response to social issues. Carroll considered that a definition of social responsibility; which fully addresses the entire range of obligations business has to society, must embody the economic, legal, ethical, and discretionary categories of business performance. He later incorporated his four-part categorization into a “Pyramid of Corporate Social Responsibilities” (Carroll, 1991).^{*****} A new development came with Wood (1991b) who presented a model of corporate social performance composed of principles of CSR, processes of corporate social responsiveness and outcomes of corporate behavior. The principles of CSR are understood to be analytical forms to be filled with value content that is operationalized. They include: principles of CSR, expressed on institutional, organizational and individual levels, processes of corporate social responsiveness, such as environmental assessment, stakeholder management and issues management, and outcomes of corporate behavior including social impacts, social programs and social policies.^{§§§§§§§§§§}

9. Ethical Theories

There is a fourth group of theories or approaches focus on the ethical requirements that cement the relationship between business and society. They are based on principles that express the right thing to do or the necessity to achieve a good society. As main approaches we can distinguish the following.

(a) Normative Stakeholder Theory

Stakeholder management has become an ethically based theory mainly since 1984 when Freeman wrote *Strategic Management: a Stakeholder Approach*. In this book, he took as starting point that “managers bear a fiduciary relationship to stakeholders” (Freeman, 1984, p. xx), instead of having exclusively fiduciary duties towards stockholders, as was held by the conventional view of the firm. He understood stakeholders as those groups who have a stake in or claim on the firm (suppliers, customers, employees,

^{*****} Carroll, A.B.:1991, ‘ The Pyramid of Corporate Social Responsibility: Towards the Moral Management of Organisational Stakeholders’, *Business Horizons*(July/August),P. 39-48.

^{§§§§§§§§§§} Wood,D.J.:1991b,‘ Corporate Social Performance Revisited’, *Academy of Management Review* 16(4), P.691--718

stockholders, and the local community).^{*****} In a more precise way, Donaldson and Preston (1995, p. 67) held that the stakeholder theory has a normative core based on two major ideas (1) stakeholders are persons or groups with legitimate interests in procedural and/or substantive aspects of corporate activity (stakeholders are identified by their interests in the corporation, whether or not the corporation has any corresponding functional interest in them) and (2) the interests of all stakeholders are of intrinsic value (that is, each group of stakeholders merits consideration for its own sake and not merely because of its ability to further the interests of some other group, such as the shareowners).⁺⁺⁺⁺⁺

Following this theory, a socially responsible firm requires simultaneous attention to the legitimate interests of all appropriate stakeholders and has to balance such a multiplicity of interests and not only the interests of the firm's stockholders.

In short, stakeholder approach grounded in ethical theories presents a different perspective on CSR, in which ethics is central.

(b) Universal Rights

Human rights have been taken as a basis for CSR, especially in the global market place . In recent years, some human rights based approaches for corporate responsibility have been proposed. One of them is the UN Global Compact, which includes nine principles in the areas of human rights, labour and the environment. It was first presented by the United Nations Secretary- General Kofi Annan in an address to The World Economic Forum in 1999. In 2000 the Global Compact's operational phase was launched at UN Headquarters in New York.^{*****} Many companies have since adopted it. Another, principle is" The Global Sullivan Principles", which has the objective of supporting economic, social and political justice by companies where they do business.^{§§§§§§§§§§} The certification SA8000 (www.cepaa.org) for accreditation of social responsibility is also based on human and labor rights and all of them are based on the Universal Declaration of Human Rights adopted by the United Nations General Assembly in 1948 and on other international declarations of human rights, labour rights and environmental protection.

^{*****} Freeman,R.E.: 1984, Strategic Management: A Stakeholder Approach(Pitman, Boston) P. xx.

⁺⁺⁺⁺⁺ Donaldson and Preston,1995: 'The Stakeholders Theory of the Corporation: Concepts , Evidence, and Implication', Academy of Management Review ,20(1),P. 67

^{*****} United Nations: 1999, Global Compact(www.unglobalcompact.org)

^{§§§§§§§§§§} The Global Sullivan Principles,1999: globalsullivanprinciples.org

(c) Sustainable Development

Another values-based concept is “sustainable development”. The term came into widespread use in 1987, when the World Commission on Environment and Development (United Nations) published a report known as “Brutland Report”. This report stated that “sustainable development” seeks to meet the needs of the present without compromising the ability to meet the future generation to meet their own needs” . ***** Although this report originally only included the environmental factor, the concept of “sustainable development” has since expanded to include the consideration of the social dimension as being inseparable from development. In the words of the World Business Council for Sustainable Development (2000, p. 2), sustainable development “requires the integration of social, environmental, and economic considerations to make balanced judgments for the long term”. ++++++ United Nations numerous definitions have been proposed for sustainable development and analysis of the main definitions suggests that sustainable development is “a process of achieving human development in an inclusive, connected, equiparable, prudent and secure manner.” ++++++

The problem comes when the corporation has to develop the processes and implement strategies to meet the corporate challenge of corporate sustainable development. As Wheeler et al. (2003, p. 17) have stated, sustainability is “an ideal toward which society and business can continually strive, the way we strive is by creating value, creating outcomes that are consistent with the ideal of sustainability along social environmental and economic dimensions” .\$\$\$\$\$\$\$\$

(d) The Common Good Approach

This third group of approaches, less consolidated than the stakeholder approach but with potential, holds the common good of society as the referential value for CSR. This approach maintains that business, as with any other social group or individual in society, has to contribute to the common good, because it is a part of society. Business should be neither harmful to nor a parasite on society, but purely a positive contributor to the well-being of the society.

***** Brutland Report, World Commission on Environment and Development, 1987: P. 8.

+***** World Business Council for Sustainable Development, 2000: P. 2

+++++ Gladwin and Kennelly 1995: 'Shifting Paradigm for Sustainable Development: Implication for Management Theory and Research 'Academy of Management Review 20(4) P. 876.

\$\$\$\$\$\$\$\$ Wheeler, Colbart and Freeman. 2003: Focussing on Value: Reconciling Corporate Social Responsibility, Sustainability and a Stakeholder in a Network world', Journal of General Management, p. 17)

Business contributes to the common good in different ways, such as creating wealth, providing goods and services in an efficient and fair way, at the same time respecting the dignity and the inalienable and fundamental rights of the individual. Furthermore, it contributes to social well-being and a harmonic way of living together in just, peaceful and friendly conditions, both in the present and in the future (Mele, 2002).^{*****}

10. Framework of CSR (The Pyramid of Corporate Social Responsibility)

Carrol while summarizing scope of Corporate Social Responsibility presented the complete framework of CSR in the form of a pyramid of Corporate Social Responsibility. For CSR to be accepted by a conscientious business person, it should be framed in such a way that the entire ranges of business responsibilities are embraced. It is suggested here that four kinds of social responsibilities constitute total CSR: economic, legal, ethical and philanthropic.⁺⁺⁺⁺⁺ Each of these four categories deserves closer consideration.

(a) Economic Responsibilities

Historically, business organizations were created as economic entities designed to provide goods and services to societal members. The profit motive was established as the primary incentive for entrepreneurship. At some point the idea of the profit motive got transformed into a notion of maximum profits, and this has been an enduring value ever since. All other business responsibilities are predicated upon the economic responsibility of the firm, because without it the others become moot considerations.

(b) Legal Responsibilities

Society has not only sanctioned business to operate according to the profit motive; at the same time business is expected to comply with the laws and regulations promulgated by federal, state, and local governments as the ground rules under which business must operate. As a partial fulfillment of the “social contract” between business and society, firms are expected to pursue their economic missions within the framework of the law. Legal responsibilities reflect a view of “codified ethics” in the sense that they embody basic notions of fair operations as established by our lawmakers. They are depicted as the next layer on the pyramid to portray their historical

^{*****} Mele, D.: 2002, Not only Stakeholders Interest. The firm Oriented toward the Common Good, University of Notre Dame Press, Notre Dame.

⁺⁺⁺⁺⁺ Ibid, 42

development, but they are appropriately seen as coexisting with economic responsibilities as fundamental precepts of the free enterprise system.

(c) Ethical Responsibilities

Although economic and legal responsibilities embody ethical norms about fairness and justice, ethical responsibilities embrace those activities and practices that are expected or prohibited by societal members even though they are not codified into law. Ethical responsibilities embody those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights.

The business ethics movement of the past decades has firmly established an ethical responsibility as a legitimate CSR component. Though it is depicted as the next layer of the CSR pyramid, it must be constantly recognized that it is in dynamic interplay with the legal responsibility category. That is, it is constantly pushing the legal responsibility category to broaden or expand while at the same time placing ever higher expectations on businesspersons to operate at levels above that required by law.

(d) Philanthropic Responsibilities

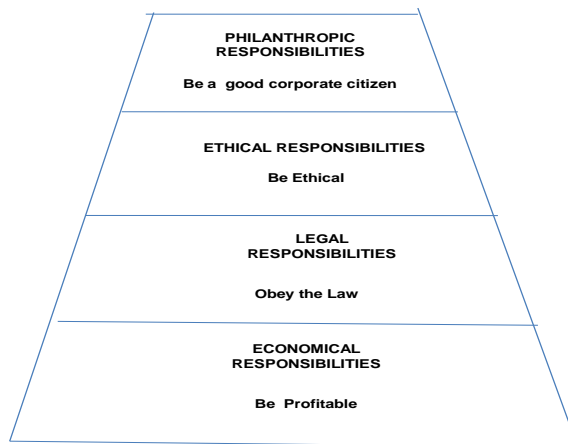
Philanthropy encompasses those corporate actions that are in response to society's expectation that businesses be good corporate citizens. This includes actively engaging in acts or programs to promote human welfare or goodwill. Examples of philanthropy include business contributions of financial resources or executive time, such as contributions to the arts, education, or the community. A loaned executive program that provides leadership for a community's United Way campaign is one illustration of philanthropy.

The distinguishing feature between philanthropic and ethical responsibilities is that the former are not expected in an ethical or moral sense. Communities desire firms to contribute their money, facilities, and employee time to humanitarian programs or purposes, but they do not regard the firms as unethical if they do not provide the desired level. Therefore, philanthropy is more discretionary or voluntary on the part of businesses even though there is always the societal expectation that businesses provide it. One notable reason for making the distinction between philanthropic and ethical responsibilities is that some firms feel they are being socially responsible if they are just good citizens in the community.

The pyramid of corporate social responsibility portrays the four components of CSR, beginning with the basic building block notion that

economic performance undergirds all else. At the same time, business is expected to obey the law because the law is society's codification of acceptable and unacceptable behavior. Next is business's responsibility to be ethical. At its most fundamental level, this is the obligation to do what is right, just, and fair, and to avoid or minimize harm to stakeholders (employees, consumers, the environment, and others). Finally, business is expected to be a good corporate citizen. This is captured in the philanthropic responsibility wherein business is expected to contribute financial and human resources to the community and to improve the quality of life.

The Pyramid of Corporate Social Responsibility



In summary, the total corporate social responsibility of business entails the simultaneous fulfillment of the firm's economic, legal, ethical, and philanthropic responsibilities. Stated in more pragmatic and managerial terms, the CSR firm should strive to make a profit, obey the law, be ethical, and be a good corporate citizen.

11. Conclusion

An English poet John Donne says: Man is not an island entirely of himself. He is a part of the main. Everyones' death diminishes me; for I am involved. These meaningful words suggest that an individual is an integral part of society in which he is born, moves and has his being. His existence cannot be imagined beyond society or outside society. Being an inseparable part of the society he owes something to society, for it is the society which provides him with opportunities to develop and flourish. It is imperative, therefore, for him to act in such a way that the good of society is ensured, besides his own good. It must be an earnest endeavor of every individual to make himself as useful to the society as possible. It is the only way for self-realization, for self-refinement and self-regeneration. Humanity will sing

praises only for those who have earnestly endeavored to make themselves useful to it. They are the precious gems whose glow lights each and every corner of the society. Similarly, Corporate are also part of this wider social set up and can't survive and progress in isolation. They are formed by the elements of society, for the society and being run by the elements of this society itself. There are numerous factors which lay emphasis on the fact that the corporate should be socially responsible because each and every activity of corporate affects some or other part of society in some or other way. In subsequent paragraphs we can gauge few of the Justifications or Rational of CSR.

When we go through the history of ancient civilization, we find that the economics was rooted in local community exchanges, based on barter, which required a high sense of morality and character. These naturally led to creation of high standard and efficiency but slowly and silently led to the demise of the human spirit. The emergence of the market forces as a result of post-war developments and political movements gave importance to the individual; it was the central idea of the concept of free market system tried to create the amoral economic man who believed that economic activities should not be judged on moral values. This was explained by Fredman (1970) with the help of the principle of unanimity. According to this principle, in an ideal free market, co-operation is voluntary and all parties to co-operate benefit from this co-operation. This principle of Milton Fredman does not include any social responsibility, or values and morals. It only concerns itself with shared values and responsibility of individuals. So accordingly only responsibility of business, which was an economic activity, was to earn economic gains. Thus corporation entered into blind race to earn more to satisfy the needs or rather greed, and as a result of all this consumerist culture was born. This culture led to human burn out and resource exploitation.

But as we are aware that the company is not merely a legal institution, it is more than that. The relationship of the company exists not only with the people who voluntarily participate in its activities but also extends with many social and environmental factors. The relationship of company beyond the legal existence to the socio-economic scenario is well explained by Berle (1959). According to him, the 'Company' is not merely a legal institution. It is rather a large device for attainment of any social or economic end and to a large extent, this is done publicly and by being socially responsible. It is, therefore, a combined political, social, economic and legal institution. In new Company Act, 2013 an effort has been made to ensure the accountability of the corporate sector with an effective corporate social responsibility and which focused corporate governance.

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DETERMINANTS OF INDIAN HOUSEHOLD SAVINGS IN PRE-RECESSION PERIOD: AN ARDL CO-INTEGRATION TECHNIQUE

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ABSTRACT

This study adopted Auto-regressive Distributed Lag regression model. The has been taken up to know the Impact of various economic variables on Indian domestic household savings. Economic variables studied are financial liberalisation index, per capita personal disposable income, inflation rate, real interest rate and dependency ratio. An annual time series data analysis was done for the years 1978 to 2007 (Pre-Recession Period). It shows that household savings are negatively associated with financial liberalization index. The household savings were found to be negatively associated with the real interest rate and dependency ratio. A positive association was found between household savings and per capita disposable income. No significant relationship exists between household savings and inflation.

Keywords: ARDL Approach, VECM, Financial Liberalization, Household Domestic Savings, Rate of Interest, Inflation rate, personal disposable income, dependency ratio

1. Introduction

Household sector comprises of individuals, non-profit organisations and unorganised sector (agriculture, small industry and all types of unincorporated business). Household domestic savings include financial savings and savings in physical assets. Financial savings are saving in currency, bank deposits and non-bank deposits, life insurance funds, provident and pension funds, savings in postal investments, investments in government bonds, investments in shares and debentures, units of UTI investment and trade debts. Savings in physical assets include investments in construction, machinery, equipments and changes in stock. Physical savings are household sector, gross capital formation at current prices. Factors studied in the present work are financial liberalisation index, per capita personal disposable income, inflation rate, real interest rate and dependency ratio.

In national accounts definitions, personal income, minus personal current taxes equals disposable personal income. Subtracting personal outlays (which includes the major category of personal (or, private) consumption expenditure) yields personal (or, private) savings, hence the

income left after paying away all the taxes is referred to as disposable income. Restated, consumption expenditure plus savings equals disposable income after accounting for transfers such as payments to children in school or elderly parents' living arrangements. Per capita income is the mean income of the people in an economic unit such as a country or city. It is calculated by dividing personal disposable income by the total population.

Inflation as measured by the consumer price index reflects the annual percentage change in the cost of the average consumer of acquiring a basket of goods and services that may be fixed or changing at specified intervals, such as yearly. Real Interest Rate is the lending interest rate adjusted for inflation as measured by the GDP deflator. Age dependency ratio is the ratio of dependents – people younger than 15 or older than 64 – to the working-age population – those ages 15-64. Data are shown as the proportion of dependents per 100 working-age population.

The Indian financial markets were working with extensive system of controls and procedures. This was a hindrance in the development of these markets. To free it, the institutional and structural changes were introduced in Indian financial system. Anticipating the critical nature of the financial sector, the Government set up Committees for examining all aspects relating to the structure, organization, functions and procedures of on the Indian Financial System in 1990s. The need to introduce greater competition through autonomy and private sector participation in the financial sector was also taken into account. The main purpose of the reforms was to speed-up the economic growth through increased capital productivity, lowered cost of intermediation by competition, boosted efficiency and enhanced savings. Reforms have spread up various forms of products available to invest money. The reformed financial system was expected to assist domestic resource mobilisation. To consider the role of financial sector reforms in economic growth in the long-run, it is crucial to examine the link between financial sector reforms and savings. Thus, in the present study a regression model is developed to find the factors impacting household savings.

To quantify the reforms in India, a continuous financial liberalization index was created considering the measures of financial sector liberalization. The methodology of Bandiera et al (2000) is followed to create the index. Bandiera et al. (2000) construct a financial liberalisation index for eight developing countries by including eight main components of financial liberalisation in their index, which are interest rates, pro-competition measures, reserve requirements, directed credit, banks' ownership, prudential regulations, stock markets and international financial

liberalisation. Nair (2006) constructed 5 indices namely an aggregate financial liberalization index, money market liberalization index, securities market development index, international financial liberalization index and an aggregate financial sector development index. Laeven (2003) constructs a similar index for 13 developing countries. He includes six measures of financial liberalisation but excludes the measures related to stock markets and external sector in his index. Previously, Demetriades and Luintel (1997) constructed a financial repression index for India using the principal components method. They included nine different policies in their index. Following the same method, Laurenceson and Chai (2003) construct a similar financial repression index for China. Shrestha and Chowdhury (2006) constructed Financial Liberalization Index for Nepal.

2. Objectives of the Study

- To know the relationship between financial liberalisation index and household domestic savings.
- To know the relationship between inflation and household domestic savings.
- To know the relationship between per capita personal disposable income and household domestic savings.
- To know the relationship between real interest rate and household domestic savings.
- To know the relationship between dependency ration and household domestic savings.

3. Literature Review

Early studies have been found on cross country analysis to know the determinants of household savings in the industrial and developing countries. A study in Turkey was done to measure the policy changes effects on household savings. A study was done in Ghana to know the relationship between financial sector development and saving mobilisation from 1970-2001, it induces poverty reduction; and second, that savings do cause poverty reduction in Ghana (Quartey, 2005). One more study from Pakistan to access the impact of reforms on banking sector from 1990 to 2005 (Ahmed, Farooq and Jalil, 2009). Same study was done in Ghana on financial sector reforms and bank's capacity to mobilise savings (Ziorklui, 2001). Even in Middle East and North Africa (MENA) countries study was conducted to know the relationship between regulatory and institutional changes and bank's performance (Naceur and Omran, 2011). A study from Kenya revealed the relationship between financial liberalisation and

intermediation and financial markets. Most recent study done in 2012 was on relationship between financial reforms and capital market development. More studies were found to know the relationship between financial sector liberalisation and private savings in Nigeria and Sub-Saharan African countries, Ghana, Turkey, Korea, Mexico, and Morocco (Bakare, 2011; Balamoune-Lutz, 2006; Bandiera et al, 1998; Fowowe, 2011).

But speaking in Indian context, study conducted was to see the initial effect of financial reforms from 1971 to 2000 on household savings (Nair, 2006). Other studies found were to see the effect of financial reforms on banking sector and capital market (Shirai, 2004). One more study was a discussion on effect of reforms on corporate financial management and financial manager's decision (Varma, 2002). A study in India was done to see the financial reforms and fiscal reform's effect on sub national finances and infrastructure spending (Chakraborty and Zhang, 2009). A study was done to find the relationship between saving and investment finding significant relation for the period 1950-51 to 2008-09 (Mishra et al, 2010). One behavioural study was found to know the impact of economic reforms on Indian manufacturers (Siggel and Agrawal, 2009).

A study used ARDL model to find the relationship between financial structures and economic development in India suggesting that both the bank-based and market-based financial deepening have positive roles in driving India's economic development for the period 1982-83 through 2011-12. (Sahoo, 2013). ARDL Bounds Testing Approach has been applied for co-integration analyzes long run and short run association among the real rate of interest on deposits, financial liberalization, economic growth, terms of trade, real remittances by Pakistani emigrants and domestic savings behavior in Pakistan, using annual time series data for 1973-2007 (Awan et al., 2010). The ARDL co-integration technique on annual time series data for the years 1988 to 2008 examined the relationship between the financial sector reforms and household savings in Pakistan (Khan and Hye, 2010)

However, very few studies were found that have been conducted on impact of financial sector reforms on investment pattern for the early period effect of reforms till the pre-recession in India using ARDL co-integration technique. Very little information is available on determinants of household savings in India. To know whether financial sector reforms are able to enhance or slit down savings, researcher has taken up the study.

A significant negative impact of the financial sector liberalisation index in India is found on household saving rate, which gives an indication of the increased credit availability due to financial sector liberalization leading to increased consumption rather than savings (Nair, 2006). The various policy

decisions in terms of fiscal incentives and expansion through competitive spirit helped the growth of personal savings significantly in India. This has added to the phenomenal growth of domestic savings in general and household savings in particular (Singh, 2010). Absolute income is the major significant and positive determinant of household sector saving rate in India (Nair, 2006). Both average propensity to save, marginal propensity to save and income elasticity of savings have been increasing mostly on economic resurgence period (1990-2007) in India, it shows that the household disposable income is the better determinants for household savings and it increased with increase in income in India (Buragohain, 2009). The main determinants of Saving Rates in Developing Asia appear to be the aged dependency ratio, income levels, and the level of financial development (Horioka and Terada-Hagiwara, 2011). The co-efficient of liberalization dummy is also positive and statistically significant, suggesting a need for increased liberalization and deregulation of interest rate for mobilization of savings (Awan et al., 2010). Empirical findings indicated that the financial liberalization index negatively created an impact on the household savings in the short-run, as well as in the long-run, suggesting that financial liberalization slid down the savings instead of enhancing it. Policy-makers should not rely on financial reforms to augment household savings. However, per-capital income, agriculture sector GDP and remittances positively affected the household savings in the short-run, while the real deposit rate negatively affected the household savings in the long-run. It is important for the country to maintain high growth rate for the increasing per-capital income which would contribute in enhancing household savings. As such, the growth of the agriculture sector and remittances should also be a part of the policy. Nonetheless, the dependency ratio also negatively affected the household savings in the shortrun (Khan and Hye, 2010).

The determinants of household savings behaviour for industrial countries are not valid for developing countries and vice versa. Determinants of savings like disposable income, and lower real returns and inflation rates are only effective in industrial countries. Three factors were found to be the significant determinants of savings rates in developing countries: dependency ratio, real balances, and trend income. Hence, the important policy implication is that the schemes designed to motivate household savings should incorporate the level of development of the economy. Adopting a financial liberalization program to promote development will assist households in developing countries to channel savings to financial instruments and enhance savings rates (Muradoglu and Taskin, 1996). The non-policy determinants of saving include persistence, income, growth, demographics, and uncertainty. The economic policies that may also affect saving directly and indirectly include fiscal policies, pension

reform, financial liberalization, and external borrowing and foreign aid (Loayza et al, 2000).

4. Methodology Used

The time period for the study used is 1978 to 2007 (prior to global recession 2009). Data is collected from the websites of RBI and The World Bank. The vector error correction model (VECM) of ARDL technique Eqn. (1) used is as follows:

$$\begin{aligned} \Delta LN(HDS) = & \gamma_1 LN(HDS)_{t-1} + \gamma_2 FLI_{t-1} + \gamma_3 INF_{t-1} + \\ & \gamma_4 LN(PDI)_{t-1} + \gamma_5 RID_{t-1} + \gamma_6 DR_{t-1} + \\ & \sum_{i=1}^n \beta_i \Delta LN(HDS)_{t-i} + \sum_{i=0}^n \beta_i \Delta FLI_{t-i} + \sum_{i=0}^n \beta_i \Delta INF_{t-i} + \\ & \sum_{i=0}^n \beta_i \Delta LN(PDI)_{t-i} + \sum_{i=0}^n \beta_i \Delta RID_{t-i} + \sum_{i=0}^n \beta_i \Delta DR_{t-i} + \varepsilon \end{aligned} \quad (1)$$

Where,

HDS: household domestic savings (used in log form)

FLI: financial liberalization index

PDI: per capita personal disposable income (used in log form)

RID: real interest rate

INF: inflation

DR: dependency ratio

5. Model Estimation

TABLE 1: RESULTS OF UNIT ROOT TESTS AT LEVEL

Variable	Level			Inference
	With Constant	With Constant and Trend	Without Constant and Trend	
Lnhds	-0.02(0)	-2.37(0)	10.02(0)	
Lnpdi	-0.83(0)	-1.66(3)	0.28(1)	
RID	-5.54(0)**	-5.57(0)**	-0.15(2)	
INF	-3.73(0)**	-4.60(0)**	-1.00(3)	
DR	1.33(7)	-4.53(6)**	-2.41(4)*	
FLI	-0.25(2)	-2.45(1)	-0.28(1)	

* and ** denotes significance at 5 per cent and 1 per cent levels respectively.

Figures in brackets denote the optimum number of lags used in the tests.

Augmented Dickey Fuller (ADF) unit roots test is applied to check the stationarity problem of all the variables. Table 1 indicates that real interest rate, inflation rate and dependency ratio are stationary and others are non-stationary and integrated of order 1 (I(1)). Table 2 shows that all the variables are stationary (I(0)) at first difference.

TABLE 2: RESULTS OF UNIT ROOT TESTS AT FIRST DIFFERENCE

Variable	First Difference			Inference
	With Constant	With Constant and Trend	Without Constant and Trend	
Lnhds	-5.62(0)**	-5.53(0)**	-0.84(1)**	I(0)
Lnpdi	-3.32(1)*	-8.60(0)**	-8.85(0)**	I(0)
RID	-5.52(1)**	-5.60(1)**	-5.60(1)**	I(0)
INF	-5.81(2)**	-5.57(2)**	-5.85(2)**	I(0)
DR	-3.80(6)**	-2.53(6)	-0.49(3)	I(0)
FLI	-3.58(1)*	-3.51(1)*	-2.51(0)*	I(0)

* and ** denotes significance at 5 per cent and 1 per cent levels respectively.
 Figures in brackets denote the optimum number of lags used in the tests.

TABLE 3: GRANGER CAUSALITY TEST

Null Hypothesis	F-Statistics	Probability
LNHDS does not Granger cause FLI	0.75599	0.3929
FLI does not Granger cause LNHDS	1.04469	0.3165
LNHDS does not Granger cause INF	0.39824	0.5337
INF does not Granger cause LNHDS	0.03666	0.8497
LNHDS does not Granger cause LNPDI	1.53794	0.2269
LNPDI does not Granger cause LNHDS	0.14991	0.702
LNHDS does not Granger cause RID	3.48625	0.0736
RID does not Granger cause LNHDS	5.39561	0.0286
LNHDS does not Granger cause DR	0.07526	0.7861
DR does not Granger cause LNHDS	0.00010	0.992

Note: Granger causality tests are based on one lag with I(0) series.

Granger causality test is applied to check the reverse causality from household saving to each of the independent variables. In table 3, both the causality from independent variables to dependent variables and vice versa is presented. The result shows that the null hypothesis of Granger non-

causality is not rejected at 5 per cent significance level. There is no reverse causality from the dependent variable to the explanatory variables and all the variables are included in analysis.

As the variables to be used in the model are of different order, so ARDL (autoregressive distributed lag) approach to co-integration is applied to determine the long-run relationship among the variables. If variables are integrated of different order, then some linear combinations of them produce stationary (I (0)) variables. In this case, the variables are said to be co-integrated. The regression of these co-integrated non-stationary variables will not be spurious as they move together in long run. So, if variables are co-integrated they can be used in their level forms themselves in the regression equation.

<i>WALD F-TEST</i> Test Statistic	Value	Degree of Freedom	Probability
F-statistic	3.540151	(6, 16)	0.0638
critical value bounds of the Wald F statistic: Peasaran and Pesaran critical value bounds at 10% significance level I(0)=1.825 and I(1)=2.943 (no intercept and no trend)			

The long-run relationship among the variables is determined by F- test, while the null hypothesis for no co-integration amongst the variables in Equation is tested

$H_0: c(1)=c(2)=c(3)=c(4)=c(5)=c(6)=c(7)=0$ (no long run relationship between variables)

The no co-integration hypothesis is rejected if the estimated value of F-statistic is above the upper bound critical value, and in contrast, if the value of F-statistic falls below the lower bound, the no co-integration hypothesis would be accepted. An inconclusive inference can be drawn if F-statistic falls inside the upper and lower bounds. As F-statistic value 3.540151 lies above the upper bound value of 2.943, so it is concluded that there exists a long run relationship between variables.

ARDL Regression model estimates are presented in table 4. All the variables included in the model are significant except inflation. Model passes the entire diagnostic tests. The model used explains about 99 percentage of the variation in household savings, as shown by R^2 value. It is statistically significant also at one percentage significance level, as shown by the F-Statistic. It is found that the residuals are not serially correlated, which is indicated by the Serial Correlation LM Test (Lagrange multiplier). Again, the heteroscedasticity (based on Observed R squared) results suggest that the residuals have constant variance. Normality assumption is not

violated as given by Normality results. Durbin's h-statistic shows no autocorrelation. Long-run coefficients are shown in Table 5. Short-run coefficients and error correction term are shown in Table 6.

TABLE 4: AUTOREGRESSIVE DISTRIBUTED LAG ESTIMATES

[ARDL (1,0,0,0,0) selected based on Schwarz Bayesian Criterion]

Regressor	Coefficient	Standard Error	T-Ratio[Prob.]
LNHDS(-1)	0.45401	0.12909	3.5169[.002]
FLI	-0.00633	0.0032691	-1.9373[.065]
INF	-0.00147	0.0019489	-.75500[.458]
LNPDI	0.73654	0.17072	4.3142[.000]
RID	-0.00839	0.0027445	-3.0583[.006]
DR	-0.00845	0.0026198	-3.2243[.004]
STATISTICAL ERRORS			
R-Squared	.99819		
R-Bar-Squared	.99780		
F-Stat. F(5,23)	2535.9[.000]		
DW-statistic	1.6019		
Durbin's h-statistic	1.4912		
RESIDUAL DIAGNOSTICS:			
Serial Correlation LM Test (Lagrange multiplier)			2.1981[.138]
Normality Test (Based on a test of skewness and kurtosis of residuals)			1.4347[.488]
Heteroscedasticity (Based on Observed R squared)			.013671[.907]

TABLE 5: ESTIMATED LONG RUN COEFFICIENTS USING THE ARDL APPROACH

[ARDL (1,0,0,0,0) selected based on Schwarz Bayesian Criterion]

Regressor	Coefficient	Standard Error	T-Ratio[Prob.]
FLI	-0.0116	0.0058318	-1.9890[.059]
INF	-0.00269	0.0035412	-.76100[.454]
LNPDI	1.349	0.026803	50.3290[.000]
RID	-0.01537	0.0048562	-3.1657[.004]
DR	-0.01547	0.0035827	-4.3182[.000]

TABLE 6: ERROR CORRECTION REPRESENTATION FOR THE SELECTED ARDL MODEL

[ARDL (1,0,0,0,0) selected based on Schwarz Bayesian Criterion]

Regressor	Coefficient	Standard Error	T-Ratio[Prob.]
dFLI	-0.00633	0.003269	-1.9373[.065]
dINF	-0.00147	0.001949	-.75500[.458]
dLNPD	0.73654	0.17072	4.3142[.000]
dRID	-0.00839	0.002745	-3.0583[.006]
dDR	-0.00845	0.00262	-3.2243[.004]
ecm(-1)	-0.54599	0.12909	-4.2295[.000]

To estimate the model development data is used from 1978 to 2007. MAPE for development period is estimated to be 0.001 percent. However to check its validity, validation data is used for same variables from period 2008 to 2011. Mean absolute Percentage Error (MAPE) is calculated to check the validity of model. For this process, \bar{Y} is predicted using same coefficients as estimated in the regression model. MAPE is calculated 0.01491 (1.49 percent) in MS-Excel using following equation Eqn. (2):

$$MAPE = \frac{1}{n} \sum_{t=1}^n \frac{y_t - \bar{y}_t}{y_t}$$

(2)

This result shows that model is valid for the prediction period as MAPE is very low. It is a good sign for the model.

6. Empirical Results

It shows that financial liberalization index affect household savings negatively (Loayza et al., 2000; Loayza and Shanker, 2000 for India; Nair, 2006 for India, Khan and Hye, 2010 for Pakistan, Bandiera et al, 2000). The real interest rate and dependency ratio also associate with the household savings negatively (Nair, 2006). A positive relationship is there between household domestic savings and per capita disposable income (Nair, 2006; Burney and Khan, 1992 for Pakistan; Jappelli and Pagano, 1994; Loayza et al., 2000; Loayza and Shanker, 2000 for India; Agrawal and Sahoo, 2002, Khan and Hye, 2010 for Pakistan found positive association between household savings and per-capita GDP). There is no significant relationship between savings and inflation in the long-run (Nair, 2006). The error correction term is significant with the expected sign and it indicates the slow speed of adjustment from the short-run fluctuation to the long-run equilibrium (54.60% discrepancy is corrected each year). The result clears

that financial sector liberalization index reduce the household domestic savings in the short-run, as well as in the long-run in India (Loayza and Shanker, 2000 for India; Loayza et al., 2000 for panel data; Nair, 2006 for India, Khan and Hye, 2010 for Pakistan). In contrast to these results Awan et al. (2010) reveal that the real interest rate, financial liberalization and economic growth positively affect domestic savings in Pakistan in the long run. The results show that dependency ratio negatively affects the savings in the short-run in India (Loayza et al., 2000; Loayza and Shanker, 2000 for India). For Pakistan, the finding is supported by Burney and Khan (1992) and Agrawal et al. (2009).

7. Conclusion

Some of the Literature evidences find that financial reforms lead to effective savings mobilization and a more efficient resource allocation process, due to dis-intermediation, financial deepening and enhanced access to credit. However, present study results are in contrast to it. The present work found the negative impact of financial sector reforms on household domestic savings. The first and foremost reason may be financial liberalisation process is structural and institutional changes. It has not brought income opportunities to household sector. It may not have increased income level of the sector. It just provided enhanced investment opportunities and increase in number of financial institutions and products. Reform process liberalised the credit availability, which help in more consumption and expenditure than income. A study found a negative impact of foreign investment and international financial liberalization index which may have resulted in real estate booms that might have adversely affected Household Saving (Nair, 2006). In particular, the surge in private capital flows following the international financial sector liberalization process also might have adversely affected household saving rate. The household savings may have been very sensitive to rate the return on investment in real estate (Khan and Hye, 2010). It is so because if it is due to consumption boom and an increase in asset prices, the sustainability of the current account would be a matter of concern (Khan and Hye, 2010). The large non-performing loans, high spread to cover provisioning and management costs, low loan recovery rates, poor governance and limited capacity of central bank to perform its regulatory and supervisory activities might have also attributed to the adverse impact of the financial sector reforms on household savings (Khan and Hye, 2010). The regression model only presents the relationship between variables. It does not present any causal effect. The variables used to create financial liberalization index may not be the only outcome of financial liberalization process. These are likely to be the result of macroeconomic, fiscal, monetary and exchange rate policies. One more

reason for the adverse effect may be worked on. The *rural population* (percent of *total population*) in *India* was last reported at 69.90 in 2010, according to a World Bank report published in 2012. The rural household prefer informal financial system and reforms affect the formal sector. So, the household sector may be insensitive to financial liberalization. In addition, the rural areas have less investment opportunities, although the savings are sometimes consumed in social events like marriages and may be invested in agriculture in the long-run (Khan and Hye, 2010).

The results explain positive relation between per capita personal disposable income and the household savings. If results are inferred at the macro level, the evidence was verified that as countries grow faster, their saving rates increases. Previous study finds that people adjust to consumption habits slowly, which makes savings positively related to the current growth of income (Carroll and Weil, 1994). Higher incomes raise more households above the subsistence level, below which they cannot save, and as such, make households to be more responsive to change in the deposit rate (Ogaki et al., 1996). A negative relation of dependency ratio is may be due to the high population growth, along with an increase in the average age, declining fertility rate (although at a slower rate) and decreasing death rate (Khan and Hye, 2010). A negative relationship is found between the household saving and the real interest rate. It might be because it increased credit availability to households, it may result in consumption rather than in savings.

The objective of the study was to know the determinants of household savings. The ARDL approach confirmed the long-run relationship and indicated that the financial liberalization index, the dependency ratio and real deposit rate create negative impact on the household savings. On the other hand, per-capital income positively affects the household savings in the long-run and in the short run. As such, inflation has shown an insignificant effect in long as well as in short run. In the short-run, the financial liberalization index, real deposit rate and dependency ratio negatively affect the household saving. As results indicate that financial sector reforms have led to a reduction in household savings, understanding the causes behind the negative impact of reforms on household savings is important. Saving is considered to be the main bridge through which financial sector liberalization affects economic growth; However, the significant negative impact of financial sector reforms on household savings in India deserves special mention (Nair, 2006). The policy makers should not rely on financial reforms to stimulate growth through higher levels of savings; they should stress on other areas to increase the level of savings in

the country. It is important for the country to maintain higher growth, thereby increasing per-capital income which would contribute to household savings.

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THE INFLUENCE OF SERVICE QUALITY ON CUSTOMER SATISFACTION AND CUSTOMER LOYALTY: EMPIRICAL EVIDENCE FROM BANKING INSTITUTIONS IN RAJASTHAN

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ABSTRACT

Total Quality Management (TQM) has been practiced in diverse industries from manufacturing to services. But its important in banking sector has attracted only a few researchers. In providing the best service quality in banks, a higher organizational performance is expected. There is intense competition between Public sector, Private sector and foreign banks in India. So customer satisfaction plays a major role to survive the intense competition. On the other side, the emergence of new forms of banking channels such as Internet banking, Automated Teller Machines (ATM), phone banking and also maturing financial market and global competition have forced bankers to explore the importance of customer loyalty. Therefore, studies need to focus on the changing role of the banking system and its dynamic financial market. The underlying model of SERVQUAL (Parasuraman et al., 1988) with five dimensions was used by this research to evaluate the impact of service quality on customer loyalty among bank customers in Ajmer, Jaipur, Bikaner and Udaipur cities of Rajasthan (India) with customer satisfaction mediating these variables. Statistical tools such as Mean, Standard deviation, Multiple Regression and ANOVA were used to test the hypothetical relationship among the variables. The findings show that improvement in service quality can enhance customer loyalty. The service quality dimensions that play a significant role in this equation are reliability, empathy, and assurance. The findings indicate that the overall respondents evaluate the bank positively, but still there is room for improvement.

Keywords: Tangibles, Reliability, Responsiveness, Empathy, Assurance, Customer satisfaction and customer loyalty

1. Introduction

During the past two decades or so, regulatory, structural and technological factors have significantly changed the banking environment throughout the world (Angur et al., 1999). In a milieu which has become increasingly competitive, service quality as a critical measure of

organizational performance continues to compel the attention of banking institutions and remains at the forefront of services marketing literature and practice (Lasser et al., 2000; Yavas and Yasin, 2001). The interest is largely driven by the realization that higher service quality results in customer satisfaction and loyalty, greater willingness to recommend to someone else, reduction in complaints and improved customer retention rates (Danaher, 1997; Magi and Julander, 1996; Levesque and McDongall, 1996). Undoubtedly, owing to the belief that delivery of higher service quality is a must for attaining customers satisfaction and a number of other desirable behavioral outcomes, recent years have witnessed a flurry of research exploring inter relationship between service quality and, satisfaction and behavioral outcomes (Festus and Hsu, et al., 2006; Thamariselvan and Raja, 2007).

Banking sector has been undergoing intense competition and a change in customers' expectations over the last few years especially after the recession. The importance and increasing attention to service quality in financial institutions is fully justified by the socio-political changes that have arisen. Amongst these changes, we can point to the economic globalization, which has brought about a reversal in consumer habits for banking services. Amongst the knock-on effects of these changes, which constitute a new form of bank customer behavior, we can point to greater demands and financial culture. These behaviors generate attitudes amongst customers with regard to the banks, which in turn affect these customers' assessment of the Banking services and products offered. At this juncture, the quality of service will be the dominant primary factor in ensuring the survival of the service provider in the global market. The onset of economic reforms has opened of Indian banking sector to private sector and foreign players. These firms with a state -of – the -art service systems and high service quality pose a real threat to the Government owned public sector banks. In such a situation organizations have to adopt a more pragmatic, market orientated approach to succeed in winning and retaining customers. At this juncture, the quality of service will be the dominant primary factor in ensuring the survival of the service provider in the global market. The customer-centric services have Undergonethe paradigm shift in the service industries. This has given an impetus to the concept of total quality management in the service sector (Saravanan and Rao, 2006).

Success of a service provider depends on the high quality relationship with customers (Panda, 2003) which determines customer satisfaction and loyalty (Jones, 2002 as cited by Lymperopoulos et al., 2006). Research has shown repeatedly that service quality influences organizational outcome such as performance superiority (Poretla & Thanassoulis, 2005), increasing

sales profit (Levesque & Mc. Dougal, 1996; Kish, 2000; Duncan & Elliot, 2002) and market share (Fisher, 2001), improving customer relations, enhance corporate image and promote customer loyalty (Newman, 2001; Szymigin & Carrigan, 2001; Caruana, 2002; Ehigie, 2006). Furthermore, service quality and customer satisfaction were found to be related to customer loyalty through repurchase intentions (Levesque & Mc. Dougal, 1996; Newman, 2001; Caruana, 2002). Delivering quality service to customers is a must for success and survival in today's competitive banking.

2. Literature Review

Service Quality

Quality consists of two primary elements: (1) either a product satisfies the needs or (2) up to which level it is free from deficiencies. (Juran, 1988). Service is kind of performance that is offered by one party to another and in corporeality is a must part of it (kotler&keller, 2006). Services are defined by some characteristics like services are incorporeal in nature, we cannot measure the service by some instrument. Services are said to be inseparable that is production and consumption usually take place at the same time. Moreover, services are variable in nature; they don't follow a same or some kind of linear pattern. Very often, polymorphism is also seen in services as services are simple as well as complex. (Ograjenšek, 2008). A quantitative research was arranged by Parasuraman et al in 1988 in which an instrument was developed for measuring the perception of consumers regarding service quality and after that research it became known as SERVQUAL. The dimensions of SERVQUAL model were:

- Tangibles – physical attributes.
- Reliability –to give promised service.
- Responsiveness – showing interest to help customers and provide prompt services.
- Assurance –guarantee competence, courtesy, credibility, and security to customers by organization's employees using their knowledge.
- Empathy –the ability to understand and share the feelings of customers. (Parasuraman et al., 1988).

Perceived qualities as well as customer expectations are the two most important constructs that positively and directly influence overall customer satisfaction (Yu et al., 2005). Customer satisfaction is directly proportional to service quality. So organizations should pay more attention on service quality. For this, the firms should welcome customer suggestions and should

design programs which can measure service quality and customers satisfaction (Ojo, 2010). Empathy, reliability, responsiveness and tangibility which are the dimensions of service quality are positively related to customer loyalty. Tangibility is one of the most important forecaster of customer loyalty. (Al-Rousan et al., 2010) Research depicts that improvement made to service quality will automatically raise the loyalty of customers. The service quality dimensions that play a significant role in customer loyalty are reliability, empathy, and assurance. (Kheng et al., 2010). Research also proved that tangibles and assurance have the most significant effect while empathy has the least significant effect on customer satisfaction. (Ahmed et al., 2010) In all aspects, customers' perceptions are comparatively higher of their expectations of the Bank's operation, and in fact the quality of offered services is low. The research findings also show that in the effects of service quality on service loyalty, customer satisfaction plays the role of a mediator. In addition, there is a meaningful and positive relation between all dimensions of service quality with customer's satisfaction and loyalty, which in both cases assurance and tangibles have the most and the least relation with satisfaction and loyalty. (Mosahab et al., 2010)

Customer Satisfaction

Customer satisfaction means that a customer or the user of service is well contented with the performance. (Johnson and Fornell, 1991). It can also be stated as the overall evaluation of a customer either positive or negative for the services. (Woodruff, 1997). Impact of satisfaction on loyalty is researched in broad terms. Many findings show that if satisfaction is there then customers are loyal and if customers are dissatisfied their loyalty is not guaranteed. It is used to explain loyalty as behavioral intents. (Heskett et al., 1994). Hence, management should pay special focus on the satisfaction of a customer and for it service quality plays a vital role. (Akbar and Parvez et al., 2009) Customer Loyalty and satisfaction are significantly affected by cooperate brand image, and customer loyalty and satisfaction are dependent on each other. If customer is satisfied, his loyalty increases. Therefore, firms specially focus on these factors to make a profitable, long term relationship with customer and to improve the brand image in market. (Tu et al., 2012). By providing high product/service value and improving the satisfaction level of customer, customer loyalty can easily be achieved. (Yang et al., 2004). The findings of customer satisfaction on profitability suggest that profitability is dependent on satisfaction which means that attainable increases in satisfaction could dramatically improve profitability. (Hallowell, 1996). Literature shows that to enhance the customer loyalty, customer satisfaction plays a vital role and is the most important driver.

(Sondoh et al., 2007). It shows that if a customer is satisfied, customer's loyalty will increase and hence customer's intention to switch banks will decrease. (Hoq et al., 2010). It is observed that customer loyalty is being more impacted by customer relationship inertia than by customer satisfaction. Hence customer relationship inertia plays a vital role in the relationship of customer satisfaction and loyalty. Furthermore, perceived price has a negative impact on customer satisfaction and relationship inertia. Convenience will increase customer satisfaction and consumption frequency will positively affect customer relationship inertia. (Cheng et al., 2011). Satisfaction and trust are the two important factors for increasing the commitment level of a customer. (Afsar et al., 2010). Some findings indicate that customers are loyal to their financial service providers and have no plan to switch to another bank unless their banks make any negative variation in financial service offers. Research indicates that customer satisfaction plays a very important role in customer loyalty and retention although it does not ensure repeat purchase. (Mohsan et al., 2011). Results also revealed that customer's satisfaction and loyalty are strongly related to formal collection of customer's feedback. Vendors are advised to take customers feedback on regular basis instead of waiting for any complaints or unwanted feedback in order to increase customer satisfaction and loyalty. (Ellinger et al., 1998). Customer's retention intention is directly proportional to the service quality and customer's satisfaction. (Prof. Gopalkrishnan et al., 2011).

Loyalty Programs

Loyalty programs are special strategies designed to make the customer stick with their banks for the long run because this loyalty will be of great benefit to an organization. (Sharp and Sharp, 1997). Loyalty programs are also useful in creating the barriers which make customers to stick to their particular product or service. These barriers are classified as psychological, economical, sociological, and relational barriers, in which customers can either lose or develop their trust and commitment towards the organization. (Morgan and Hunt, 1994). Loyalty programs are considered important due to many reasons most probably loyal customers give priority to their company and will give positive feedback of the firm to other people. Loyal customers are less price sensitive and the costs of serving customers are less. (Dowling and Uncles, 1997). Loyalty programs also help in annual increments of purchase to a firm for a substantial proportion of customers. (Lewis, 2004). Perceived values and customer loyalty are related to each other. To maintain the customer loyalty, loyalty programs should be implemented because they act as mediator for predictor variables. (Ramaseshan et al., 2008). Involvement of customers controls the effect of

loyalty programs on customer loyalty hence direct rewards for higher involvement and immediate rewards for lower involvement are preferable. (Yi et al., 2003).

Customer's Loyalty

Customer loyalty is special kind of customer behavior towards the organization. It is kind of future prediction about the intentions of the customer to do business with the firm. (Zeithaml, Berry, & Parasuraman, 1996). It is the overall behavior of customer regarding product, service or any other aspect of the organization in which customer is involved makes the term customer loyalty. (Oliver, 1999). Loyalty is generally explained in terms of attitude and behavior. (Uncles et al., 2003). Customer brand loyalty is an old term playing vital role for many years. Loyalty is a marketing strategy used by majority of marketers to enhance the profit but some people think that it is very tough to make it possible. Consumer faith can be recognized if marketers try to understand the facts which affect the loyalty. This will also benefit in building the customer reliability. (Mao, 2010). It was observed that customer service plays an important role in increasing the customer loyalty and customers highly consider the price of these services. (Haron, 2010). Customers loyalty based behaviours are dependent on numerous factors. If firms want to optimize the loyalty behaviors of customer, they must balance and manage different aspects of customer experience. (Prof.Gopalkrishnan et al., 2011). *The Special Issue on Contemporary Research in Arts and Social Science* © Centre for Promoting Ideas, USA 203

It is also observed that service failures significantly influence the complaint behaviour, and complaint behaviours in return influence the switching behavior and switching behaviours and service failures then influence the brand trust and brand trust influences the customer loyalty (Alfansi et al., 2010). There is no tool to measure the perceived value therefore its role in purchasing decision is not that evident. Results say that perceived value should be measured on non-monetary scale. It can be seen that perceived value is among some strong elements of customer loyalty that can't be measured but can't be neglected as well because they are attached to emotions and the feelings that only a consumer can see during purchasing. Convenience, time and effort are non-monetary costs. (Li et al., 2010) A study shows that there is a positive relationship between image of the product, trustworthiness, customer satisfaction, customer relationship and customer loyalty. Moreover the study concludes that in order to achieve success and maintainable reputation of an organization, customer loyalty plays a major role. Hence organizational success is dependent on customer

loyalty. Study shows that to make customer loyalty work in a better way, organizations should keep the point that customer's comments and their needs should be the chief priority. (Akhter et al., 2011). To accomplish the objective of getting and retaining a larger number of customers, all the businesses should emphasize on building customer loyalty by maximizing the share of customers. Hence building customer loyalty should be considered an important business strategy rather than just a marketing program. (Duffy, 1998)

Service Quality, Customer Satisfaction and Loyalty Programs in Banking Sector

Customer has special kind of behavior in different aspects like customers give priority to areas which include the full-fulness of their expectations involving the responsiveness area and customers are less attracted to tangible areas .To achieve better level of service quality bank managers should develop working lines on which service quality is refined to increase the customer satisfaction. (Khalid et al., 2011) SERVQUAL (service quality model) can be used by bank managers to measure the service quality of banking sector. All the characteristics of this model are related directly with customer satisfaction. Empathy and Assurance are at the positive peak points while Tangibility is at the bottom level of this relation. Current competition trends in banking sector indicates that if customer is satisfied than bank will prosper more positively. (Siddiqi, 2010). For planning loyalty programs, bankers should keep in mind the factors and behaviors giving positive response and after determining them should keep track of them on regular basis. Incentives and rewards should be given according to customer expectations rather than on convenience for bank and do determine the risks and realities of working with partner loyalty programs. (Szüts and Toth, 2008). For the increase in market share customer's involvement is an important factor. Bank managers should work on all lines which will make their customers happy and satisfied in the long run. (Jumaev et al., 2012). Loyalty programs are important but research findings indicate that loyalty programs cannot be considered as sole factors for long term retention of customers with the bank. Banks should offer other benefits like product ranges and better communication skills which should inspire the customers in positive manner. Loyalty programs cannot guarantee the long run success. (Roberts and Carter, 2003).

Research Gap

According to Portela & Thanassolis, (2006), not only empirical studies of the relationship between service quality and customer loyalty in banking

system are limited, but also the existing studies on bank branches efficiency in general do not account for the changing role of bank branches. Service quality is of utmost importance in analyzing the performance of bank branches, since their survival depends on their service quality levels they provide (Portela & Thanassolis, 2006). Excellence in service quality is a key to achieve customer loyalty which is the primary goal of business organizations, due to the advantages of customer retention (Ehigie, 2006). Today, the increasing awareness among bank customers of their rights, changing demands and high competition require constant progress in service quality from the bank for their customers to stay loyal. The present research intends to test whether the bank customers are happy with the services provided to them, which will eventually lead to customer loyalty. Ajmer, Jaipur, Bikaner and Udaipur cities of Rajasthan have been chosen for this research due to centrality for Economical and Industrial activities which requires active banking transactions. Local banks are also being chosen for this research as it better reflects the banking industry of Rajasthan.

RESEARCH THEORETICAL MODEL

The theoretical model guiding the investigation is depicted in figure below, which will study 5 factors of service quality namely: tangibles, reliability, responsiveness, assurance and empathy of perceptions and expectations. In

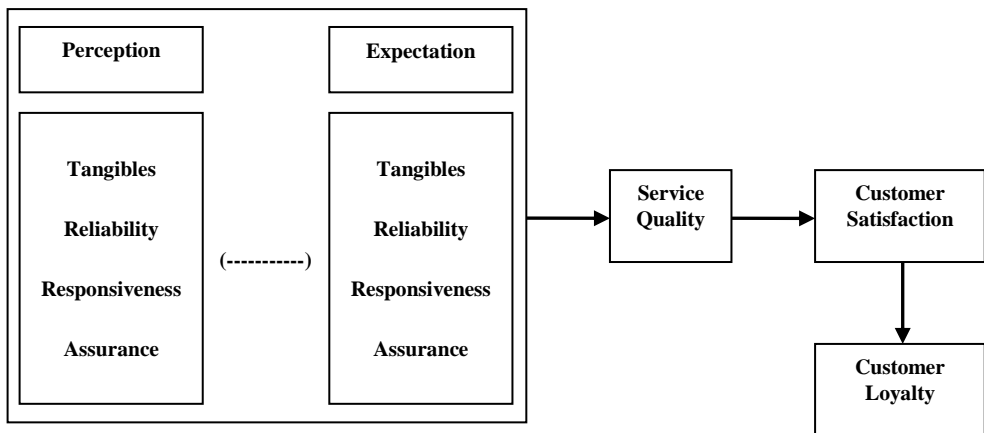


Figure – 1 Research Theoretical Model (Developed by Researchers)

accordance with the literature, a new model has been developed as shown in Figure 1. In this model, the service quality of banks was measured by using five dimensional SERQUAL. Various hypotheses have been developed and tested to find out the relationship among service quality (five dimensions), customer loyalty and customer satisfaction.

3. Objectives

To find out the relationship between the various dimensions of service quality (Tangible, Reliability, Responsiveness, Empathy and Assurance) and Customer loyalty

To explore the relationship between the various dimensions of service quality (Tangible, Reliability, Responsiveness, Empathy and Assurance) and Customer Satisfaction

4. Hypotheses development

Tangibles have been defined as physical facilities, equipment and appearance of personnel (Parasuraman et al., 1988). Issues related to the branches such as access to the facilities, safety and convenience are on tangible basis (Castro, 1997 as cited by Bellini et al., 2005). Thus, the following hypotheses are proposed:

H1a. Tangibles will have positive effect on customer loyalty.

H1b. Tangibles will have positive effect on customer satisfaction.

Parasuraman et al. (1988) defined reliability as the ability to perform the promised service dependably and accurately. Nguyen & Leblanc (2001) consider reliability as reputation that can be the most reliable indicator of service quality which could be related to customers past experiences (Ndubisi, 2006). As such, the following are hypothesized:

H2a. Reliability will have positive effect on customer loyalty.

H2b Reliability will have positive effect on customer satisfaction.

According to Parasuraman et al. (1988), responsiveness is willingness to help customers and provide prompt service. Responsiveness is likely to have an important and positive effect on customer satisfaction (Jun & Cai, 2001; Diaz & Ruiz, 2002; Joseph et al., 2005; Glaveli et al., 2006). Therefore, the following are hypothesized:

H3a. Responsiveness will have positive effect on customer loyalty.

H3b. Responsiveness will have positive effect on customer satisfaction.

Parasuraman et al. (1988) defined empathy as the caring, individualized attention the firm provides for its customers. Empathy is proved to be influential in customer loyalty (Butcher, 2001; Ndubisi, 2006; Ehigie, 2006). Thus, the followings are hypothesized:

H4a. Empathy will have positive effect on customer loyalty.

H4b. Empathy will have positive effect on customer satisfaction.

Parasuraman et al. (1988) defined assurance the knowledge and courtesy of employees and their ability to inspire trust and confidence. Several studies suggest that the exchange of information is an important part of both traditional selling and relationship marketing which may lead to a shared understanding (Ndubisi, 2006; Lymperopoulos et al., 2006). Therefore, the following hypotheses are proposed:

H5a. Assurance will have positive effect on customer loyalty.

H5b. Assurance will have positive effect on customer satisfaction.

Customer satisfaction is measured by the gap between expectations and perceptions of the service quality (Parasuraman et al., 1988) and it is positively related to customer loyalty (Ehigie, 2006). Thus the following hypotheses are proposed.

H6a Customer loyalty is mediated by customer satisfaction towards service quality.

H6b High customer satisfaction will have positive effect on customer loyalty.

5. Research Methodology

The present study is empirical and exploratory in nature based on survey method. The study aims at to investigate the relationship among service quality, customer satisfaction and customer satisfaction. A survey was conducted to test the hypotheses generated for this research. The population frame is customers of various local banks in Ajmer, Jaipur, Bikaner and Udaipur cities of Rajasthan. SERVQUAL, created by Parasuraman et al. (1988) was adapted as the instrument for service quality measurement. Customer loyalty measurement was adopted from Caruana (2002), a 7-point likert scale with the range of 1 (strongly disagree) to 7 (strongly agree) were used for the measurement. The questionnaire covered the demographic profile of respondents and items to measure the constructs. A pre-testing of the questionnaires was done with bank customers who had experience in branch banking. The respondents were asked to provide feedback on the ambiguity and structure of the questions. With the assistance of the pre-test, the original questions were refined and some corrections were made. Self-administered questionnaire was used to gather data from various bank customers. More than 210 questionnaires were distributed to randomly selected customers of banks, but only 187 filled in questionnaire were received, which become the sample size of the study. The questionnaire contained in six parts. Standard deviation, mean, multiple regression and Anova were used to test the hypothetical relationship among the variables.

Table 1 – Respondents' Profile

Variables	Frequency	Percentage	Cumulative Percentage
<i>Gender</i>			
Male	79	42	42
Female	108	58	100
Total	187	100	
<i>Age Group in Years</i>			
18-29	67	36	36
30-39	45	24	60
40-49	38	20	80
50-59	20	11	91
60 years and above	17	09	100
Total	187	100	
<i>Location</i>			
Ajmer	64	34	34
Jaipur	42	22	56
Udaipur	39	21	77
Bikaner	42	23	100
Total	187	100	
<i>Education</i>			
10 th	15	08	08
12 th	32	17	25
Graduation	73	39	64
Post Graduation	67	36	100
Total	187	100	
<i>Profession</i>			
Self-Employed	69	37	37
Private Sector	43	23	50
Public Sector	54	29	80
Others	21	11	100
Total	187	100	

6. Results

The full profile of the respondents is shown in Table 1. As for channels used to carry out banking transactions, branch banking the highest with 170 (91%) followed by ATM 159 (85%), Internet banking 73 (39%) and phone banking 24 (13%). The details are summarized in Table 2.

Table: 2 Frequency Distribution for present usage of Banking Transaction

Variable		Frequency	Percentage
Number of Banks	1 only	66	35
	2	90	48
	3	19	12
	More than 3	09	05
Type of account used	Saving account	178	94
	Insurance services	43	23
	Current Account	71	38
	Investment	22	12
	Personal Loan	30	16
	Mortgage	47	25
	Others	06	03
Types of channels used to carry out banking transactions	Branch banking	170	91
	ATM	159	85
	Internet banking	73	39
	Phone banking	24	13

Reliability Analysis

The reliability of the measures was assessed using the inter-item consistency measure of Cronbach's alpha. The alpha for all the independent variables and dependent variable ranged from 0.986 to 0.862 and exceeded the minimum acceptable value of 0.7 (Nunnally, 1978). Therefore, no item was deleted. The variable with higher standard deviation is Assurance (1.54) followed by customer satisfaction, empathy, tangibles, reliability, and finally, responsiveness (0.91). The differences in standard deviation figure for all variables are small which signify that respondents are consistent in their evaluation (see Table 3).

Table 3 Reliability Coefficient, Mean and Standard Deviation for the major variables

Variables	Number of Items	Cronbach's Alpha	Mean	Standard Deviation
Tangibles	4	0.921	4.23	1.30
Reliability	5	0.945	4.12	1.32
Responsiveness	4	0.983	5.26	0.91
Empathy	4	0.912	3.97	1.21
Assurance	5	0.891	4.92	1.54
Customer Satisfaction	17	0.986	4.39	1.44
Customer Loyalty	6	0.862	4.32	1.13

7. Multiple Regression Analysis

The regression tests were conducted as suggested by Baron & Kenny (1986), by running four steps of analysis separately:

Step 1- Customer loyalty as dependent variable and dimensions of service quality as independent variables,

Step 2- Customer satisfaction as dependent variable and dimensions of service quality as independent variables, and

Step 3 & 4- Customer loyalty as dependent variable and customer satisfaction together with dimensions of service quality as independent variables.

Referring to Table 4, Tangible is found to be not significant against Customer Loyalty. As such, no mediation occurs. It is found that the Reliability is not significant in regression of the Reliability and Customer Satisfaction. As such no mediation occurs. Table 5 summarizes this research finding.

Table 4 Results of Multiple Regressions

	<i>Step 1</i>	<i>Step 2</i>	<i>Step 3 + Step 4</i>
Dependent variable	Loyalty	Satisfaction	Loyalty
Independent variable	Standardized coefficients - β		
Tangible	0.07	0.10	0.02
Reliability	0.25**	-0.04	0.27**
Responsiveness	0.01	0.14	-0.08

Empathy	0.29	0.26	0.13* Partially mediated
Assurance	0.36	0.51	
Satisfaction			
Step summary	Step 1	Step 2	Step 3 + Step 4
R ²	0.799	0.838	0.862
Adjusted R ²	0.795	0.834	0.858
Durbin Watson	2.16	1.56	1.91
F Value	184.53**	239.63**	240.52**

**p<0.01, *<0.05

Table 5 Summary of Hypotheses Analysis

	Hypotheses	Results
H1a	Tangibles will have positive effect on customer loyalty	Not supported
H1b	Tangibles will have positive effect on customer satisfaction	Not supported
H2a	Reliability will have positive effect on customer loyalty	Supported
H2b	Reliability will have positive effect on customer satisfaction	Not supported
H3a	Responsiveness will have positive effect on customer loyalty	Not supported
H3b	Responsiveness will have positive effect on customer satisfaction	Supported
H4a	Empathy will have positive effect on customer loyalty	Supported
H4b	Empathy will have positive effect on customer satisfaction	Supported
H5a	Assurance will have positive effect on customer loyalty	Supported
H5b	Assurance will have positive effect on customer satisfaction	Supported
H6a	Customer loyalty mediated by customer satisfaction towards service quality	Supported
H6b	High customer satisfaction will have positive effect on customer loyalty	Supported

8. Discussion and policy implications

Regression Analysis shows that tangibles have no significant impact on customer loyalty. This result is contrary to the findings by Suresh chandar et al. (2003). It has been observed that there is a changing trend and

respondents did not treat tangibles as an important measurement anymore due to availability of self-service terminals. Therefore, the bank must look into upgrading the proficiency of their self-service terminals rather than their interior. Also due to the emergence of IT, tangible has lost its importance as a measurement for customer loyalty. Internet banking has been very popular among the banks in India and is growing tremendously. As such, IT should be taken into consideration and used as a measurement for customer loyalty. This will give a more reflective result for the banking environment today. Tangibles were also found to be not significant on mediating variable (customer satisfaction). Banks customers do not view the tangibles as an important factor for them.

Reliability is found to have positive relationship with customer loyalty. The finding is supported by the previous researchers including Nguyen & Leblanc (2001) and Bellini et al. (2005). Reliability was found to be not significant to customer satisfaction. This is in the line with the finding that customers may stay with an organization even it predicts they are dissatisfied because they perceive they have no choice (Zeithaml et al., 1996).

Findings indicate that the relationship between responsiveness and customer loyalty is insignificant. Surprisingly, these results are contrary to the prior findings in other studies (Jun & Cai, 2001; Diaz & Ruiz, 2002; Joseph et al., 2005; Glaveli et al., 2006). Customer loyalty remains an important factor that bank has to ensure in order to make profit. Customers, who use a particular bank service, consider switching bank as a threat. Customers are more educated and knowledgeable, their demands have an increasing trend. In order to stay in the business, bank need to improvise their customer service campaign. Loyalty program can be used as one of the tools to retain customer. With the advent of foreign banks, local banks need to improve their service quality by providing more experienced employees to serve the customer in the operations. Results from hypotheses testing also show that responsiveness was found to have positive relationship with customer satisfaction this is in line with Glaveli et al. (2006) who highlighted the speed of service delivery enhanced perception of service quality while Joseph et al. (2005) indicated that “no waiting time” raised customers’ satisfaction level

Empathy has significant positive relationship with customer loyalty. This evidence is supported by the findings by Butcher (2001), Ndubisi (2006) and Ehigie (2006). As suggested by Butcher (2001), friendship between customers and particular service employees has a major influence on the development of customer loyalty. According to Ndubisi (2006), customer satisfaction can be achieved by offering personalized, flexible and

adjustable services to suit the needs of customers. This is in line with the findings of this research that empathy has positive impact on customer satisfaction.

This study shows a significant relationship between assurance and customer loyalty and is consistent with previous studies including Lymperopoulos et al. (2006) and Ndubisi (2006). In this study, assurance was found to be a significant prediction of customer satisfaction and this is in line with Ndubisi (2006) arguing the communication is clearly a strong indicator of overall satisfaction and important source of customer satisfaction in the Malaysia banking sector.

In this study, it was also found that satisfaction has mediating effect on the relationships between service quality dimensions (tangibles, reliability, responsiveness, empathy and assurance) and customer loyalty. This result is consistent with studies done by Caruana (2002), Butcher (2001), Ehigie (2006) and Lam & Burton (2006). Customers' information is one that should not be divulged to third party without their consent. But it has been said that customers' information are being sold, especially to the marketing department of banks. Credit cards, personal loan and insurance products marketers manage to get customers' information from somewhere. From here, they make calls to customers, marketing their products. With the banking industry outsourcing some of their departments, this will lead to further potential of customers' information being divulged without permission. Bank should look into this area because customers will not be happy to find out that their information has been sold to third party without their consent. From this study, it can be noticed that the overall respondents evaluate the bank positively, but still in positive with mean of more than four for every variables as per Table 3. However, there is still room for improvement. Managerial implication of this research is that bank managers need effective recruitment and training program to: a) ensure that employees offer professional services, b) pay more attention to customer needs, and c) avoid revealing customer information to marketers.

9. Conclusion

Although customer service was evaluated long time ago, but it is still one study that banks must continue to conduct in order to meet the changes in the banking industry. New technologies must be incorporated as a factor to measure service quality in future researches. Researches and related questionnaires must also be accommodated with the new banking requirements of the customer. A clearer understanding as to the sequence of relationship between service quality, customer satisfaction and customer

loyalty can help to ensure better targeting of customer using limited marketing resources.

10. Limitations and directions for future research

Firstly, control variables of socio-demographics variables have not been taken into consideration. According to Caruana (2002), education and age are found to be salient segmentation variables. Secondly, the respondent coverage in this study consists of only Rajasthan State. The generalizations to a wider population or industry and cultural issues should be taken with caution. In addition to that, surveys are not performed for customer of foreign banks.

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ANALYSIS OF CONSUMER ATTITUDE IN PREDICTING PURCHASING BEHAVIOR: A STUDY OF PURCHASE BEHAVIOR TOWARDS GREEN PRODUCTS SOLD IN SUPERMARKETS

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Abstract

The growing amount of published literature indicates a clear interest for Green products by a large variety of consumers. Consumer attitudes shape purchase behavior and attitudes are shaped by perceptions through available information and media and influence of peer groups. The authors have attempted to explore the growing interest of consumers in Dehradun area in green products. The objectives of the research was to investigate the impact of consumer attitudes in predicting consumer behavior towards purchase of Green products sold in super markets in Dehradun area. The analysis of data clearly indicates a positive impact of the awareness of consumers about green products and so a growing interest towards purchase and consumption of such products. It has been found that the increased levels of perception and awareness have shaped buying behavior and we can conclude that perception has stupendous influence in shaping consumer attitude and behavior. Because of the growing interest and consumer awareness it is recommended that future research may continue in this area to explore and identify more dimensions for marketers to make use of and consumers to take advantage of.

Key words: consumer attitude, perception, green marketing, demographic profile,

1. Introduction

In the last few decades there is significant amount of growth in industrialization. Industrialization has opened many opportunities but at the same time it has generated many problems to consumers across the globe. The emergence of green marketing has drawn attention of all the segments of society including academics, research organization, industrialists and other organizations due to the environmental deterioration which has becomes a global problem (Kumar, 2011, p. 59). In the present day, the American Marketing Association (AMA) divides the definition of green marketing in three aspects (marketingpower.com): as “the marketing of products that are presumed to be environmentally safe” (retailing definition) as “the development and marketing of products designed to minimize negative effects on the physical environment or to improve its quality” (social marketing definition) and finally as “the efforts by

organizations to produce, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns” (environments definition).

2. Environmental impact of products

Recently, both consumers and producers have expressed increasing concern for the environmental impact of products. Considerable attention has been directed toward Environmental friendly products or green products. Furthermore, the intensive use of chemical fertilizers, agricultural machinery and irrigation equipment, combined in many places with intensive cultivation, has led to higher yields, but also caused environmental degradation (Farshad and Zinck 1993). A green product or an eco-friendly product is expected to reduce the impact of its consumption on the environment. The market for green products is increased with better awareness and availability of products. Many published literature and surveys which examine the consumer behavior, cover different subjects and disciplines and determine the factors influencing consumer preference to green marketing and factors influencing attitudes towards purchase of the products. All the above literature indicates how consumers perceptions change and influence shaping consumer attitudes to buying of products:

3. Review of Related Literature

Consumer perceptions, attitude and behavior

Perception is defined as the act of apprehending by means of the senses and/or the mind. Also, perception is the conscious recognition and interpretation of sensory stimuli that serve as a basis for understanding, learning, and knowing, or for motivating a particular action or reaction. Behavior is strongly influenced by psychological factor of perception. Consumer cannot be categorized by one type of the behavior, because it is shaped by their needs. But behaviour is strongly influenced by psychological factor of perception. Some of our non-cognitive mechanisms such as conditioning and imitation are predominant in the early formation of food habits (*Troy and Kerry, 2010*). Various models and theories have been developed and are discussed by *Koster and Mojet (2007)*. They concluded that consumer perceptions are not fixed and may change. Therefore, consumers' perceptions are very dynamic, and there are dynamics between what consumers' perceive and their behavior.

The viability of the food industry depends on consumers demanding and paying for products. In order for consumers to willingly purchase and consume a particular food type, their perceptions have to be positive

towards it. In context of consumer perceptions, food quality is difficult to measure (*Šarčević et al.*, 2011). In the recent past, food quality was more related to safety, sensory and shelf-life aspects of food products. Now a days, it is associated with nutrition, well being and health. The basic definition of quality, as associated with food, relates to food suitable for human consumption or in its ability to satisfy stated or implicit needs. It must be constantly measured and evaluated in terms of consumer expectations and needs (*Grunert et al.*, 1996; *Peri*, 2006). *Steenkamp* (1990) proposed that perceived quality has three dimensions:

- Preference – in terms of evaluative behavior and judgement.
- Comparison - in terms of other products and
- Consumption in terms of value for the consumer.

Quality cues contribute to the function of beliefs and therefore purchase pattern. *Troy and Kerry* (2010) recognize the reason why meat industry have to fully understand quality cues in terms of: a) what these cues are and which are the most important; b) what can meat industry (producers, processors and retailers) do in order to maintain or enhance these cues in existing or new products; c) how through using knowledge and technology can the industry enhance such perception. In context of meat and meat products, it is normally understood that consumer perception of meat relates to its quality in a broad sense. As *Troy* (2011) concluded, understanding of the most important factor which affects meat eating, is imperative in order to produce a consistent product, in line with consumers' expectation. Consumer focused research into meat eating quality has shown that tenderness, juiciness, flavor and overall palatability remain the most sought after attributes and tenderness is deemed most important (*Miller et al.*, 2002).

4. Attitude

Psychologists define attitudes as a learned tendency to evaluate things in a certain way. This can include evaluations of people, issues, objects or events. Such evaluations are often positive or negative, but they can also be uncertain at times. For example, you might have mixed feelings about a particular person or issue. Attitudes can also be explicit and implicit. Explicit attitudes are those that we are consciously aware of and that clearly influence our behaviors and beliefs. Implicit attitudes are unconscious, but still have an effect on our beliefs and behaviors.

Attitudes are formed directly as a result of experience. They may emerge due to direct personal experience, or they may result from observation. Social roles and social norms can have a strong influence on

attitudes. Social roles relate to how people are expected to behave in a particular role or context. Social norms involve society's rules for what behaviors are considered appropriate. Attitudes can be learned in a variety of ways. Consider how advertisers use classical conditioning to influence your attitude toward a particular product. In a television commercial, you see young, beautiful people having fun in on a tropical beach while enjoying a sport drink. This attractive and appealing imagery causes you to develop a positive association with this particular beverage.

Operant conditioning can also be used to influence how attitudes develop. Imagine a young man who has just started smoking. Whenever he lights up a cigarette, people complain, chastise him and ask him to leave their vicinity. This negative feedback from those around him eventually causes him to develop an unfavorable opinion of smoking and he decides to give up the habit.

Finally, people also learn attitudes by observing the people around them. When someone you admire greatly espouses a particular attitude, you are more likely to develop the same beliefs. For example, children spend a great deal of time observing the attitudes of their parents and usually begin to demonstrate similar outlooks. So, we can influence change of attitude by changing the perceptions. Many advertisers try exactly to do this and are successful.

5. How Do Attitudes Influence Behavior?

We tend to assume that people behave in accordance with their attitudes. However, social psychologists have found that attitudes and actual behavior are not always perfectly aligned. After all, plenty of people support a particular candidate or political party and yet fail to go out and vote. Researchers have discovered that people are more likely to behave according to their attitudes under certain conditions:

- When your attitudes are the result of personal experience.
- When you are an expert in the subject.
- When you expect a favorable outcome.
- When the attitudes are repeatedly expressed.
- When you stand to win or lose something due to the issue.

In order to minimize the dissonance between your conflicting attitude and behavior, you either have to change the attitude or change your actions.

Consumers' attitudes and beliefs – How it affects purchasing behavior

The influence of food habits, attitudes, beliefs and opinions on the food choice and purchase is of particular importance in the acceptance or rejection of food (Schifferstein, 2001; Magnusson and Koivisto 2002; Harker et al., 2003; Urala and Lahteenmaki, 2004; Jaeger, 2006; Villegas et al., 2009). The Pan-European Survey of Consumer Attitudes to Food, Nutrition and Health found that the top five influences on food choice in 15 European member states are quality/freshness (74%), price (43%), taste (38%), trying to eat healthy (32%) and what my family wants to eat (29%). These results obtained by grouping 15 European member states, which differed significantly from country to country. In USA, the following order or factors affecting food choices has been reported: taste, cost, nutrition, convenience and weight concerns (Glanz et al., 1998). In Pan-European study, females, older subjects, and more educated subject considered health aspects to be particularly important. Males more frequently selected taste and habit as main determinants of their food choice. Price seems to be most important among unemployed and retired subject.

Socio-economic variables influence various stages of consumers' decision making. Grossman and Kaestner (1997) reported a positive relationship between education and health. Better education enhances the access to nutrition information, thus increasing the likelihood of nutritional considerations while making selection in purchase meat and meat products. Some researches (Breidstein, 1988; Guseman et al., 1987; Sapp and Harold, 1989) have found that socio-psychological factors have greater influence on consumer demand, than do demographic and economic factors.

From the above mentioned literature review it is clear that consumer perceptions have influenced purchase decisions on many product categories – particularly food products.

The demographic characteristics of consumers have also a profound influence in shaping their preferences.

Methods of investigation: consumers' attitudes, beliefs and opinion

The most commonly used methods to investigate consumers' attitudes, beliefs, and opinions can be classified in two main groups: qualitative and quantitative (Chambers and Smith, 1991; Lawless and Heyman, 1998). Qualitative methods are based on observation of focus group (Barrios et al., 2008), or using in depth interviews, which have exploratory nature. They generate oral descriptive, non numerical information, and are usually carried out within small group of people. Quantitative methods are usually based on questionnaires, where the answers to different questions are

generally presented numerically, and it is suitable for larger groups of people.

When the research topic concerns certain personality traits or attitudes towards complex topics such as the degree of interest in health or factor influencing the acceptance of certain products, using a single simple scale does not usually provide enough information. In this situation proposed multiple scales known as Likert scales are preferred, because interviewer uses them to indicate a degree of agreement or disagreement with several statements related to the topic under study. Each sub scale measures an aspect of common factor, which constitutes the basis for the construction of multiple scales. It enables a single score to be obtained for each individual by adding the values procured with each sub-scale.

Stephoe et al. (1998) developed and validated some multiple scales in order to measure the factors influencing food choice (Food Choice Questionnaire) including aspects related to health and to food flavor, as well as wide range of factors related to their choice. The Food Choice Questionnaire was developed through factor analysis of responses from a sample of 358 adults ranging in age from 18 to 87 years. Nine factors emerged, and were labeled health, mood, convenience, sensory appeal, natural content, price, weight control, familiarity and ethical concern. The questionnaire structure was verified using confirmatory factor analysis in second sample (n = 358) and test reliability over a two to three week period was satisfactory.

Roininen et al. (1999) developed a questionnaire to measure the relative importance that different aspects related to health and sensorial characteristics have in food selection process through Health and Taste Attitudes Questionnaires. The later questionnaire included three multiple scales related to health: general health interests; light product interests, natural product interest. These scales can be used to determine and quantify the individual attitudes of group of consumers and to analyze how well these attitudes can predict their behavior when faced with the choice of different type of foods. Consumer population distribution in terms of their interest in healthy eating and their attitudes to new foods indicated that most people in the population were interested in eating healthily.

6. Objectives of the present study:

- To critically examine the Consumer perceptions about Green products
- To examine the critical determinants/ factors influencing consumer behavior towards purchase of Green products.
- To examine closely how perceptions shape the Consumer attitudes and

- To find out how attitudes affect purchasing behavior for green products.
- To analyse and find the category of products preferred by green product consumers.
- To make appropriate conclusions and recommendations for marketers and researchers for further study and implementation.

7. Research Methodology:

A comprehensive questionnaire was prepared considering all factors as revealed from literature review to study the consumer attitudes and to see if these attitudes have a bearing on the purchase behavior. Copy of the Questionnaire can be seen in Annexure I. A sample size of 361 valid respondents was considered adequate based on convenience sampling procedure. The responses were tabulated and analyzed using SPSS software. The data so analysed and tabulated are shown below with appropriate inferences

8. Data Analysis and inference:

The sample indicated that the majority of respondents (see Table 1) were in the age group of 20 to 40 years (85.3%). This indicates that these perceptions and conclusions were based on the responses of younger people. From Table 2 it is clear that the majority of respondents were men (83.1%). Further demographic classification of respondents gave rise to the following inferences:

Table-1 Demographic Characteristics Of Respondents

	<i>Categories</i>	<i>Count</i>	<i>Percentage</i>
		361	100
Age	Upto 20 Years	151	41.8
	20-30 Year	117	32.4
	30-40 Years	40	11.1
	40-50 Years	24	6.6
	50-60 years	27	7.5
	above 60 years	2	.6
Gender	Male	300	83.1
	Female	61	16.9
Marital Status	Married	99	27.4
	Unmarried	262	72.6

Education Level	Graduate	20	5.5
	Post graduate	301	83.4
	Professional Qualification	40	11.1
Income Level	Less than 15000PM	73	20.2
	Rs15000-Rs25000PM	118	32.7
	Rs25-Rs35000PM	41	11.4
	Rs35000-Rs50000PM	77	21.3
	Above Rs50000PM	52	14.4

Respondents were dominated by unmarried people and fairly educated population and their responses which can be considered quite valid for forming conclusions from this sample of responses. One of the foremost and relevant demographic classifications is income levels of respondents. There is a good perception and favourable attitude even among respondents in the income groups of Rs. 25000 – Rs.35,000. (pl see Table 5) This segment ideally represents a lower middle income group of family in India. So, if perceptions of even this group are favourable we can conclude that overall attitude is favourable!

Table 2: Residential Status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Urban	139	38.5	38.5
	Semi Urban	140	38.8	77.3
	Rural	82	22.7	100.0
	Total	361	100.0	100.0

Table 2 is classification of urban / semi urban and rural population. Overwhelmingly, a considerable percentage of semi urban and urban population is aware of green products and they are favourably exposed to green products. Moreover But it is heartening to note that the rural population with the growth and spread of education and media are quite aware of green products. With the growth and expansion of rural markets even for automobile companies like Maruti the conclusion is obvious that green products are making in roads even in rural areas because of awareness and purchasing power. This is a critical finding of the survey on green products impinging on the rural markets for all marketing companies. Table 7 with the conclusive evidence of home language is no barrier for green products is powerful information for green marketers.

Table 3: Home Language

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Hindi	280	77.6	77.6	77.6
English	22	6.1	6.1	83.7
others	59	16.3	16.3	100.0
Total	361	100.0	100.0	

9. Nature of Green product purchased

Health care and house hold consumer products are favorites for green consumers. Food products by their very nature are preferred to be consumed as green products. The frequency of purchases in India is very much tied to the monthly household budgets for house wives. (Ref: Table 4 & Table 5)

Table 4: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Food products	361	1	5	3.85	1.432
Skin Care product	361	1.00	5.00	2.4017	1.40313
Health care products	361	1.00	5.00	2.4737	1.37639
Cosmetics Products	361	1.00	5.00	2.3130	1.36181
Other household products	361	1.00	5.00	2.3380	1.20505
Valid N (list wise)	361				

Table 5: Frequency of Purchasing Green Product

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Once a week	70	19.4	19.4	19.4
At least once a month	160	44.3	44.3	63.7
Less than once a month	120	33.2	33.2	97.0
As and When Required	11	3.0	3.0	100.0
Total	361	100.0	100.0	

10. Consumer Attitude towards Green Product

Attitudes as we have seen from the comprehensive literature review are shaped by perceptions. Table 6– Perceptive reasons for purchasing green products gives a glimpse of the underlying attitudes that shape behavior to purchase based on perception. The main reasons given are environmental products being healthy, conserve environment, as also they meet the satisfactory performance and satisfaction levels. This is the broad perception of the consumers, which in turn shape their purchase behaviors.

Table 6: Perception of green products

	N	Mean	Std. Deviation
Green products are good for the environment	361	4.0526	1.13284
Green products are healthy	361	4.0499	.98475
Green products have a good quality/performance	361	3.8449	.99626
Green products have a better quality/performance than conventional products	361	3.5485	1.01297
Green products have a good taste and/or good smell	361	2.7590	1.21568
Green products have reasonable price	361	3.2050	1.13631
Valid N (list wise)	361		

Table 7 brings out valuable information from consumer responses through questionnaire regarding their attitude towards green products: a) They are appreciative towards the eco-friendly nature of the product and packaging, b) They understand the advertising messages regarding eco-friendliness of the product, c) Opinions of Friends' and peers' have profound influence in shaping their attitudes d) Their attitude results in recommending products to peer groups. Table 7 is further reinforcement of how consumer attitudes are shaping purchasing behavior.

Table: 7 Consumer Attitude towards green products

	N	Mean	Std. Deviation
I appreciate the package/design of eco-friendly product	361	3.5596	.98174
I understand the information on eco-friendly packaging	361	3.7562	.96975
I believe in the information on eco-friendly packaging	361	3.7313	.91125

I am willing to pay a premium price for an eco-friendly product (e.g. +10%)	361	3.2604	1.21051
I pay attention to eco-friendly advertising	361	3.5042	1.07786
I believe in the eco-friendly advertising	361	3.7119	.94581
I know where the eco-friendly displays are located in my supermarket	361	3.0665	1.13579
I easily find eco-friendly products in a supermarket	361	3.2105	1.18556
I hear and I pay attention to my friends/family opinion concerning eco-friendly product	361	3.5485	.97097
I recommend eco-friendly products to my friends/family	361	3.8615	1.06598
Valid N (list wise)	361		

Table 8: Intention to Purchase

	Frequency	Percent	Valid Percent	Cumulative Percent
NO I will Not	69	19.1	19.1	19.1
Definitely I will	292	80.9	80.9	100.0
Total	361	100.0	100.0	

The above tables indicate how the consumer attitudes shape purchasing behaviour.

11. Reasons for purchasing green product

Many consumers are prompted by their social responsibility attitude. Today the educated consumer is very much aware of his need to contribute towards sustainability of the planet and how green products help in this aspect. From Table 8, we see that the consumer attitudes in respect of green product arise from their perception of benefit to society and conservation of earth resources. Consumers want to see themselves as net contributors and so it has become fashionable for them to purchase green products. They are quite satisfied with such products as is indicated by the mean values.

Further in the Table 9. & 10 variance analysis was carried out within the demographic groups and between the groups. The results indicate the same strong correlation between attitude and perception which clearly indicate the relevance of consumer attitudes in determining consumer purchase behaviour. In a similar way the intention to purchase within groups as well as between groups indicates a strong relevance of attitude induced by perception.

Table 9: Reasons to Purchase Green Product

	N	Minimum	Maximum	Mean	Std. Deviation
They give a good image of me	361	1.00	5.00	3.3795	1.42693
I want to preserve the earth	361	1.00	5.00	4.2050	1.03927
I just like eco-friendly products	353	1.00	5.00	3.8244	1.11180
I feel trendy/fashionable when I purchase eco-friendly products	361	1.00	5.00	3.3102	1.13926
If I do NOT purchase, people could judge me	361	1.00	5.00	2.5956	1.11424
I purchase eco-friendly products on unplanned decision in a supermarket	361	1.00	5.00	3.4266	1.08820
I was satisfied with most of eco- friendly products I bought	361	1.00	5.00	4.0111	.87552
Valid N (list wise)	353				

Table 10: One way ANOVA with Intention to purchase

		Sum of Squares	df	Mean Square	F	Sig.
perception	Between	43.973	1	43.973	102.677	.000
	Within	153.748	359	.428		
	Total	197.721	360			
Attitude	Between	12.804	1	12.804	38.131	.000
	Within	120.550	359	.336		
	Total	133.354	360			

Regression Analysis

Table 11: Regression Analysis – intention to purchase

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.962	.110		8.753	.000
1 perception	.269	.035	.507	7.671	.000
Attitude	-.032	.043	-.050	-.751	.453

a. Dependent Variable: Intention to Purchase

A regression analysis was carried out to have a relationship of customers perception and attitude towards green product and its purchase. It is found from the table 11 that perception plays a vital role in building the positive attitude of people towards purchase of green product. Further reinforces the

conclusions arrived as above and consumer perceptions as reflected in attitudes towards green products result in consumer purchase behaviour.

12. Conclusion

Thanks to the growing education and awareness level of consumers, analysis through questionnaire regarding their attitude towards green products gave rise to following conclusions: They are appreciative of the eco-friendly nature of the product and packaging, they understand the advertising messages regarding eco-friendliness of the product, Opinions of Friends' and Peers' have profound influence in shaping their attitudes. These three are the most important underlying factors and critical determinants of attitudes. Their attitude results in recommending products to peer groups. Consumer attitudes act as further reinforcement in shaping purchasing behavior. Underlying attitudes that shape behavior to purchase are based on perception. The main reasons given are environmental products are healthy, Conserves environment, as also they meet the satisfactory performance and satisfaction levels. This is the broad perception of the consumers, which in turn shape their purchase behaviors. Many consumers are prompted by their social responsibility attitude. Today the educated consumer is very much aware of his need to contribute to sustainability of the planet and how green products help in this aspect. The consumer attitudes in respect of green product arise from their perception of benefit to society and conservation of earth resources. Consumers want to see themselves as net contributors and so it has become fashionable for them to purchase green products. They are quite satisfied with such products as is indicated by the mean values. Health care and house hold consumer products are favorites for green consumers. Food products by their very nature are preferred to be consumed as green products. It is recommended that the present research may be extended further in all geographic areas, to understand all perceptual differences among consumers with respect to products and factors that shape their attitudes towards green products. Demographic differences in different geographic areas may be studied extensively to understand their impact on consumer attitudes towards green products

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AN EMPIRICAL ANALYSIS OF EMPLOYEE’S SATISFACTION IN HIGHER EDUCATION SYSTEM (WITH SPECIAL REFERENCE TO JODHPUR DIVISION)

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ABSTRACT

Employee satisfaction is a measure of how happy workers are with their job and working environment. There are various factors that affect the organizational effectiveness and one of them is the employee satisfaction. Organizations should have a culture that encourages employee satisfaction. For better output, results or success every organization should try to keep its employees satisfied. There are numerous reasons why employees can become discouraged with their jobs and resign, including high stress, lack of communication within the company, lack of recognition, or limited opportunity for growth. These all lead to employee dissatisfaction. Higher education field is witnessing a lot of dissatisfaction among teachers due to several factors.

This paper is an attempt to study those different factors that leads to employee satisfaction in higher education system. The paper focuses on how employee satisfaction has been used to provide a fast pace with sophisticated higher education system in Jodhpur district and give justice to employees who are efficient and capable.

Keywords: Employee Satisfaction, Higher Education

1. Introduction

The impact of employee’s satisfaction would be comparatively less on higher education system due to its faster growth. However, employee’s satisfaction has taken many forms during the past 15 years and has been widely discussed in education circle. Jodhpur higher education has a unique distinction of being one of the fastest growing network in Rajasthan. As a result, education system has striven to take employee needs in their operations. This perspective especially received attention in the 1990s in the higher education services. This can be seen as a currently growing area of research where the roles of employee’s satisfaction in Jodhpur are put under the spotlight due to assumption that responsibility for human resource development is increasing. Traditionally, Jodhpur higher education success has been linked to different measures, but in recent years questions concerning training and development at the workplace have attracted attention in relation to efficiency, development and innovations. The reason for this is primarily the lower growth in job responsibilities with major

functional insights for credibility and reward system. These performances must be analyzed for the development of higher education with the external factors of market and competitors. Since the latter parts of the 20th century, satisfaction techniques have directed lot of attention to the new and changing nature of higher education system. The entire favorable situation creates a good atmosphere for private and government institutes in Jodhpur. In the current climate of employees satisfaction, instability is experienced by private institutes where performance strategy is active, creating a massive flow of performances. Because of lack of strategy, bad timing, etc., performances should not be implemented in the employee's motivation. This course has been described as a paradigm shift to the traditional satisfaction techniques, making way for more humanistic ideals.

Employee satisfaction strives constantly to improve the performance of the second largest higher education system of the globe. The most important aspect of higher education is to provide employee satisfaction with productivity and performance with an environment that is conducive to learning for undergraduate and postgraduate particularly in the Jodhpur tertiary.

The importance of this research study overviews the diverse factors of employee satisfaction, seek to improve these factors, helpful for Jodhpur territorial educational institutions as a one-dimensional subjective construct with relevant feedback, serves the short-term purpose of assessing and in the long-term determining potentials for the higher post and position.

2. Literature Review

As this is the area of research, where the roles of employee satisfaction is put under the spotlight to measure and construct assumptions for the research proposition. Employee satisfaction experiences challenges in higher education do not acknowledge Jodhpur public and private higher education with forces. To invent new models with risks of development this thesis develop model, which include techniques to understand and handle bottlenecks in the higher education process. The importance of employee satisfaction depends considerably on various individual, organizational, motivational and other working factors to work. Here, the dependency is growing on the research and faces many successes, but the growth in employee and complexity of employee satisfaction models are challenges that seem hard to keep up with. Although the current employee satisfaction model is based on convictions in order to support and aid the employees working in the higher education system of Jodhpur division.

3. The Crayfield And Jothe (2009) Model Of Employee Satisfaction

The prospect of this model is more positive towards organizational model and learning of higher education in Jodhpur division which originates from the theory of 20th century. This theory is oriented toward the changing higher education which takes a positive research on Crayfield and Jothe (2009) theories as it generate objective knowledge of a reality that the researchers are co-constructing. The Crayfield and Jothe (2009) model is one of the most progressive among Jodhpur division with recognition with the sixth largest higher education net companies policies in India. It is the only segment of the higher education where Jodhpur to have a cost advantage from the outset and the nature of Crayfield and Jothe (2009) theories. Here, the operations and policy freedom gave Htromnew (2011) the freedom to operate broadly on employee satisfaction resulting in cutting off service to ensuring manageable defaults. Instead it require organizational model on the study to awaken the awareness in the higher education which has been unprecedented for Jodhpur division.

4. The Htromnew (2011) Model Of Employee Satisfaction

Employee satisfaction as a part of Crayfield and Jothe (2009) had mixed results in terms of factors. A number of issues were evident in the employee satisfaction with employees appreciating its influence on the processes and support for the employee. Htromnew (2011) feel enthusiastic about the Crayfield and Jothe (2009) factors and also find it needed. Here, employee satisfaction acquires programs to support and develop feelings and behavior pattern with commitment. Furthermore, the Crayfield and Jothe (2009) factors assert that it feels nice to witness the development of employee with employee participation and empowerment with Htromnew (2011) especially those that have been positive for making changes pointed to the employee satisfaction that comes with a particular goal. Here, higher education in Jodhpur division with Htromnew (2011) began to realize that it could better serve and understand employee satisfaction from working style and commitment to allow companies policies integrate to Crayfield and Jothe (2009) factors. This includes development as Crayfield and Jothe (2009) factors find it from where they can have an impact on achievement and recognition and are able to affect the development of higher education in the entire division.

5. The Spector And Spector (2011) Model Of Employee Satisfaction

This model consider Crayfield and Jothe (2009) to be important but the understanding of the actual meaning varies. Here, Htromnew (2011) factors are seen with employee satisfaction competence but fail to recognize as an ongoing process in the daily work. When it comes to the question of

Htromnew (2011) factor employee satisfaction speak of this as an important model component. Usually, higher education in Jodhpur is good at detecting policies as an effective model, and requires hard reversing the models to the basic assumptions focussing on Crayfield and Jothe (2009). Here, Spector and Spector (2011) assumptions are significant to Htromnew (2011) factors in the understanding the theories scenario. As working style and commitment with support structure are also mentioned in this model directed Htromnew (2011) factor and Spector and Spector (2011) to the same extent of employee satisfaction from achievement in work, recognition, promotion opportunities and job security with career advancement opportunities factors.

For working with the employee and Crayfield and Jothe (2009) factors are perceive as limited and this is seen as a result of a heavy focus on achievement in work. However, employee satisfaction with companies policies point to organize assumptions which are fine but a restrain in others. It is fine to continue working with this employee satisfaction model that Crayfield and Jothe (2009) and Spector and Spector (2011) factors should not put other assumptions to test. However, here employee satisfaction is possible in this higher education with the Htromnew (2011) model only where companies' policies can be characterized as complementary roles. As employee satisfaction in Htromnew (2011) model particular as a supporter create an environment in the Jodhpur scenario but does not judge decisions. In these cases, it is important for employee satisfaction assumption to be true. With lots of ideas not tried in Jodhpur higher education system, here, the traditional approach with companies policies are an effective model. As all the promotion opportunities support employee to gear up the satisfaction function but at the same time the Spector and Spector (2011) model wants to take advantages of employee participation. As Htromnew (2011) will also be there to comfort its attention on empowerment and look for Crayfield and Jothe (2009) achievement in companies' policies do not go as plan. This approach Spector and Spector (2011) tries to find problems because higher education scenario in Jodhpur focuses on learning from autonomous exertion with positive experience. This foundation is based on an approach where the Htromnew (2011) model with Crayfield and Jothe (2009) theories in higher education aims to create possibilities for organization engaging the process. Here, higher education with companies' policies and principles for employee satisfaction must use these skills to create its own model particularly in this scenario. From this perspective, employee satisfaction model and Spector and Spector (2011) factors are able to create new relationship.

6. Research Methodology

Even though employee satisfaction for Jeen and Astol (2010) planning can satisfy higher education institutes in Jodhpur but it does not understand the implications concerning the way it conceptualize relationship in the previous researches. As this is the crisis in higher education across the globe affecting performance over a sustained period of time. As Jodhpur research is narrow in gathering and analyzing the higher education a fall out will slow down Flex D and Wright W (2009) model as well. As higher education perspective* need relationship to consider on entities it is not possible to reduce employee satisfaction to detect the direction of other variables with statistical complexities. Here, as far as higher education is concerned various model of employee satisfaction of Flex D and Wright W (2009) and Shilca and Shilca (2010) occur with a fundamental shift to constitute the environment in the entire Jodhpur division. Here, structure of higher education as Flex D and Wright W (2009) indicate ability to implement changes and manage in the last two years is the toughest for the Jodhpur.

A model can come in many shapes, sizes, and styles to emphasize and understand Flex D and Wright W (2009) system. It includes information inputs, processors and an output of expected results. Conceptual model† are qualitative models that helps in highlighting importance in connection with real world system. However, the aim of this research is to produce a model that explain the topic of the research, predict outcomes as a means of variables. Before get on to the research, certain ideas needed to constitute Flex D and Wright W (2009) model as a set of beliefs to represent the employee satisfaction view. However, the facts of knowledge, process and methodology are critical factor assess to ensure the reality as closely as possible.

This is a way to move Jeen and Astol (2010) philosophy to adopt particular study of Flex D and Wright W (2009) in social sciences where the research provides positive proof of the research facts. However, the main purpose of research is to makes valuable contributions to what we know and how we think about available data. By conducting research, attempt to reduce the complexity of problems the relationship between the events will improve the research design. Although research studies of Flex D and Wright W (2009) conducted in this field are typical to describe an event and discover the relationship between two or more events, or making predictions

* Sharma and Shah, Utility of Research methodology in SPSS and other statistical development, SS Publishing house, New Delhi, Jan-March 2009, Vol. IV, pp 45-55

† Framework of models in statistical analysis of higher education in India, DB corporation with special reference to Times of India and IBSET

about future events. These two methods of Flex D and Wright W (2009) have even been referred to as model. Latterly, researchers have embraced the use these methods Flex D and Wright W (2009) together as a mixed approach.

As, this research has favored quantitative approaches with surveys being the main method of employee satisfaction and become popular as seen. A competitive edge is the result of information which is used in most of the Jeen and Astol (2010) empirical research in obtaining information directly or indirectly with methods and techniques. The scientific Jeen and Astol (2010) empirical research process can therefore be defined with a continuous process that provides a new perspective towards the further research in more effective manner. As far as this study of Flex D and Wright W (2009) is concerned on higher education model and the employee satisfaction model to use both qualitative and quantitative methods of Flex D and Wright W (2009), it was also possible to link new philosophies to the higher education[‡] that reported an increased pressure from their external context. This is a reasonable amount in relation to the scope and period.

7. Research Design

Primary Data - Primary data was collected mainly by personal administration of the structured questionnaire to the selected sample through survey. Sample was selected on using random method.

Sample size – The study was limited to those participants who willingly elected to complete the instruments in their entirety. A total of 500 respondents were included in result analysis.

Sample design – The research relied upon convenience based random sampling technique, considering the research methodology and research type as guidelines. A caution was exercised during the study that the respondents who did not show inclination to be a part of the study were not covered.

Area of research – Jodhpur Division

Secondary Data – The secondary information or data was collected from the published sources such as journals, magazines, newspapers, government reports, internet and other sources.

Statistical Analyses – Efficient and effective data analysis is the result of effective data preparation. This was found to be very crucial between the completion of the field work and the statistical processing of the collected data. Data preparation involved transferring the questionnaire into an

[‡] Higher education cases with difference in India

electronic format which allowed and facilitated subsequent data processing. Data sheet was prepared in spreadsheet (MS-Excel format) and then transferred to Statistical Programme for Social Sciences (SPSS) software for further analysis. Data preparation process checked first of all questionnaire which was followed by editing, coding, data entry, data cleaning and finally adjusting the data for the statistical analysis. Code was assigned to each response for the data entry and data record. Transcribed data sheet was prepared for the data analysis. On the basis of data sheet, tables and graphs were prepared for the analysis.

Tool's for measurement - Open and closed end questionnaires.

Hypotheses

Based on the different motivational factors identified, the following hypotheses were formed to test the effect of each factor for employee satisfaction.

Individual Factors

Feelings

There is no significant difference between feelings and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between feelings and employee satisfaction in higher education system of Jodhpur division.

Beliefs

There is no significant difference between beliefs and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between beliefs and employee satisfaction in higher education system of Jodhpur division.

Behavior pattern

There is no significant difference between behavior pattern and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between behavior pattern and employee satisfaction in higher education system of Jodhpur division.

Working style

There is no significant difference between working style and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between working style and employee satisfaction in higher education system of Jodhpur division.

Commitment

There is no significant difference between working style and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between working style and employee satisfaction in higher education system of Jodhpur division.

8. Organizational Factors**Employee participation**

There is no significant difference between employee participation and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between employee participation and employee satisfaction in higher education system of Jodhpur division.

Empowerment

There is no significant difference between empowerment and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between empowerment and employee satisfaction in higher education system of Jodhpur division.

Autonomous exertion

There is no significant difference between autonomous exertion and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between autonomous exertion and employee satisfaction in higher education system of Jodhpur division.

Work position

There is no significant difference between work position and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between work position and employee satisfaction in higher education system of Jodhpur division.

Opportunities

There is no significant difference between opportunities and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between opportunities and employee satisfaction in higher education system of Jodhpur division.

9. Motivational Factors

Achievement in work

There is no significant difference between achievement in work and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between achievement in work and employee satisfaction in higher education system of Jodhpur division.

Recognition

There is no significant difference between recognition and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between recognition and employee satisfaction in higher education system of Jodhpur division.

Promotion opportunities

There is no significant difference between promotional opportunities and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between promotion opportunities and employee satisfaction in higher education system of Jodhpur division.

Pay

There is no significant difference between pay and employee satisfaction in higher education system of Jodhpur division.

There is a significance difference between pay and employee satisfaction in higher education system of Jodhpur division.

Job security

There is no significant difference between job security and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between job security and employee satisfaction in higher education system of Jodhpur division.

Career advancement opportunities

There is no significant difference between career advancement opportunities and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between career advancement opportunities and employee satisfaction in higher education system of Jodhpur division.

Working conditions

There is no significant difference between working conditions and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between working conditions and employee satisfaction in higher education system of Jodhpur division.

10. Other Working Factors

Company policies

There is no significant difference between company policies and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between company policies and employee satisfaction in higher education system of Jodhpur division.

Managerial practices

There is no significant difference between managerial practices and employee satisfaction in higher education system of Jodhpur division.

There is a significant difference between managerial practices and employee satisfaction in higher education system of Jodhpur division.

Analysis Of Data

STATISTICS SUMMARY

Age Group	Frequency	Percent	Percent	Cumulative Percent
< 20 years	45	9.0	9.0	9.0
20-30 years	41	8.2	8.2	17.2
30-40 years	129	25.8	25.8	43.0
40-50 years	36	7.2	7.2	50.2
50 years & above	249	49.8	49.8	100.0
Total	500	100.0	100.0	

Gender	Frequency	Percent	Percent	Cumulative Percent
Male	390	78.0	78.0	78.0
Female	110	22.0	22.0	100.0
Total	500	100.0	100.0	

Position	Frequency	Percent	Percent	Cumulative Percent
Professor	97	19.4	19.4	19.4
Associate Professor	119	23.8	23.8	43.2

Assistant Professor	63	12.6	12.6	55.8
Lecturer	221	44.2	44.2	165.6
Total	500	100.0	100.0	

Work Experience	Frequency	Percent	Percent	Cumulative Percent
1-5 years	100	20.0	20.0	20.0
6-10 years	191	38.2	38.2	58.2
11 years and above	209	41.8	41.8	100.0
Total	500	100.0	100.0	

No. of full time employees	Frequency	Percent	Percent	Cumulative Percent
Lachoo Memory College of Science & Technology	76	15.2	15.2	15.2
Mahila Mahavidyalaya	89	17.8	17.8	33.0
Shah Goverdhanlal Kabra Teachers College	92	18.4	18.4	51.4
Onkarmal Somani College of Commerce	58	11.6	11.6	63.0
Nakoda Parshvanath Jain Mahavidyalaya	53	10.6	10.6	73.6
Savitri Phoole Mahila Mahavidyalaya	40	8.0	8.0	81.6
Shri Pustikar Mahila Mahavidyalaya	45	9.0	9.0	90.6
Lucky Institute of professional studies	47	9.4	9.4	100.0
Total	500	100.0	100.0	

No. of part time employees	Frequency	Percent	Percent	Cumulative Percent
Lachoo Memory College of Science & Technology	69	13.8	13.8	13.8
Mahila Mahavidyalaya	85	17.0	17.0	30.8
Shah Goverdhanlal Kabra Teachers College	72	14.4	14.4	45.2
Onkarmal Somani College of Commerce	58	11.6	11.6	56.8
Nakoda Parshvanath Jain Mahavidyalaya	61	12.2	12.2	69.0
Savitri Phoole Mahila Mahavidyalaya	47	9.4	9.4	78.4
Shri Pustikar Mahila Mahavidyalaya	53	10.6	10.6	89.0
Lucky Institute of professional studies	55	11.0	11.0	100.0
Total	500	100.0	100.0	

Individual Factors	Frequency	Percent	Percent	Cumulative Percent
Feelings	61	12.2	12.2	12.2
Beliefs	105	21.0	21.0	33.2

Behavior pattern	94	18.8	18.8	52.0
Working style	85	17.0	17.0	69.0
Commitment	155	31.0	31.0	186.0
Total	500	100.0	100.0	

Organizational Factors	Frequency	Percent	Percent	Cumulative Percent
Employee participation	127	25.4	25.4	25.4
Empowerment	123	24.6	24.6	50.0
Autonomous exertion	80	16.0	16.0	66.0
Work position	106	21.2	21.2	87.2
Opportunities	64	12.8	12.8	100.0
Total	500	100.0	100.0	

Motivational Factors	Frequency	Percent	Percent	Cumulative Percent
Achievement in work and Pay	50	10.0	10.0	10.0
Recognition and Job security	156	31.2	31.2	41.2
Promotional opportunities and Working conditions	95	19.0	19.0	60.2
Career advancement opportunities	199	39.8	39.8	100.0
Total	500	100.0	100.0	

Other working factors	Frequency	Percent	Percent	Cumulative Percent
Company policies	394	78.8	78.8	78.8
Managerial practices	106	21.2	21.2	100.0
Total	500	100.0	100.0	

11. Statistics Analysis Of Hypothesis

Statistics	Individual Factors	Organizational Factors	Motivational Factors	Other working factors
	500	500	500	500
Missing	0	0	0	0
Mean	3.4760	2.7140	2.8860	1.2120
Median	3.0000	2.5000	3.0000	1.0000
Mode	2.00	1.00	4.00	1.00
Std. Deviation	1.60829	1.38131	1.04843	.40913
Variance	2.587	1.908	1.099	.167
Skewness	.080	.235	-.294	1.414
Std. Error of Skewness	.109	.109	.109	.109

Kurtosis	-1.168	-1.254	-1.280	-0.002
Std. Error of Kurtosis	.218	.218	.218	.218

Statistics	Age Group	Gender	Position	No. of full time employees	No. of part time employees	Work experience
	500	500	500	500	500	500
Missing	0	0	0	0	0	0
Mean	3.8060	1.2200	3.1600	3.9160	4.1700	3.541
Median	4.0000	1.0000	3.0000	3.0000	4.0000	3.0000
Mode	5.00	1.00	5.00	3.00	2.00	1.20
Std. Deviation	1.36385	.41466	1.57078	2.23762	2.29339	2.23112
Variance	1.860	.172	2.467	5.007	5.260	2.567
Skewness	-.697	1.356	-.033	.426	.239	.139
Std. Error of Skewness	.109	.109	.109	.109	.109	.107
Kurtosis	-.798	-.162	-1.578	-1.017	-1.201	-1.135
Std. Error of Kurtosis	.218	.218	.218	.218	.218	.218

Statistics	Feelings	Beliefs	Behavior pattern	Working style	Commitment	Feedback
	500.0	500.0	500.0	500.0	500.0	500.0
Missing	.0	.0	.0	.0	.0	.0
Mean	4.7	4.3	4.7	3.9	4.6	3.5
Median	5.0	4.0	5.0	4.0	4.0	3.0
Mode	8.0	1.00 ^a	5.00 ^a	1.0	8.0	1.0
Std. Deviation	2.4	2.3	2.3	2.2	2.5	2.2
Variance	5.6	5.2	5.2	4.9	6.3	5.0
Skewness	-.1	.2	-.1	.3	.0	.6
Std. Error of Skewness	.1	.1	.1	.1	.1	.1
Kurtosis	-1.3	-1.2	-1.2	-1.0	-1.4	-.8
Std. Error of Kurtosis	.2	.2	.2	.2	.2	.2

Statistics	Employee participation	Empowerment	Autonomous exertion	Work position	Opportunities
	500.0	500.0	500.0	500.0	500.0
Missing	.0	.0	.0	.0	.0
Mean	5.3	3.4	5.1	4.6	3.5
Median	5.0	3.0	5.5	5.0	3.0

Mode	4.0	2.0	8.0	8.0	1.0
Std. Deviation	2.0	2.1	2.4	2.7	2.2
Variance	4.2	4.2	6.0	7.0	5.0
Skewness	-.2	.9	-.3	-.1	.6
Std. Error of Skewness	.1	.1	.1	.1	.1
Kurtosis	-1.0	-.2	-1.3	-1.5	-.8
Std. Error of Kurtosis	.2	.2	.2	.2	.2

Statistics	Achievement in work and Pay	Recognition and Job security	Promotional opportunities and Working conditions	Career advancement opportunities
Missing	500.0	500.0	500.0	500.0
Mean	.0	.0	.0	.0
Median	5.2	3.4	5.4	5.6
Mode	5.0	3.0	6.0	7.0
Std. Deviation	4.0	2.0	8.0	8.0
Variance	2.0	2.1	2.5	2.6
Skewness	4.1	4.2	6.2	7.0
Std. Error of Skewness	-.1	.9	-.5	-.5
Kurtosis	.1	.1	.1	.1
Std. Error of Kurtosis	-1.0	-.2	-1.2	-1.4
	.2	.2	.2	.2

12. Data interpretation

The field of higher education in Jodhpur has experienced many development in the field of employee satisfaction research. This accessibility had share insights and the limitations of the research for people and requires research methods to acquire employee satisfaction with the hypotheses associated.

The results of the study verified the association of higher education and employee satisfaction from the result of the study. It has successfully established the argument that higher education in the Jodhpur region has issues and opportunities to employee satisfaction to explore. This supports sub hypothesis of ‘managerial practices’ and ‘companies’ policies’ in the research study which reveals on issues to be flexible to their employees. As in this study, employee satisfaction involve research gap, ‘Which model of employee satisfaction can be used as more objective in the higher education system of Jodhpur territory’ to organize sub hypothesis of ‘companies policies’ to integrate higher education with the research gap ‘What are the various factors or issues, which are of major priority for employer providing

higher education in the Jodhpur territory?’ in the Jodhpur region with sub hypothesis ‘pay’ which have a positive impact on the employees and service structure in the higher education system of Jodhpur. Moreover, sub hypothesis ‘pay’ in higher education is not adequate in comparison to the sub hypothesis ‘working conditions’ where focus is important to the fundamental nature of employee satisfaction. Here, decision making are reactive in planning and to overcome the issue employee satisfaction need a detailed plan to accept sub hypothesis ‘promotion opportunities’ to deliver a clear message. However, the key consideration of sub hypotheses ‘companies policies’ indicate employee satisfaction to recognize differences on behavior of employees from different backgrounds. This is an important tool for sub hypothesis ‘promotion opportunities’ and an important element to establish relationship with employees. With sub hypothesis ‘managerial practices’ issues are closely associated to higher education which emphasis background and attitude to practices changes to implement. As in this research study results implications are developed which are important to sub hypothesis ‘companies policies’ to practice. As sub hypothesis ‘recognition’ and supports the practice of higher education which is close to the research gap ‘What are the various factors or issues, which are of major priority for employer providing higher education in the Jodhpur territory? ‘within the sub hypothesis ‘promotion opportunities’ in the entire Jodhpur region. Here, the reward structure encourages employee in higher education that is helpful for sub hypothesis ‘job security’ also need a broad concept to resolve many issues. To achieve sub hypothesis ‘achievement in work’ is useful to establish a clear goal and guideline with different background should be treated accordingly.

13. Conclusion

The higher education system is backbone of any growing economy and the satisfaction of the employees in this sector would lead to better and bright future of any nation. The research has tried to examine various factors of employee’s satisfaction in this sector in specific reference to employees working in Jodhpur Division. These factors which include individual factors, motivational factors, organizational factors and other working factors need to be carefully examined by the employers in this sector to ensure higher satisfaction of the employees working with them. Higher the employee satisfaction better would be the outcome from the employees.

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LIBRARIANS ATTITUDE TOWARDS MARKETING OF LIBRARY SERVICES IN THE LIBRARIES OF PROFESSIONAL INSTITUTIONS: AN EMPIRICAL STUDY

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Abstract

The purpose of this study is to identify attitudes of librarians towards the marketing of library services and to relate these attitudes to selected independent variables. After approaching individual members working in libraries of the selected professional institute as per convenience, most of the respondents were found to possess positive attitudes towards marketing of library services with some statistically significant differences between subgroups. For example, more positive attitudes toward marketing were expressed by library administrators and librarians who had taken a course or had workshop in marketing and have perceived marketing to be a high priority dimension in their libraries. In brief this study canvasses the idea of marketing information services and product in academic libraries and also investigates the attitudes of librarians towards marketing of library services in academic libraries. A questionnaire covering two major aspects, i.e. awareness about professional competency and awareness of library services using Likert scale of 5 points 135 responses were obtained. The result of item by item analysis indicates that the majority of the respondents had positive attitude towards marketing/pricing. Based on the result of the survey, it is understood that certain information products and services can be marketed/priced and that the age-long practice of giving all manner of library/information services free of charge should be reconsidered.

Key words: Marketing of Library service, library sciences, marketing information services, attitude etc.

1. Introduction

Marketing is an important functional area in business. Products and services that are not marketed effectively may not be heavily patronized and it may affect revenue. Marketing has become an important functional area in the library today. There has been some confusion in the past whether marketing is an appropriate activity for libraries or whether marketing should be restricted to for-profit businesses only. Kotler and Levy in January 1969 in Journal of Marketing – concluded that marketing insights could be applied to all kinds of organizations. Marketing of library services and products becomes imperative. The librarian's recognition of the concept of marketing and the marketing mix means the insurance for not wasting the marketing effort. The librarians' knowledge about

marketing the library service is extremely essential as librarians represent the face of the library and manifest its direction. The way librarians think and act in regards to promoting library services is as important as any aspect that affects the library performance and future (Helton & Esrock, 1998). Studying the nature of librarian's attitude toward the use of marketing in academic libraries can affect the success of any marketing effort in the library and this idea of using marketing in promoting library services needs a welcoming environment. The study of attitude of librarians towards the use of marketing in academic libraries can make a difference in the survival of academic libraries too.

2. Rationale Behind the study

The days when the main objective of library was to serve as the source of information for the people are now the part of the past, with the changes in the society the approach and expectations of the people have changed. This is the era of consumerism and marketing , the readers have changed to consumers of information available and therefore it has become inevitable to add marketing strategies to the sector of information too. Today the librarians along with the stocking of latest information also focus on its proper marketing, which helps them in achieving self-sufficiency in their resources and to provide an optimum level of services to reach potential users and to encourage the use of library resources. Marketing is a stance and an attitude that focuses on meeting the needs of the users and is a means of ensuring that libraries, librarians and librarianship are integrated into both today's and tomorrow's emerging global culture. Marketing is not separate from good practice. However, the use of business methodologies in libraries is affected by the attitude of librarians. This attitude of librarians can be a major factor in the face of marketing library services in academic libraries which are the inseparable facilities of a quality academic organization. Thus, the accessibility of researcher to some select librarian of different professional institutes and to inquisitive state regarding the subject are the sources of motivation to select this topic for study.

3. Literature Review

The literature available that discusses the attitude of librarians toward the use of marketing methods in libraries in general is rare, there are not many studies about this topic. It is harder to find literature discussing the same topic for academic libraries particularly. While some of the literature relates marketing library services to this topic, but attitude of librarians is another matter that need to be tackled and studied.

Academic libraries have always perceived themselves to be an inherent part of the academic community, that's why they have often felt they do not have to justify their existence. This is why the academic libraries have begun to understand the need to market themselves and engage in marketing activity only in recent years. Time is changing; in electronic era where information products are not tangible like printed books, the electronics products do not have physical characters and the electronic information is not limited to one document and academic libraries are facing increasing costs. As a result, they are being forced to justify budget demands to university administrators. This can be a difficult task when some administrators, faculty and students question the need for libraries at all when we have everything available electronically. Kanaujia (2004) findings in his study reveal that librarians have a positive attitude towards the different aspects of marketing of library information products and services. The problem is that librarians are not getting the chance to apply their lessons into marketing practices and application planning for the library. All librarians in the study agree that ignorance with marketing is responsible for discouraging marketing applications. The study results reflect the need of proper training and teaching of marketing. Efforts for increasing librarian's awareness and separate financial support are necessary for efficient marketing. Instead of scattered approaches and different styles, a consistent view must be taken.

Shontz, Parker and Parker study (2004) identifies the attitude of public librarians toward the marketing of library services and relate this attitude to selected independent variables. Although most of the respondents had generally positive attitudes toward library marketing there were statistically significant differences between subgroups. For example, more positive attitudes toward marketing were expressed by library administrators. The study proves that librarians who have taken a course in marketing in the past five years hold a more positive attitude toward marketing. And librarians who had taken a course or workshop in marketing and those who perceived marketing positively consider marketing practice to be a high priority in their libraries. That's why the authors relate the bad attitude for marketing 'if it exist' to the lack of knowledge of marketing. Marketing knowledge and experience also positively correlated with years of library experience. This may indicate that marketing techniques are learned over the course of a librarian's career, or perhaps late in ones career. Librarians who work in libraries that offer a broader range of services learn to appreciate the importance of making the public fully aware of these services.

Workshops can be an appropriate mechanism for changing certain types of attitudes. The results of Grunenwald, Felicetti and Stewart study (1990)

show that participants did learn about marketing and gained a better understanding of library marketing. In addition, participants enjoyed learning about library marketing and were less tending to view marketing as only publicity. The workshop experience also helped participants to realize that marketing has a legitimate place in a library environment. It should, however, be noted that participants attended the workshop on a voluntary basis. As a result, their attitudes towards libraries' marketing are likely to be more favorable than attitudes held by librarians in general. Perhaps the individuals who need to learn more about library marketing are not the ones attending workshops. It is possible, however, that the workshop participants can be influential in changing the negative attitudes toward marketing that are held by other librarians. But a note should be made that workshop participation will not result in radical changes in the attitudes of the participants, as a result attitude changes are likely to be gradual.

The understanding of librarians that the user and user's needs are the main purpose and aim of library services is the key to library marketing and positive attitude of librarians toward marketing library services. In Mills and Lodge study (2006) Thirty-Four academics were interviewed on their information seeking behavior. The concepts of influence and emotional intelligence have been introduced so information professionals can obtain a more clear understanding of the information environment. The paper builds upon research on the information seeking behavior of academics and explores the idea that users select information sources for more than cognitive reasons. The importance of the emotional aspect of user interaction with sources, including information professionals, in their search for information has been neglected. It is necessary to re-examine why and for what reasons users discriminate in their choice of information sources.

In order to connect more closely with their user populations' information the professionals could consider holding the key tenets of emotional intelligence as useful assistance strategies in user-librarian interaction, and understand that personal interaction is important for many users. There is more to a library than resource access, and not all the users share the same perceptions as librarians of the information values of such tools as catalogues and databases, Information professionals muse learn to appreciate that users see many roles for a library and these are individually constructed based upon past experience and current needs. There is a great need to extend the physical boundaries of the library into user communities. It is important for the role development to accept that the key marketing strategy of commercial retailers to get customers to buy and return to buy, is relevant in environments such as libraries (Mills & Lodge, 2006).

Library services can be packaged and promoted like almost any other product, for those with a professional background in marketing it is almost certain to think of programs and services as if they were consumer products, but that's not always easy for librarians. Any information professional who listens to and acts on the unique needs of users is thinking like a marketer although limited time and funding often push marketing to the bottom of the priority list in the library. (Helton & Esrock, 1998)

Greiner noted that businesses understand that good marketing is essential, and that it includes the “four P’s” of product, price, place and promotion. She applied this to the library setting as follows: “The public library’s products are the programs, resources, and services provided for the patrons. Price is what the community must pay to keep the library functioning at a particular level, place concerns access, and promotion refers to letting the community know what the library has to offer”.

More recent research showed that many librarians are still interested in marketing but have misunderstandings about it. Rejean Savard conducted an exploratory interview study of twelve Canadian library administrators. Based on their comments, he concluded that “while librarians show a growing interest for marketing, their concept of marketing seems inaccurate. the marketing orientation, as defined by experts, is insufficiently developed among librarians”. Savard concluded that many librarians still tend to think of marketing as only selling or promoting the library. Therefore it is necessary for all Information professionals to understand that it is need of the hour to actively market their services and that, Library marketing is critical for any information professional in order to spread the word about their library. It does not matter how large or small the library is they need to draw attention to their library, their services, their worth to their community, their administration, their staff, and their users.

4. Objectives and Methodology

This article presents the results of a survey of librarians regarding their attitudes toward marketing and the marketing of library services. The questions of interest included the degree to which librarians were involved with marketing, the degree to which they have positive or negative attitudes toward marketing and the degree to which their attitudes were influenced by selected independent variables. It is difficult to determine either the attitude of librarian or their knowledge of or attitudes towards marketing. Here we have devised questionnaire method covering two major aspects, i.e. awareness about professional competency and awareness of library services using Likert scale of 5 points asking respondents to indicate their level of

agreement or disagreement with statements about library marketing. There were also several items that are asked about the degree to which certain marketing-related activities are part of the respondent's work responsibility and how important to their library the respondent perceived these activities to be. The other section of the questionnaire contained items addressing various independent variables. The reliability of the questionnaire items was determined by calculating Chronback's Alpha using SPSS software. Validity of the construct was carried out by pretesting and reviewing the questionnaire with library students, practicing librarians and faculty members in library science and marketing. For the current study, only the working library professionals are taken into consideration as the respondents. The independent variables considered include individual librarian characteristics such as

- Librarian's age,
- Gender
- Job responsibility (e.g. administration, reference, etc.),
- Number of years of experience,
- Level of education,
- Current employment duration,

5. Results

The 135 responses so obtained are put to analysis through SPSS statistical software. Data presented in the table 1 indicates that majority of the respondents, i.e. 56.3% fall in the age ranging from 25 to 35 years. Majority of the respondents are post-graduate however substantial amount of people (28.1%) are having professional qualification to their credit. It is seen from the table 1 that almost all the respondents are having education related to library science and around one third of them are either M.Phil. or Ph.D. degree to their credit. The information pertaining to the experience of the respondents indicates that majority of the respondents are having experience of working in library 1 to 5 years. In this data we have majority of respondents from management and engineering libraries.

Table 1 Demographic determinants

	Category	Count	Percentage
Age	Below 25	15	11.1
	25-30	37	27.4
	30-35	39	28.9
	35-40	14	10.4
	40-45	5	3.7
	45-50	8	5.9

	Above 55	17	12.6
Gender	Male	84	62.2
	Female	51	37.8
Education level	Graduate and Below	32	23.7
	Post Graduate	65	48.1
	Professional Qualification	38	28.1
Professional Qualification	B.Lib.		
	M.Lib.	51	37.8
	M.Phil. in Library Science	43	31.9
	Ph.D. in Library Science	34	25.2
		7	5.2
Period of association with present organization	Less than 1 year	22	16.3
	1 – 5 years	60	44.4
	6 – 10 years	33	24.4
	11 – 15 years	7	5.2
	More than 15 years	13	9.6
Total Experience	Less than 1 year	18	13.3
	1 – 5 years	50	37.0
	6 – 10 years	40	29.6
	11 – 15 years	9	6.7
	More than 15 years	18	13.3
Type of Libraries in which employee is associated with.	Management Studies Library		
	Engineering Studies Library	58	43.0
	Medical Science Library	29	21.5
	Computer Science Library	12	8.9
	Mass media & Communication Library	14	10.4
		7	5.2
	Other	15	11.1

Respondents were asked for their level of awareness about the duties and responsibilities of a librarian, their ability to differentiate themselves in terms of skills and expertise from their colleagues, ability of their current jobs in exploring their potential, whether they are familiar with the Business Goal/Needs of libraries, about the external and internal environment to assess the library need of the users and the latest library management techniques. Some other factors like use of all required latest technology for seamless and continuous operation of the library, conducting survey from time to time to assess the user satisfaction, taking initiatives to improve library usage by the students and faculty, their ability to satisfy library users, keeping of sufficient products (Books, Journals, Periodicals etc.) to meet the

user need and their ability to keep the library environment conducive for the users. In table 2 the mean rating of variable close to 1 indicates unfavorable and mean close to 5 indicates favourable. Here the variable “Ability to conduct surveys time to time to assess the user satisfaction” has scored highest mean of 3.32 with highest standard deviation of 1.273 which indicates that respondents strongly favor this but in varying extent.

Table 2 Attitude with respect to Self Awareness

	N	Mean	Std. Deviation	Variance
Awareness with the duties and responsibilities of a librarian	135	2.37	1.195	1.429
Ability to differentiate self in terms of skills and expertise from colleagues	135	2.90	1.101	1.213
Ability of current job to explore the potential	135	2.84	1.190	1.416
Familiar with the Business Goal/Needs of libraries	135	2.65	1.128	1.273
Awareness with the external and internal environment to assess the library need of the users	135	2.41	1.174	1.379
Awareness with the latest library management techniques	135	2.51	.992	.983
Uses of latest technology for seamless and continuous operation of the library	135	2.99	1.106	1.224
Ability to conduct surveys time to time to assess the user satisfaction	135	3.32	1.273	1.622
Taking initiatives to improve library usage by the students	135	2.62	1.343	1.804
Taking initiatives to improve library usage by the teachers/ faculty	135	2.56	1.319	1.740
Ability to satisfy the library users	135	2.42	1.249	1.559
Ability to keep sufficient products (Books, Journals, Periodicals etc.) to meet the user need	135	2.79	1.089	1.185
Ability to keep the library environment conducive for the users	135	2.81	1.114	1.242

Attitude is the learned predisposition of mind. In general, attitudes are inclinations and feelings, prejudices or bias, preconceived notions, ideas, fears and convictions about any specific topic. In other words, attitude is a

mental and neural state of readiness organized through experience exerting a directive or dynamic influence upon individual's response to all objects or situations with which it is associated. The various independent construct were developed to analyze the attitude of the employees towards marketing of library products and service.

Descriptive statistics of the second part of the study on the attitude is about the awareness and acceptance about the library products and services. It is seen from the table 3 that the variable "All the library materials must be well organized to increase accessibility" has highest score of mean ($m=4.14$). On the other hand the variable "Advertisement, public enlightenment, sponsorship of events, etc are to be conducted" has scored highest standard deviation ($sd=1.424$)

Table 3 Attitude with respect to Library Services

	N	Mean	Std. Deviation
It's very important for the librarian to identify different types of users and prospective users in order to determining the information needs of each group	135	3.97	1.072
Knowing more about marketing techniques would be helpful to my work	135	3.73	1.173
Market opportunity analysis for the library is essential	135	3.64	1.201
Marketing is too costly for most libraries	135	3.78	1.325
It's important to keep Loaning record and system in place	135	3.96	1.301
Referral system of my library is required to be intact and up to date	135	4.04	1.021
All the library materials must be well organized to increase accessibility	135	4.14	1.080
Inter-library loan system is helpful to facilitate better user serviceability	135	4.01	1.162
Promotion of offered library services are required time to time	135	3.93	1.279
Advertisement, public enlightenment, sponsorship of events, etc are to be conducted	135	3.47	1.424
Store layout and book visibility should be optimized	135	4.03	1.209
Aggressive marketing of library services are required	135	3.76	1.243
Fair pricing of quantitative and qualitative library services is a must	135	3.76	1.241
Sharing of professional materials with colleagues is facilitated by the library	135	3.74	1.197

Physical ambiance of library is essential for users acceptance	135	3.78	1.303
Service quality is essential for library growth and sustainability.	135	4.11	1.189
Extensive use of technology for providing better services to its user is inevitable	135	3.79	1.166
Valid N (listwise)	135		

For analyzing the librarian attitude towards marketing of library product and services the construct were divided conveniently into three segments. One part is pro-marketing scale which is created by combining positive statements about marketing, another part is “anti-marketing” scale which is created by combining negative statements about marketing, and the third part “marketing knowledge and experience” is created by combining items that indicated knowledge of marketing or involvement in marketing-related activities (see table 4). Each of these scales is statistically tested for reliability using Cronbach’s alpha coefficient and is evaluated with respect to their correlations with each other and with other variables in the study. Not surprisingly, pro-marketing and anti-marketing show a strong and significant (at the .05 level) negative correlation (which supported the validity of these measures). Pro-marketing is positively and significantly correlated with marketing knowledge and experience, which indicates that those who know about and use marketing tended to have favorable attitudes towards it.

Pro-marketing attitudes are also significantly correlated with several of the independent variables used in this study. They are positively correlated with respondents’ years of experience. This suggested that librarians with more experience had more appreciation for the need for the marketing of library services.

Anti-marketing attitudes showed statistically significant correlations with several variables. They were negatively correlated with marketing knowledge and experience suggesting negative attitudes about marketing may result from a lack of understanding about, and experience with, marketing techniques.

Marketing knowledge and experience was positively correlated with years of library experience. This may indicate that marketing techniques are learned over the course of a librarian’s career or perhaps late in one’s career.

Table 4 Cronbach's Alpha

	Mean Score	Cronbach's Alpha
Pro marketing		0.864
It's very important for the librarian to identify different types of users and prospective users in order to determining the information needs of each group	3.97	
Knowing more about marketing techniques would be helpful to my work	3.73	
Market opportunity analysis for the library is essential	3.64	
Advertisement, public enlightenment, sponsorship of events, etc are to be conducted	3.47	
Promotion of offered library services are required time to time	3.93	
Aggressive marketing of library services are required	3.76	
Extensive use of technology for providing better services to its user is inevitable	3.79	
Anti Marketing		.660
Marketing is too costly for most libraries	3.78	
Fair pricing of quantitative and qualitative library services is a must	3.76	
Marketing Knowledge and Experience		0.937
It's important to keep Loaning record and system in place	3.96	
Referral system of my library is required to be intact and up to date	4.04	
All the library materials must be well organized to increase accessibility	4.14	
Inter-library loan system is helpful to facilitate better user serviceability	4.01	
Promotion of offered library services are required time to time	3.93	
Store layout and book visibility should be optimized	4.03	
Service quality is essential for library growth and sustainability.	4.11	
Sharing of professional materials with colleagues is facilitated by the library	3.74	

Also, many of the responses are inter correlated, which means respondents who agreed with one positive statement about marketing also tend to agree with other positive statements and the respondents who agreed with one negative statement about marketing also tend to

agree with other negative statements. A previous empirical study undertaken in the United Kingdom found that libraries that offered a broader range of services tend to engage in more marketing related activities. This was confirmed in the present study in as much as both pro-marketing and marketing knowledge and experience are positively correlated. To the agreement with a questionnaire item that stated, “My library offers a broader range of services than others in the area” it may be concluded that librarians who work in libraries that offer a broader range of services learn to appreciate the importance of making the public fully aware of these services.

Another item in the questionnaire examined agreement with the statement, “Marketing is not a high priority in my library”; agreement with this statement is correlated positively and strongly with anti-marketing attitudes and negatively with both pro-marketing attitudes and marketing knowledge and experience. This suggested that librarians’ attitudes and interests are influenced by the environment in which they work.

Table 5 Group Variances

Total Experience	Pro marketing attitude	Anti-marketing attitude	Marketing knowledge and experience
Less than 1 year	3.9524	4.0556	3.8542
1 – 5 years	3.6257	3.4300	3.9600
6 – 10 years	3.5107	3.4375	3.7250
11 – 15 years	4.5873	4.7778	4.5556
More than 15 years	4.0397	4.6667	4.4167
Total	3.7545	3.7704	3.9769

Table 6 ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Pro marketing attitude	Between Groups	11.617	4	2.904	3.797	.006
	Within Groups	99.430	130	.765		
	Total	111.047	134			
Anti marketing attitude	Between Groups	35.283	4	8.821	7.958	.000
	Within Groups	144.099	130	1.108		
	Total	179.381	134			

Marketing knowledge and experience	Between Groups	9.318	4	2.330	2.498	.046
	Within Groups	121.250	130	.933		
	Total	130.568	134			

In the final phase of the analysis, the statistical technique of analysis of variance, or ANOVA, is used to examine relationships between the dependent variables in this study (attitudes toward marketing) and some of the independent variables (characteristics of the respondents and their library's community). The ANOVA determines whether differences in the mean scores on a scaled item are statistically significant for different subgroups of respondents. Table 4 shows that differences in mean scores on pro-marketing were statistically significant (at the .05 level of significance) for the independent variable of job responsibility.

6. Conclusions and Suggestions for Future Research

Libraries are operating in a rapidly changing environment. New promotional and marketing strategies are required to ensure that libraries continue to reach their users and maintain the relevance of their service offerings. Librarians themselves must also change to gain new skills, attitudes and knowledge to operate effectively in this changing environment so that user needs are understood and met efficiently. We are in an increasingly competitive environment where the libraries to have a formal marketing strategy and a marketing plan. Without these, the marketing activities are likely to lack coherence and focus. Libraries are becoming obsolescence owing to poor approach of modern marketing strategies. New business information enterprises have emerged to challenge and compete with libraries. Therefore, in order to survive and surpass other competitors, libraries must have to follow modern marketing principles.

The results of this study are limited to the attitudes of a sample of librarians working in different libraries. Future research could examine the attitudes towards marketing of other types of librarians (e.g., public librarians, university librarians, etc.) or librarians in other countries. The respondents' attitude with respect to training, vocational courses, marketing seminars attended by them is not taken in this study. Also future research could investigate with a sample size whether the attitudes of younger, less- experienced librarians are comparable.

Research is also needed to provide a clearer sense of what librarians understand by the term "marketing." If many librarians associate marketing only with "hard sell" business practices, this would support a need for better education on this subject.

A more general question is the extent to which librarians recognize the potential negative effects on libraries of a changing and competitive information environment. Have they yet developed a sense of urgency that would motivate them to become more proactive in library marketing?

This article has also uncovered needs for research into various other issues in library marketing that extend beyond the domain of the current study. Most notably, there is little evidence in the literature as to the effectiveness of particular marketing techniques in a library context. One approach to this issue would be survey research asking librarians which marketing techniques they have used and what evidence they had collected demonstrating the effectiveness of those techniques. Another approach would be collecting studies already conducted by a variety of individual libraries, along with secondary analysis or metaanalysis to determine general patterns that might emerge across such studies. In summary, librarians are beginning to appreciate the need for library marketing. However, more training and research will be needed to support their marketing efforts.

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Issues in Modelling ETL for Agricultural Domain

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Abstract

A data warehouse is a repository of an organization's stored data. Its purpose is to facilitate analysis and reporting. It helps the organizations to analyze the trends depicted from the data stored with the organization over time. The main function of the data warehouse is to facilitate the organization in planning strategically on the basis of long term data. On the basis of analysis various forecasts, business models and prognosis can be made. In order to design a data warehouse, a process called Extraction, Transformation and Loading (ETL) has to be performed. Now a day, various organizations are benefited by the successful implementation of data warehouses. Each and every domain has their own issues to be handled while modeling ETL process of data warehouse. Through this research authors have attempted to explore the various issues that exist while modeling ETL for agriculture domain

Keywords: - Extraction, Transformation, Loading, OLAP, missing data, Noisy data

1. Introduction

At present, almost each sector of the industry has been computerized. The organizations maintain their data and in order to have upper edge in this cut-throat competition, they have to take strategic and tactical decisions. So the idea proposed was to use the companies own transactional data for generating useful knowledge out of it. The need for enterprise-wide integrated information retrieval for decision making is the basis for data warehouse. In late 80's, Inmon published an article introducing the concept of data warehouse for the very first time. In early 90's, W. Inmon and E.F. Codd claimed that Online Transaction Processing(OLTP) and On Line Analysis Processing(OLAP) can't exist efficiently in same database environment mostly due to their very different transaction characteristics [Inmon 96]. Data warehouses differ from operational databases in that they are subject oriented, integrated, time variant, non-volatile, summarized, larger, not normalized and perform OLAP operations. Currently, data warehouses are implemented in various sector viz- banking, telecommunication, insurance, retail industry, agriculture etc. Lot of research has been done for defining model for data warehouse designing. Since then data warehousing became an important strategy to integrate

multiple heterogeneous data sources under a unified schema at a single site in order to facilitate management decision making. In order to take wise decisions and be ahead in competition, data warehouse has become a must tool to have. Data warehousing exclusively differentiate the data and information. As the processed data is the information which is generated through the data capture and properly stored in the data warehouse. That is why, data warehouses becomes the base of Business Intelligence (BI).

Information retrieval is possible if and only if the data is stored in organized, cleaned and in standard format then only business intelligence could act upon that data. The ultimate goal of the data warehouse is to integrate the data that is heterogeneously stored at various sites, then only that data could be used for decision support.

Besides, to be useful as a tool for organizing data, data warehousing can also be used to act as an archival copy in case of system failure which may occur due to natural calamities, accidental deletion or any crash. Even if the company faces the trouble the industry around the world keeps on progressing, so the loss of organizational data is not bearable at any cost. That is also one of the reasons that companies organize and maintain their very important information in the data warehouses.

Data warehouses, now a day, are implemented in various sectors viz banking, health care, academics, retail sector, telecommunications, biological surveillance etc [Hoffer et al., 2005;Inmon 2002]Even the government sector is adopting data warehouse technologies. The Government of India has accomplished a project of designing and deploying the Integrated National Agriculture Resource Information System (INARIS) data warehouse for the agriculture sector [SreeNilkanta et al 2008]. The data warehouses have been created by various countries in different domains.

In this research paper authors have explored the various issues that exist while designing the data warehouse for agriculture domain. Section II focuses on the components of data warehouse and the Extraction, Transformation and Loading (ETL) process. Section III discusses the need of data warehousing in agriculture domain. Section IV focuses on the various issues in agriculture data warehousing. Section V concludes the research work.

2. Components of Data Warehouse and Extraction, Transformation and Loading (ETL) Process

A Data Warehouse (DW) is a collection of technologies aimed at enabling the knowledge worker (executive, manager, analyst, etc) to make better and faster decisions. Many researchers and practitioners share the

understanding that data warehouse architecture can be formally understood as layers of materialized views on top of each other. Data warehouse architecture [Figure 1] exhibits various layers of data in which data from one layer are derived from data of the lower layer. Data sources, also called operational databases, form the lowest layer. They may consist of structured data stored in open database systems and legacy systems, or unstructured or semi-structured data stored in files. The central layer of the architecture is the global (or primary) Data Warehouse. The global data warehouse keeps a historical

record of data that result from the transformation, integration, and aggregation of detailed data found in the data sources. Usually, a data store of volatile, low granularity data is used for the integration of data from the various sources: it is called Operational Data Store (ODS).

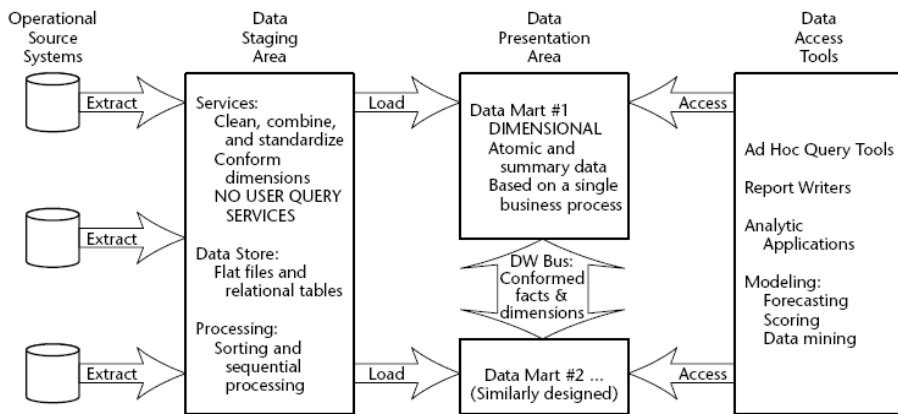


Figure1 : Components Of Data Warehouse.

[Source:RalphKimballandMargyRoss(2002)*TheDataWarehouseToolkit*second edition New York:JohnWileyandSons,Inc.RobertIpsenpageno7]

The Operational Data Store serves also as a buffer for data transformation and cleaning so that the data warehouse is populated with clean and homogeneous data. The next layer of views is local client, or warehouses, which contain highly aggregated data, directly derived from the global data marts OLAP warehouse. The ETL process consumes approximately 70% of the resources required to implement and maintain a data warehouse. The data for a data warehouse comes from the transaction data generated over a period of time in OLTP systems. But the OLTP systems cannot directly populate a data warehouse because the nature and purpose of a data warehouse is quite different from that of an OLTP system. This arises from the fact that the data elements of interest during a transaction will not be the same as the data elements of interest from a

business analysis point of view. Also, the OLTP operations are critical for daily business, so it cannot be slowed down by querying and summarizing a large number of records. An ETL process acts as an interface between the transaction data from OLTP systems and the data warehouse.

Data requirements for the data warehouse are identified and documented by a business analyst. The requirements are analyzed by ETL professionals and enriched with the technical details of the source and target data models. This source and target information and the operations that are to be performed on the source data to conform to the target requirement constitute the ETL logical model. Logical modeling and ETL programming are a continuous process as the source data model and the target data requirements are subject to change over a period of time.

Various approaches have been proposed in literature for ETL modeling and designing based on different techniques. The underlying objective of all the approaches is to model the ETL process effectively and efficiently so as to ensure a good quality data warehouse. And thus a system on which the end user can rely upon.

3. Need for Agricultural Data Warehouse

Almost 70% of India's population depends on the agriculture for their livelihood, which means a large population of the country is influenced by the agriculture. Agriculture is stated as the backbone of India. The benefits gained from agriculture not only support the country to meet its food needs but also help the country economically. The country gains a lot from the export of its various crops, livestock products but for sure a restriction is placed by the government of India for the quantity that can be exported, so as to ensure that the nationals have enough to eat. So it becomes utmost important to use the resources effectively and to have proper monitoring system for production and consumption. The policy decisions would thus not only affect the agriculture sector but would also influence agri-business industry. So the government bodies urge for accurate data, which could be accessed fast at low cost and better data integration. The data warehouse designed for United State Department of Agriculture's National Statistics Service to unify the data from agriculture survey and census data gathered from farmers, agribusinesses, and secondary sources is among the earliest to be developed (Yost, 2000). The data warehouse is highly needed for macro-economic planning and decision making yet there is scarcity of these types of data warehouses. Main reason for the fact is difficulty in coordinating flow and integrating data among various member organizations. Though vast amount is collected but because of the diversity of sources, differences in formats of collected data, difference of subject area and integrating

information from heterogeneous information presents a great challenge for the development of data warehouse. For example one sector may be collecting yearly data while other weekly and not this information may be collected in the form text file, on papers, MS Access data base, Excel Sheets or any other form. So integrating the heterogeneously existing data is a real challenge. Another challenge is that the information about various commodities exists at district level, but their historical data is available only at state level. Sometimes it has been noticed that due to changes in political environment and policies of government the political boundaries of geographical location changes for an example the state Uttarakhand doesn't exist before year 2000. The whole land area was the part of Uttar Pradesh, like wise newly formed Tilangana was the part of Andhra Pradesh. So if anyone has to plan any policy or take any decision for these states on the basis of the production and consumption etc. the data before the formation of state will not exist with the state itself. In this case the data has to be extracted from their parent state. Another likewise condition exist with the districts too. Sometimes the number of districts changes in the state due to the formation of new one, so in this type of scenario also the previous data has to be fetched from the parent location. This extraction of data and integration with the current one is another big challenge for the data warehouse design. The granularity of level of time also varies at different level. At some places the measurement could have been stored on per day basis, weekly basis, monthly basis or even yearly. For example climatic data is being stored on daily basis, whereas live stock data is being stored after every couple of years. Not even this, the calculation of a complete year is different. For example, calendar year starts from 1st January to 31st December whereas agriculture year starts from 1st July till 30th June and more over the financial year is computed from 1st April to 31st March. Because of three different types of time representation the data warehouse design has also to be accordingly designed, which could handle all time of time dimensions.

This research discuss the various issues that could exist while designing the data warehouse for the agricultural domain further a possible solution is presented so that the revealed issues could be resolved and the better decision for the growth of the nation could be taken.

4. Issues in Agricultural Data Warehouse

To analyze the ETL modeling issues, the first requirement is to understand the administration supporting the agriculture production and collection of information. The country is divided in State and union territories. Each state/UT is further divided into districts which are further

divided into tehsils, blocks and finally villages. But a district is the basic unit of administration for all purposes.

The data is collected through various organizations at national and state level. Since there are different resources for collecting data and equally diverse areas for which the information is collected, there exists information heterogeneity due to source, formats and different time dimensions. Due to all these reasons data warehouse architecture has a formidable design challenges. To use the collected information for any kind of strategic decision making and planning the data must be integrated and aggregated properly. These dimensional issues influence the fact table design and therefore the architecture of the warehouse.

Through this research, seven different issues have been identified as well as the reasons because of which these arise have also been discussed. They are as follows: -

Noisy data: - There are no digitized operational databases so one has to resort to data available in typed (or hand written) sheets. Typing of these sheets is very expensive, slow and prone to errors. There are various cases witnessed in the agriculture data like - Adult "cattle" and "buffaloes" are the sum of crossbred and indigenous breeds. For crossbred cattle, an 'adult' is over 2½ years and for indigenous it is over 3 years. In many states, the time of collection of data for livestock census data does not match. Hence the years reported vary from state to state for some states particularly in later years. Agricultural implements of "four variables" data are collected from 1972 census onwards. In many states, the time of collection of data for agricultural implements census data does not match. Hence the years reported vary from state to state for some states particularly in later years.

Dynamic nature of agricultural data due to change in administrative boundaries: - The administrative boundaries changes from time to time. For example before year 2000, there exist no Uttarakhand, Jharkhand, Chattisgarh. These were the newly formed states then, so no point arises of their data record by the name of respective state for the time period before year 2000. But these were land areas which were for surely existing. The solution the need of extracting the information/record from the parent states. Likewise the districts also are also formed due to changes in administrative policies.

Need for consolidation at different levels: - the organizations may collect the information at any or all levels from national to state to district may be village too. Information gathered at state level is required and of utmost importance for state level planning and decision-making. Integrating and aggregating information from the different sources is also a big challenge.

Sometimes the information is present at lower levels, so very easily it could be aggregated at higher levels, whereas the situation is very complex if the information exists at higher levels (roll up) and the requirement is of the lower level segregation. It is very difficult to disaggregate to the lower level (drill- down). Consolidation of information existing at different level is another issue to be handled while performing modeling process.

Data is from different sources: -as the data is collected by the different agencies, it was revealed that the data is not standardized. For a unified access, accurate and effective analysis data has to be brought into unified form.

Data of different commodities and items in different units: -The different commodities like eggs, meat, milk, wool, hair etc have their own measurement units, so while integrating conversion are done to analyze the different production at par.

Data of same commodity in different units in different sources: - For "Milk" production is reported in terms of "kg". In the data sources production is reported in liters each. These were converted into '000 tons for all districts.

Missing data: - the data of some of the states was missing. The underlying cause for that could be - Data not published / not available; Data exists but are not available as they are considered confidential. The activity is unimportant in the state or a few districts in the state and hence, data not recorded.

5. Conclusion and Future Scope

Data warehousing emphasizes organizing, standardizing and formatting facts in such a way that we can derive information from them. BI is then concerned about acting on that information. The primary goal of any data warehouse is to integrate data from disparate sources into a centralized store, where data can be used across the enterprise for decision support. The most important phase of data warehouse design is the ETL phase where the data is extracted, transformed and loaded into data warehouse. The ultimate components for a successful data warehouse are accurate, consistent, complete, precise, clean and valid information stored. Seven different issues have been identified as well as the reasons because of which these arise have also been discussed like Dynamic nature of agricultural data due to change in administrative boundaries, Missing data, Data of same commodity in different units in different sources, Data of different commodities and items in different units, Data is from different sources, Need for

consolidation at different levels and Noisy data have been explored through this research.

The future work includes the design of a conceptual, logical model for the Agricultural Domain to cater the issues discussed. Further that model would be implemented using any available open source ETL tool or by developing a coded ETL tool. The conceptual and logical model for the same has already been designed by the authors and now the work on implementation is under progress.

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GUIDELINES FOR THE AUTHORS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the area of management and information and emerging paradigms in allied subjects. The above mentioned tracks are only indicative, and not exhaustive.

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Contributions to books

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David

- Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

Journal and other articles

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

Conference papers

- Chandel K.S. (2009): "Ethics in Commerce Education." Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.
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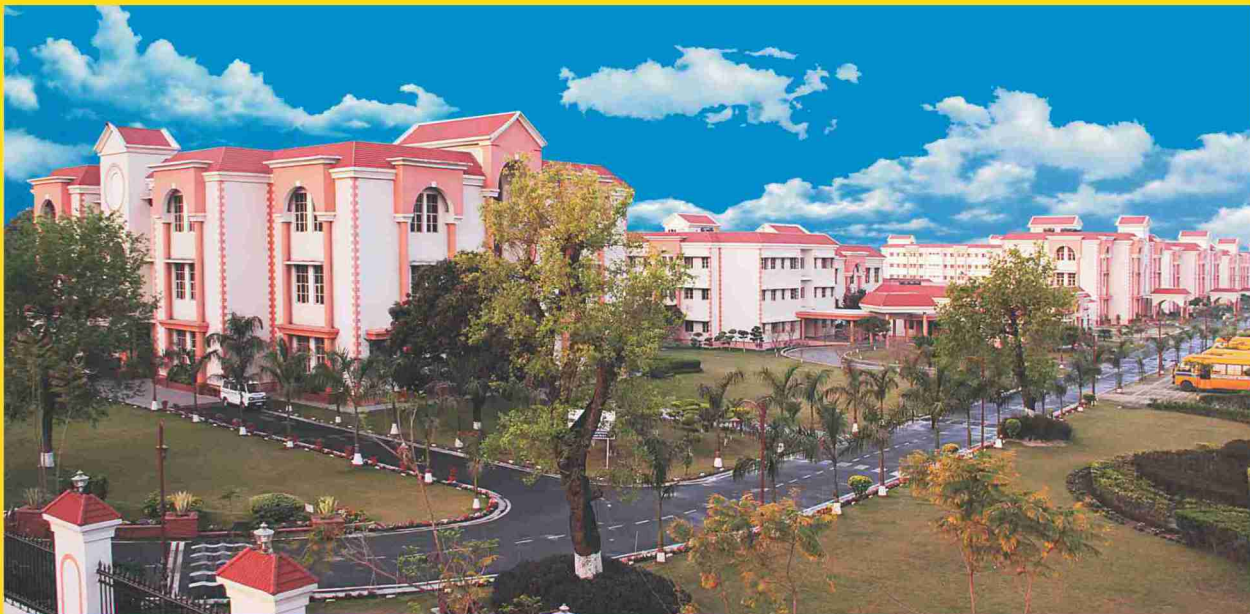
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