

THE INDIAN JOURNAL OF COMMERCE

Quarterly Publication of the Indian Commerce Association

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Business Education at Cross Roads

Empirical Research in the Area of Finance

Prof. Nawal Kishor – *Managing Editor*



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Presidential Address
63rd All India Commerce Conference
Indian Commerce Association

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Honourable Chief Guest, Prof. Sukhadeo Thorat, The Chairman, University Grants Commission (UGC), Vice-Chancellor, Goa University and other dignitaries on the dais, a very learned audience off the dais - the colleagues from the Commerce and Business academic fraternity, organizers, volunteers, media, ladies and gentleman, I welcome you all to the 63rd All India Commerce Conference of Indian Commerce Association. I am thankful to the almighty for allowing me this opportunity to address this august gathering in this wonderful state of Goa.

Colleagues engaged in teaching Commerce and Business from all over India congregate every year to exchange their views and deliberate on the crucial issues in the Commerce and Business education. We once again face a situation that has forced most of us into some serious thinking. We have just come out of economic down turn that the world has not seen in our lifetimes. It was a difficult time for society, and we as academicians would be failing in our duties if we do not draw lessons from it and equip the next generation for similar tougher times.

We Need Game-Changers!

Dear Colleagues, I am tempted to share the story of one Jim Collins with you. Jim Collins made history in 1975 to be the first person to climb up Psycho Roof in El Dorado Canyon near Boulder, Colorado. Earlier many climbers tried but failed to scale Psycho Roof as cliffs were a few inches beyond the reach of their arms. Collins studied what failed the other climbers to conclude that if he uses his legs instead of his arms he may reach the cliff as his legs are longer than his arms. He worked out a way to hang upside down, using his legs and toes to grip the cliff. Then he was able to get to the tip of the Psycho Roof with his arms. Thus, by defying the conventional wisdom and turning himself upside down, Collins did what no one before him could do. He was the *game changer*. He changed the rules of the game.

The global economy during the recent recession has faced one of the most difficult times. While the world witnessed the demise of many companies, a

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few walked through smiling. These few were the game changers. They will continue to smile. They did not wait for things to change. They changed the rules of the game. They raised the game and played it to their terms.

A situation like the recent slowdown was a great opportunity for the companies around the world to reassess the relevance of their existence. A business exists only until it is relevant for the society. In fact the genesis of a company lies in some un-addressed needs of the society. A company is created and it creates goods and services assuming that these goods and services are the solutions to the needs of society. Unfortunately, companies continue to produce these goods and services even when the needs have changed. In easier times this goes unnoticed. However, tougher times tend to force companies to realign their offers to the needs of the society. In summary, a company exists and should exist as long as it is relevant to the needs of the society. The challenge here is that we exist in a more complex-dynamic world than ever before. That the tastes and preferences of the consumers are fast changing. Do our companies have the competence and capabilities to offer consumers a reason to buy?

Every business would come to a point where conventional ways do not take them any further while competitors would fast be catching up with them - they will need game changers. The key to competing is to match the wits of the competitors by taking them by surprise - doing what others never thought of doing. A healthy business would require game changers or else the business and their products would turn stale. This primacy of creativity as an essential element of organizational culture also lends enthusiasm to the work environment.

Let me now talk about the abilities to think out of the box. It may be considered at two planes:

1. How does it relate to the game-changer? and
2. How does game-changer relate to the world around them - both business and non-business dimensions?

To the first part, it is about innovation and creativity -' largely a Schumpeterian approach. But let us look at this in a larger perspective. What is innovation and what type of creativity are we referring to? Perhaps it is creativity to innovate new products that are marketable, that is acceptable to consumers. This means innovation has two parts- ability to create products and markets' acceptability. Why should market accept an innovation? The answer is quite simple and straight forward - because. it helps them with something. Let us start rewinding from this point backwards. It means that there are explicit or implicit needs that consumers have and the same needs are to be addressed. Conventional wisdom may not offer answers and we therefore need creative solutions.

An implicit aspect of today's customer requirement is that he gets the best deal. How is the question? Perhaps through a 'judicious use of resources' that translates into lower costs of purchase (Price) for customer and sustainability for producer. This, in turn means continuous flow of value for consumer community and gross value addition for the society. This owes

explanation and responsibility for opportunity costs that go into a business venture. When I use the phrase 'judicious use of resources', I have imaginative abilities of game-changers in mind. Are they creative enough in making the best use of resources - innovative organizational competence? This is a part of the answer to the issue raised earlier - how game-changers relate to the world around them. This is not in isolation. People just do not set out to discover whatever is needed by the community around them. Often they are a part of it.

Game-changers do not come from outside. The best part is that each situation faced by the community is unique and is often not a question of expression, rather a realization. This realization comes from involvement and engagement. But the community is a larger entity and it faces multiple challenges at any given point of time. An individual is not generally engaged (or concerned) with everything. This is a blessing in disguise. The individual is faced with a specific issue. This helps him to focus on the challenge thereby getting more involved. The more involved one is, the more stressed he/she is to find an answer. What comes handy at this point is their experience, exposure, skill, imaginative capability, ability to take on the challenge, and an urge to find and offer a solution - I am talking about the game-changers of the society.

I believe this collective ability of the game-changer in a community is to answer the very unique situations of existence, sustenance and growth, which differentiates between the successful and the less successful communities. It is not the resources or the material wealth that country or a community possesses; in the long run it is its ability to produce and sustain game-changers that will create a difference.

These perhaps converge the two issues - the game-changers' self and how they relate to the world around them. The world around them throws up the challenges to find solutions (creative) to problems and deprivations it faces and at an individual level, game-changers must choose to work on one or some of these (not all at the same time). This choice emanates from his/her personal preferences, experiences, abilities and involvement.

And this takes me to the point that I wanted to share with you. Are we, the teaching fraternity in general and Commerce and Business Educators in particular, contributing by making available an unabated supply of these game-changers to the society? Like business companies, we the business educators will also turn dinosaurs if we do not innovate. To innovate we need to experiment. Are we experimenting or are we clinging to archaic curriculum and pedagogy.

Friends, the writing on the wall is very clear - innovate or perish. We need to produce graduates who fit well with the requirements of companies of the day by helping them create value for their customers. The only way to create value for customers, as we discussed, is through innovation and creativity. Are the graduates of today ready to contribute? The answer is a big No. This is now an often asked question. It is the issue raised in a recent popular Hindi movie - "3 Idiots". The question is how do we do that?

The New Learning Model

Ladies and gentlemen, we are fast becoming a society where learning is central to all round development- both to be an enlightened citizen and as an effective way to earn livelihood. It is very important to understand that the learning experience is organized over the time, place and pace of instruction and the educational processes should align themselves to this. Understandably, the diversity of learners, learning needs, learning contexts and modes of learning make the learning scenario complex and dynamic. Providers of higher education - our Universities and Colleges - must reinvent the educational- learning process and align their processes to sustain the dynamism and vagaries of learning needs.

Through the ages, the society has always understood the importance of education. Yet, at times we have realized that all our systems in spite of the best intentions have failed to relate education with the needs of the society. This is exactly what is happening with higher education in India, today. With due appreciation to the government efforts and that of individuals, higher education continues to exist as an isolated institution, failing to respond to the needs of the society and the nation. Colleges and Universities have become less relevant to society precisely because they have yet to understand new demands placed on them. It continues to produce numbers and award degrees without realizing the importance of customization and the need for creating value. While the world moves towards learning as a sequel to education we are moving in just the opposite direction. This holds true for many other countries also. But what is important is an honest effort to revamp the system and search for a new paradigm Ministry of Human Resource Development (HRD) and UGC have initiated some efforts in this direction.

On this occasion, I have decided to discuss the philosophy behind the new thinking - the new model. The redesign of higher education adopts an "Enterprise Model of Higher Education". At this point, I must make it clear that we in India are often averse to the idea of treating education as a commodity. We have traditional and emotional connotations attached to education. The enterprise model does not attempt at painting market shades to education, instead it only argues that the value chain be redefined. Further, it suggests treating the end users with more empathy whereby the student can relate the education that he had to his professional well-being, and more importantly to the needs of the society - that spends a lot on the overall development of an individual.

I suggest an Enterprise Model. The premise of the Enterprise Model is on the focus on the student as a consumer, creating accountability for actions and decisions and redefining positive assumptions about students. Further, the teachers and employees are a key to educational process and their motivation needs to be solicited for the purpose. We prefer to use a business like terminology just to remind us over and over again, that the purpose of educational system is to serve others and not to perpetuate itself or make self-interested choices. So in the Enterprise Model student is clearly first.

This calls for a shift from the traditional model of the teacher and the student. We need to rethink the roles of teacher and the students. The teachers are now the managers (enablers) of the learning environment and student the all-important customer. A new set of job description needs to be designed for the teacher who is now expected to play an ever greater role in the learning environments that eludes time and space.

One, the teachers should have the primary responsibility of motivating the students for a career and thereafter sustaining that motivation throughout the process. In fact, students fail to relate the importance of what they are learning as individuals and/or for their career. This is often the single most important reason for students not being interested in the class or not participating full steam therein.

Two, teachers are no more only the tutors in a classical professional bureaucratic domain. They now will have to play a greater role as also the operation managers aligning and facilitating the resources for teaching. What will be the relevant material, references, exercises, projects, experiments and simulations etc. for the course? From where can these resources be procured? How can these be adapted to local teaching environments, etc.? What infrastructure will be required for transmitting the information? This has to be seen with reference to the designed objectives for the course and must provide an explanation about the value addition by use of this infrastructure.

Three, at the tactical level, the teacher (manager) must have the prime responsibility with necessary empowerment to organize the teaching environment within the class - the type of setting, the use of technological and other aids, the pedagogical mixes, the course objective, and the necessary culture that supports learning.

Fourth is a reminder that teacher is a learner himself. He needs learning in at least three dimensions. *One*, to strive for greater and in-depth knowledge of his / her own area of expertise, *two*, to learn about new things and assimilate new knowledge, say a teacher of international business takes a course in cross-cultural studies or say sociology, and *three*, to learn how to enhance learning in his students. This could be in the form of formal trainings or through informal discussion platforms. As we will repeat again and again that teachers will also have to become learners, learning more about how students learn and how they can better facilitate learning.

Fifth, the teacher of tomorrow shall not be bound by time and space. This is as logical as the flow of knowledge and information that are relieved of the limitations of time and space. Not only the class room or college staff room or the teacher's office - teacher would be accessible to students near and far, at all times. The teacher and learning are not to be restricted to those 40 hours a week or five hours stay at the campus. Teacher the enabler - enables learning through all forms, all media, all the time ... this is in a way return to the '*Gurukul System*' where the student was under the patronage of an ever accessible teacher - the only new dimension is space.

Last, it is the concept of relationship. There has to be an organic relationship between the teacher and the taught. While the world thinks of it now, we have always had a rich '*guru-shishya parampara*' (a rich teacher - taught tradition). The idea here is to have a great tradition of relationship amongst all tangible and intangible dimensions of the learning process that last a lifetime. Such a relationship of respect and trust is built on the notion of value addition. If a student can relate his learning to his achievements and successes in life, the relationship is forever. On the part of the teacher, they will be required to help students develop a passionate relationship with learning. Relationship with the learning environment will follow as a sequel to this.

Friends, with this, the context in which our Colleges and Universities operate needs to be changed. From being a system of examination we need to be facilitating mechanism for learning. The agenda is very clear:

One, they must help students determine their educational needs and not just be a system of examination and degrees.

Two, Universities and Colleges are the epitomes of learning, knowledge and awareness. Instead of waiting for others to change and also bring about some changes into the system, Universities need to lead from front, as Change Agents. In fact, they must be the first to adapt to rapidly changing demographic, economic and social conditions of the area of their operations with vision for globalization. The society should look at the education for solutions and not the vice versa.

With restrain, I would like to invoke the popular Kotler dictum "Students - The consumer" is the king. This does not suggest any kind of subjugation to student anarchy at our campus. Remember, we borrow a lot of terminology from business studies to explain the 'Enterprise Model of Education'. I only suggest that the idea is to keep the best interest of the consumer at the center of all educational activity. "We have always done that ... and we know that what is good for our students" has been for long the standpoint of the teaching fraternity. But that is only half correct and half incorrect. While we may be conscious and honest about the best interest of the students, we most of the times really do not know what is good for them? what are the realities and requirements of society and industry? We often do not know how to bridge the gaps between the expectations of society, industry and individual and the utility of the education that we provide behind the closed doors in the classrooms. This "good" should not be created out of our intuitions and hunches about what is required, but from some honest real-time objective research about what is really required which require market research. Accountants work as police, engineers as teachers of business, microbiologists as bankers and there are many more examples how irrelevant and wasteful had been the education and how it failed to support the desires of the individuals.

Friends, another school of thought also argues about who the real consumer is? They suggest that it is ultimately the industry, society and nation who require good workers and citizens and that the education and specially the

higher education has the responsibility for this. Having failed to do so, we have made ourselves irrelevant and we have other institutions substituting us. Thus, any attempt to educate people starts with educating ourselves about the needs of this target audience. Discourse is important and not the degree.

Consider these

- Education is about learning to learn.
- In this first part of the twenty-first century Commerce and Business Education must focus on bridging the gap between the expectations of community and individuals (this is the need of the nation also) and what we have to offer through our campuses.
- We need to forge socially responsible individuals who are also sensitized about the priorities of the nation.
- Education to support learning - as a lifelong process.
- Education to serve as an agent of change - social and economic.
- Education that renders one physically fit, mentally agile and spiritually elevated.

Above is a biographic sketch of the product that the consumer will demand in near time to come. We need to rethink our product and also work out a strategy of introducing the new product ... there is bound to be a lot of opposition but that is as natural as always.

Ladies and gentleman, we are all bound by Newton's first law of inertia - to resist any change in our state of rest. All the stakeholders, educational bureaucrats, governments, faculties, administrators and support staff, even students and parents will stand divided. While few will press for changes, a larger portion will oppose it, and a still large part will be neutral. There will be a formidable resistance to maintaining this shape of education or allow for some minor changes, Remember Newton's first law? But we need a re-engineering, a complete re-thinking and in fact re-inventing our educational process perhaps an Enterprise Model or something else, for one thing is certain that we need to change the existing model for it is economically unsustainable and socially irrelevant.

So, in the first place it is important to plan a change. The academic leadership of Commerce and Business Education must understand and address the concerns of all the stakeholders, whether they support a status-quo or they form the curious onlookers of change initiatives or the energized initiators. A very calculated move is desirable; else it nips in the bud the very idea. Once we get started, it is easier to follow and continue. Refer back to Newton's same law which also suggests that we would like to continue in the state of motion.

“Nayi duniya banane naye log nahin aate hain
Yahin ki mitti hoti hai Yahin se zarre uthte hain”

On this occasion, I would like to thank my predecessors, especially Prof. B.B. Tayewade, the outgoing President of the Association for setting the

Agenda 2020 for the Commerce Education. We are all committed to pursuing the same.

I am happy to place on record that the 62nd Conference of Indian Commerce Association held at Ajmer was attended by the largest number of delegates. During the last one year with the help of all the members of Indian Commerce Association, we have been able to achieve the following:

- The Constitution of Indian Commerce Association was drafted and the Association got itself registered at New Delhi.
- First All India Commerce and Management Talent Search Examination (AICMTSE - 2010) was organized successfully on August 8, 2010.
- For the first time the Indian Commerce Association will get an Annual grant of Rs 15,00,000 (15 Lakhs) from the UGC, out of which Rs 5 Lakhs is for organising the Annual Conference, another Rs 5 Lakhs for marketing and publicising the activities of the Association and the remaining Rs 5 Lakhs for the publication of the Journal of the Association. I would like to thank the Chairman Prof Thorat for the same.
- Constitution of a high-powered committee at the UGC level is under process. This committee will revise and update the syllabus of Commerce to make it more relevant and contemporary.

“Feeling gratitude and not expressing it, is like wrapping a present and not giving it.” We do have a feel of gratitude towards one and all. I know all the track chairs and co-chairs have been working hard for a couple of months now assimilating the submitted papers to organise the sessions. I thank all of them. I look forward to some meaningful deliberations on the theme of the four tracks, namely:

- Direct Tax Code: An Evaluation
- Green Marketing: Strategies and Challenges
- Rural Entrepreneurship in India: Opportunities and Challenges
- Talent Management in globalised scenario, and
- The Seminar on Business Education at Cross Roads.

We are grateful to Prof. Sukhadeo Thorat, Chairman, UGC to have spared some moments from his valuable time to grace the occasion. I must also mention our deep sense of appreciation for him as he has taken keen interest in the activities of Indian Commerce Association and had been the link between the 62nd and the 63rd Conference of ICA, as he was also with us at the valedictory session of the 62nd Conference at the MDS University, Ajmer.

A big ‘Thank You’ to the Vice-Chancellor, Goa University to have allowed, inspired and guided all of us to organize this conference at Goa University. God has two dwellings; one in heaven, and the other in a meek and thankful heart. We have a thankful heart. I would like to take this opportunity to place on record our heartfelt thanks to all the members of the Organizing Committee of this conference, as we know that Goa is a tourist destination and October being the starting month of tourist season, they must have faced a lot of hardships and difficulties. I thank them all from the bottom of my heart.

Well, ladies and gentlemen, an event like this cannot happen overnight. The wheels start rolling months ago. It requires planning and a bird's eye for details. We have been fortunate enough to be backed by a team of very motivated and dedicated students of Commerce Department of the University who know their job and are result oriented, I thank them all from the bottom of my heart.

I would like to express our sincere thanks to the media persons for giving an excellent coverage to this event and I hope they will keep on doing the same.

Last but not the least; I would also like to thank all the delegates who have come in huge numbers to attend this conference.

I cannot thank everyone enough for their involvement and their willingness to take on the completion of tasks beyond their comfort zones!

I once again welcome you all and wish for a grand success of this conference.

Thank You Very Much!

Technical Session I
**Direct Tax Code:
An Evaluation**

Chairperson

Prof. Sudipti Banerjee
Department of Commerce
University of Calcutta
College Street Campus
Kolkata

Co-Chairperson

Dr. (Ms) Mandeep Kaur
Reader, Dept. of Commerce & Bus. Mgmt.
Guru Nanak Dev University
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Public Opinion on Direct Tax Code

U. JERINABI AND S. SUBHA

In this paper, an attempt is made to study the public opinion on DTC. Accordingly 400 respondents from four different areas of Coimbatore city were randomly selected to constitute the sample for the study. This paper gives a brief account of respondents' familiarity towards DTC, their willingness to accept DTC and the socio-economic factors influencing the respondents' familiarity with DTC and willingness to accept Direct Tax Code.

Introduction

The Direct Tax Code seeks to consolidate and amend the law relating to all direct taxes, that is, income tax, dividend distribution tax, fringe benefit tax and wealth tax so as to establish an economically efficient, effective and equitable direct tax system which will facilitate voluntary compliance and help to increase the tax GDP ratio. The objective of Direct Tax Code is facilitate voluntary compliance and help increase the tax GDP ratio, and reduce the scope for disputes and minimize litigation.

Objectives of the Study

The main objective of the study is to analyse the views of public on Direct Tax Code. The other objectives were:

- To find out the familiarity of the selected respondents about Direct Tax Code.
- To determine the willingness of the selected respondents to accept Direct Tax Code.
- To analyse the socio economic factors influencing the respondents familiarity about Direct Tax Code and their willingness to accept Direct Tax Code.

Methodology

A total of 400 respondents have been randomly selected from four busy areas of Coimbatore city for the purpose of this study. The investigator interacted with the respondents personally to collect the required data. Questionnaires were prepared and used as interview schedule for personal interaction with the respondents.

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Findings

The profile of the 400 respondents is presented in Table 1, which is summarized as follows:

- Sufficient coverage has been given to all age groups in the study.
- The educational qualification of the respondents range between graduation and Post graduation. Professionally qualified and skilled respondents have also been included in the study.
- Most of the respondents are employees and a combination of businessmen and professional have been included.
- Seventy percent of the respondents are male and thirty percent of the respondents are female.
- The annual income of majority of the respondents is above Rs.8,00,000 and others range between Rs.2,00,000 to Rs.8,00,000.

Table 1: Profile of the respondents

(Sample = 400)

Characteristics	No. of Respondents	Percentage
A) Age in years		
Below 30	40	10
30-35	60	15
35-40	80	20
40-45	100	25
45 and above	120	30
B) Sex of the respondents		
Male	278	70
Female	122	30
C) Qualification of the respondents		
High School	10	2
Higher Secondary	90	23
Degree	100	25
Post graduation	80	20
Professional course	120	30
D) Nature of occupation		
Employee	180	45
Business	120	30
Profession	100	25
E) Annual Income		
Rs.2,00,000 to Rs.3,00,000	50	12.5
Rs.3,00,000 to Rs.5,00,000	90	22.5
Rs.5,00,000 to Rs.8,00,000	80	20
Rs.8,00,000 and above	180	45

Respondents view on Direct Tax Code as presented in Table 2 and 3 are summarized as under:

- Majority of the assesseees(61 percent) have expressed their familiarity with Direct Tax Code.

- About 54 percent of the respondents are willing to accept Direct Tax Code. It could be revealed that respondents have accepted the inevitability of accounting as per Direct Tax Code (Tale no.2)
- Most of the respondents have given easy computation as the reason for accepting Direct Tax Code.
- About 25 percent of the respondents expressed less motivation for savings as the reason for not accepting Direct Tax Code.
- About 34 percent of the respondents feel that they will benefit from the introduction of Direct Tax Code and about 33percent of the respondents said that they do not know about the benefit.
- A majority of the respondents (42 percent) expressed that they are comfortable with the introduction of Direct Tax Code.
- About the computation of total income under Direct Tax Code, 49 percent of the respondents find that there is no difference in computing tax under Direct Tax Code, whereas 38 percent said that it is easy to compute tax under Direct Tax Code and 13 percent said that it is difficult to compute tax under Direct Tax Code.
- There seems to be a lot of optimism among the respondents regarding the reason for the introduction of Direct Tax Code.29 percent of them expressed that Direct Tax Code would act as a check on tax evasion,24 percent feel that Direct Tax Code would act as a check on black money and 47 percent of them expressed that Direct Tax Code would bring transparency in the entire system.

Table 2: Public views on Direct Tax Code

(Sample=400)

Views	No. of Respondents	Percentage
A) Familiarity with Direct Tax Code		
Yes	234	59
No	166	41
B) Willingness to accept Direct Tax Code		
Yes	206	52
No	194	48
i) Reason for Yes		
Easy computation	80	20
Less tax Burden	68	17
Uniformity	58	5
ii) Reason for No		
Less motivation for savings	100	25
Disallowance of certain expenditure	64	16
Disallowance of certain payments	30	7
C) Benefit to the public from introduction of Direct Tax Code		
Yes	136	34
No	128	32
Not known	136	34

Table 3: Public opinion on Direct Tax Code

(Sample=400)

Opinion	No. of Respondents	Percentage
Opinion of the beneficiaries of Direct Tax Code		
Comfortable	168	42
Uncomfortable	96	24
Not known	136	34
Computation of the total income under Direct Tax Code		
Easy	152	38
Difficult	52	13
No difference	196	49
Reasons for introducing Direct Tax Code		
Check tax evasion	116	29
Check black money	96	24
Transparency	188	47

A cross table analysis was used to find out the relationship between the socio-economic factors of the respondents and the familiarity of Direct Tax Code and also willingness to accept Direct Tax Code.

Table 4: Relationship between age and familiarity

	Below 30		30-35		35-40		40-45		45 and above	
	%		%		%		%		%	
Yes	21	52.5	25	41.67	30	37.5	63	63	67	55.83
No	19	47.5	35	58.33	50	62.5	37	37	53	44.17
Total	40	100	60	100	80	100	100	100	120	100

Majority of the respondents (63 percent) in the age group of 40-45 years have said that they are familiar with Direct Tax Code 58.33 percent of the respondents in the age group of 30-35 years have said that they are not familiar with Direct Tax Code. So, there exists a relationship between age of the respondents and familiarity with Direct Tax Code.

Table 5: Relationship between qualification and familiarity

	High school		Higher Secondary		Degree		Post graduation		Professional course	
	%		%		%		%		%	
Yes	-	-	35	38.89	40	40	46	57.5	85	70.8
No	10	100	55	61.11	60	60	34	42.5	35	29.2
Total	10	100	90	100	100	100	80	100	120	100

The respondents who have completed the professional course were more familiar with Direct Tax Code, where as the respondents who have completed high school were not familiar with Direct Tax Code. So, there is a relationship between Qualification of the respondents and familiarity with Direct Tax Code.

Table 6: Relationship between occupation and familiarity

	Employee		Business		Profession	
		%		%		%
Yes	66	36.67	59	49.17	81	81
No	114	63.33	61	50.83	19	19
Total	180	100	120	100	100	100

The respondents who were professionals and businessmen have more familiarity with Direct Tax Code, whereas the respondents who were employees were not familiar with Direct Tax Code. So, there exists a relationship between occupation of the respondents and familiarity of Direct Tax Code.

Table 7: Relationship between annual income and familiarity

	Rs.2,00,000 to Rs.3,00,000		Rs.3,00,000 to Rs.5,00,000		Rs.5,00,000 to Rs.8,00,000		Rs.8,00,000 and above	
		%		%		%		%
Yes	29	58	33	36.67	65	81	79	43.88
No	21	42	57	63.33	15	19	101	56.11
Total	50	100	90	100	80	100	180	100

Majority of the respondents (81 percent) whose annual income ranges between Rs.5,00,000 to Rs.8,00,000 are more familiar with Direct Tax Code, whereas the respondents whose annual income ranges between Rs.3,00,000 to Rs.5,00,000 were not familiar with Direct Tax Code. Hence it is concluded that there is a relationship between annual income of the respondents and familiarity of Direct Tax Code.

Table 8: Relationship between age and willingness to accept Direct Tax Code

	Below 30		30-35		35-40		40-45		45 and above	
		%		%		%		%		%
Yes	22	54	27	45	35	44	40	40	82	68
No	18	46	33	55	45	56	60	60	38	32
Total	40	100	60	100	80	100	100	100	120	100

Majority of the respondents (68 percent) in the age group of 45 years and above have expressed their willingness to accept Direct Tax Code, whereas the respondents in the age group of below 30 years were not willing to accept Direct Tax Code. Hence it is concluded that there exists a relationship between the age group of the respondents and willingness to accept Direct Tax Code.

Table 9: Relationship between qualification and willingness to accept Direct Tax Code

	High school		Higher Secondary		Degree		Post graduation		Professional course	
		%		%		%		%		%
Yes	-	-	30	33	45	45	41	51.25	90	75
No	10	100	60	67	55	55	39	48.75	30	25
Total	10	100	90	100	100	100	80	100	120	100

Out of 120 respondents who have completed their professional course, 75 percent of them have expressed their willingness to accept Direct Tax Code, whereas 67 percent of the respondents whose qualification is at the Higher Secondary level were not ready to accept the Direct Tax Code. So, there exists a relationship between the qualification of the respondents and willingness to accept the Direct Tax Code.

Table10: Relationship between occupation and willingness to accept Direct Tax Code

	Employee		Business		Profession	
		%		%		%
Yes	70	38.89	42	35	94	94
No	110	61.11	78	65	6	6
Total	180	100	120	100	100	100

The respondents who are professionals have expressed their willingness to accept the Direct Tax Code whereas the respondents who are employees were not ready to accept the Direct Tax Code. Hence it is concluded that there exists a relationship between the occupation of the respondents and their willingness to accept the Direct Tax Code.

Table 11: Relationship between annual income and willingness to accept Direct Tax Code

	Rs.2,00,000 to Rs.3,00,000		Rs.3,00,000 to Rs.5,00,000		Rs.5,00,000 to Rs.8,00,000		Rs.8,00,000 and above	
		%		%		%		%
Yes	22	44	32	36	30	38	122	68
No	28	56	58	64	50	62	58	32
Total	50	100	90	100	80	100	180	100

Out of 180 respondents whose annual income is Rs.8,00,000 and above, 68 percent of them have expressed their willingness to accept the Direct Tax Code, whereas 56percent of the respondents whose annual income ranges between Rs.2,00,000 to Rs.3,00,000 were not ready to accept the Direct Tax Code. So, there exists a relationship between annual income of the respondents and the willingness to accept the Direct Tax Code.

Recommendation

- Tax benefits should be allowed on housing loan.
- Public must be given training in computation of tax under Direct Tax Code.
- The government should introduce Direct Tax Code compulsory in order to have uniformity.
- The government should insist the public to voluntarily accept Direct Tax Code as decided by the Government as they get themselves committed for the society.
- The Government should give a hand book to all assesses giving guideline to compute tax under Direct Tax Code.

Conclusion

Transmission of knowledge on Direct Tax Code to public will bring about ease in computing procedure in filing of returns and expected co-operation from public. Direct Tax Code aims to achieve better tax compliance and reduce compliance costs and lower administrative burden. The code seeks to achieve this by consolidation of the procedure relating to filing of tax base returns, assessment appeal proceedings. Some of the provisions introduced by the code could possibly result in an increase in compliance and therefore needs to be represented. The Direct Tax Code proposes significant changes to the current tax system.

The new tax code is good to some extent, as it would enable individuals to flow money to the market. It would bring transparency and simplicity to the system. The existing income tax law, 1961 will be replaced by the new law and India will reach into modern taxation with its implementation. Government plans to implement the tax law at the Golden Jubilee Year of the existing tax law.

Direct Tax Code: Effect on Individuals and Corporates

DEBABRATA MITRA

Direct Tax Code Bill, 2009, was unveiled by our Hon'able Finance Minister on 12th day of August 2009 with an intention to revamp and simplify the Direct Tax Law and its administration in the country through introducing several radical changes. It is expected to be implemented from the financial year 2012 onwards. The DTC is expected to bring several changes in the very structure of Indian Direct Taxes. Some people are of the opinion that introduction of the DTC will defeat the very cannons of taxation as a result of which it will certainly affect both the individual as well as corporate tax players. The present paper is intended to analyse the expected effect of the DTC on both the individuals as well the corporate sector.

Introduction

The Direct Tax Code which the government had planned to enact and implement from the Financial Year 2012 onwards with suitable changes, if required, envisaged meaningful reduction in the tax rates while simultaneously being revenue neutral for the government. It has aimed to achieve this by increasing the tax base and rationalizing the myriad tax incentives prevalent under the current law. It has sought to bring all Direct Taxes under one Code for providing a single Tax Reporting System. It has also been stated that the new Code is drafted by taking into account the internationally-accepted principles of Public Finance and best practices to make it at par with the international practices and not merely to replace the existing Income Tax Act, 1961.

Effect of Direct Tax Code (DTC)

Effect of DTC on individuals

The maximum limit of investment under section 80 C is proposed to be enhanced and also the effective tax rates have been proposed to be reduced. The DTC has proposed to enhance the limit of investment eligible for deduction under section 80C from Rs. 1,00,000 to Rs. 3,00,000.

The DTC has also proposed a significant increase in the tax slabs for personal income tax. In this paper an attempt has been made to analyse the provisions of the DTC with respect to salaried persons, retired people, and investors separately. In this exercise, it is necessary to compare the relevant provisions

of the Income Tax Act, 1961, with those of the DTC to bring out the consequences of the new provisions.

Presently, income up to Rs.1, 60,000 is the basic income level which is not taxable for all individuals and Hindu Undivided Families who are not resident women and senior citizens. As far as the resident women are concerned, the basic exemption level is Rs.1, 90,000 and for the senior citizens it is Rs.2, 40,000.

Even though it may be the fact that every one may be happy with the above reduction of the tax rates, it is also quite evident that the tax rates as suggested by the DTC will help saving in taxes only for the higher income group and not for lower and middle income groups. The very cannons of taxation will, thus, not be adhered to a very large extent. One of the vital objectives of imposing direct taxes is to bring equality and that very objective may be defeated after the implementation of the DTC. The persons with income ranging from Rs.5,00,000 to Rs. 10,00,000 can avoid more than 50% of its present tax burden while persons with income of less than Rs.3,00,000 will be practically able to save nothing due to the proposed tax rates. Moreover, they will be facing increased burden of taxes because of the proposed withdrawal of many deductions allowed to them from salary income like perquisites, leave travel concessions, medical reimbursements, etc. So, it can be observed in general that the tax rates proposed by the DTC will favour the rich more than the low and middle income groups.

The DTC has proposed imposition of tax on the maturing value of life insurance policies, Public Provident Fund (PPF) and General Provident Fund (GPF). It has proposed to impose tax on savings in various instruments, including those mentioned above, which at present do not attract any sort of tax. Certainly, this will affect the savings mentality of the middle class people. The tax incentives on interest paid on home loans have also been proposed to be withdrawn as a result of which a larger section of middle and lower middle people is expected to be demotivated in taking the house building loan. Moreover, it has been specifically suggested that gratuity will also come under the purview of taxation, if the amount is not invested in a specified scheme. And, this specified scheme may have same linkage with the stock market as a result of which the retiral benefits received by an employee after a prolonged service may be jeopardized to a very great extent.

Introduction of long term capital gains tax and abolition of the Securities Transaction Tax have been proposed by the DTC. It has proposed to do away with the distinction between long-term and short-term capital gains. It can be stated here that the Indian middle class people, in recent times, have become interested to invest a part of their savings in the stock market and this has helped to some extent to boost up the Indian capital market in general. The proposal of imposing tax on long-term capital gain will discourage the Indian investors in general and middle class people in particular to participate in the Indian capital market. However, the proposal to abolish the Securities Transaction Tax (STT) may help to attract the Indian investors to some extent.

The DTC has proposed to include all types perquisites, e.g., interest free loan, free lunch, etc., while computing the total income and those will be taxed accordingly.

Effect of DTC on the Corporate Sector

The DTC has proposed to reduce the corporate tax rate from 33% (including surcharge) to 25%. This will benefit companies in all sectors but it will benefit specially the FMCG sector and the Banking sector where the effective tax rate is around 33%. This reduction in tax rate will lower the generation of government revenue as a result of which it will become difficult for the government to initiate and/ or continue effectively many developmental programmes for the benefit of the common people.

The DTC has proposed to withdraw various tax incentives available to some sectors like those engaged in exports, infrastructure, those enjoying area-based tax holidays, etc. The DTC has also proposed to allow carry forward of losses for an indefinite period of time unlike 8 years at present.

The DTC has proposed to provide for some investment-based activities. In respect of revenue and capital expenditure on scientific research and development, deduction to the extent of 150% of the expenditure has been proposed to be allowed to all companies. It has proposed that tax liability will accrue in various specified infrastructure sectors only after 100% of the capital expenditure is recovered, allowing these companies to postpone the tax liability. The sectors to be covered are generation, transmission and distribution of power, specified infrastructure projects, food processing, packaging, cold storage, agricultural warehouse, Oil and Gas, SEZ, etc.

This proposal will, no doubt, help promote the growth of basic infrastructural facilities in India regarding which India is still far behind the developed countries. But constant vigil should be there to ensure that no company is taking the advantage of above mentioned tax benefit by fraudulent manipulation.

The DTC has proposed a drastic change in the provisions of Minimum Alternate Tax (MAT). Under the DTC, MAT will be paid at a specified percentage of gross assets of a company, which broadly equates to capital employed, though it is not clear whether net or gross current assets will be considered for the purpose of computation. The specified percentage is 0.25% for banking companies and 2% for all other companies. Though it is intended to widen the tax base by reducing tax evasion, the proposal of a new MAT appears onerous on several counts mentioned below.

- (i) Companies suffering from genuine losses due to initial gestation period or cyclical down turn would also have to pay MAT @ 2% of its gross assets. This may be highly detrimental to the very survival of the company itself.
- (ii) Moreover, the credit of MAT will not be available, making the provisions more onerous.

Research Methodology

This study has been undertaken mainly to understand the perception of common people in India towards DTC. The prime objective is to analyse and reveal the public opinion on DTC. This study would give us the actual feedback of the views opined by public. To achieve this objective, the city of Siliguri in Darjeeling district of West Bengal has been included in this study. A non-probability convenience sample of 400 respondents consisting different age groups, educational levels, and income groups have been collected to get the primary data for this analysis. Out of this sample 200 respondents were servicemen and the rest 200 respondents were businessmen from the city of Siliguri in Darjeeling district of West Bengal and among them 280 were men and 120 were women. The required primary data has been collected from personal interview with the help of a questionnaire which have been developed with open ended and close ended questions. Collected data has been analyzed using percentages and interpreted for consequential inferences.

Analysis and Interpretations

Knowledge of DTC

The first step of this study is to find out the overall perception of people and to see the percentage of people who are aware of the DTC and its importance in their lives. The majority of the respondents (almost 80%) in India are aware of DTC (Table 1).

Table 1: Awareness level of DTC

Sl. No.	Awareness	Number of respondents	Percentage
1	Yes	316	79%
2	No	84	21%
Total		400	100%

Source: Field survey.

If we look at the cross table analysis we will be able to ascertain the relationship between few socio-economic factors such as education, age, gender and income of the respondents and the familiarity of Direct Tax Code. It is quite evident from the Table: 2 that there is a higher trend of acceptability and knowledge about the DTC among the higher level of educated people (respondents). It is revealed that the graduates, post graduates and professionals are more aware about the DTC than the people of lower level of formal education.

Table 2: Relationship between education and knowledge of DTC

	High School		Higher Secondary		Graduate		Post Graduate		Professionals	
	Nos.	%	Nos.	%	Nos.	%	No	%	Nos.	%
Know	03	10	33	27.5	53	41	46	57.5	31	77.5
Do not	27	90	87	72.5	77	59	34	42.5	09	22.5
Total	30	100	120	100	130	100	80	100	40	100

Even in case of age, greater part of the respondents (68 percent) in the age group of 45 years and above have said that they are familiar with Direct Tax Code (DTC) (Table 3). Whereas 60 percent of the respondents in the age group of below 30 years have said that they are not familiar with Direct Tax Code. And almost 50 percent of respondents in the age group of 30-45 years are familiar with the DTC. So, there is an association between age of the respondents and familiarity with Direct Tax Code.

Table 3: Relationship between age and DTC

	Up to 30		30-45		45 and above	
	Nos.	%	Nos.	%	Nos.	%
Yes	28	40	89	49.9	102	68
No	42	60	91	50.1	48	32
Total	70	100	180	100	150	100

If we look at the cross relationship between income and the knowledge about the DTC, we will be able to visualize the relationship as most of the respondents (81 percent) whose annual income is Rs.5,00,000 or more are more familiar with Direct Tax Code, whereas the respondents whose annual income ranges between Rs.3,00,000 to Rs.5,00,000 were not familiar (36 percent) with Direct Tax Code (Table 4). Therefore, it is evident that there is a relationship between annual income of the respondents and familiarity of Direct Tax Code.

Table 4: Relationship between income and knowledge of DTC

	Up to Rs.3,00,000		Rs.3,00,000 to Rs.5,00,000		Rs.5,00,000 to Rs.8,00,000		Rs.8,00,000 and above	
	Nos.	%	Nos.	%	Nos.	%	Nos.	%
Yes	29	58	33	36.67	65	81	79	43.88
No	21	42	57	63.33	15	19	101	56.11
Total	50	100	90	100	80	100	180	100

People Supporting DTC

The Direct Tax Code seeks to consolidate and amend the law relating to all direct taxes, i.e., income tax, dividend distribution tax, fringe benefit tax and wealth tax so as to establish an economically efficient, effective and equitable direct tax system which will facilitate voluntary compliance and help to increase the tax GDP ratio. But DTC also acts as a tax savings for higher income group. Respondents have been asked whether they support the DTC. The responses varied among different groups of people having different occupational background. We have divided our findings into two parts, one those who are servicemen and the other those are involved in business and/or professionals.

The majority of the people having services do not support the DTC (Table 5). There are various reasons which affect the decision of this group.

Table 5: Support of DTC

Sl.No.	Support	Number of respondents	Percentage
1	Yes	92	46%
2	No	108	54%
Total		200	100%
The Response of the Businessmen			
1	Yes	168	84%
2	No	32	16%
Total		200	100%

Source: Field survey

- DTC has proposed a significant increase in the tax slabs for personal income tax which will result in a meaningful increase in disposable income.
- It has also proposed to increase the tax deduction limit available on savings from Rs.1 lakh to Rs. 3 lakh.
- Again, in the proposed new tax code income in the range of Rs.1.6 to Rs.10 lakh will only attract 10% tax. The next slab is Rs.10—Rs.25 lakh, which will attract tax of 20% above Rs.25 lakh the rate is 30%.The savings limits will be increased from existing Rs.1 lakh to Rs.3 lakh, MAT will be the final tax and these would be no carry over complication.

Along with the benefits there are several drawbacks of DTC due to which 54% of the servicemen do not support DTC. The reasons why they do not support is due of the fact that:

- DTC has proposed to impose tax on savings in various instruments including PPF, Insurance, etc at the time of withdrawal.
- Moreover, retirement benefits such as gratuity will be tax-free only if deposited in specified retirement benefit schemes.
- It has also proposed tax on long term capital gains which tends to prevent the servicemen from investing in stock markets.

There is a huge difference in the supporting group of businessmen and the servicemen. While majority of the servicemen did not support the DTC, the scene is entirely different in case of businessmen. It has been observed that 84% of the businessmen support the DTC, while only 16% of businessmen does not support it. That reasons for there support is stated as follows:

- Corporate Tax rate has been proposed to be reduced from 33% to 25% which will certainly benefit companies across sectors especially the companies belonging to FMCG and Banking sectors where effective Tax rate is 33%.
- Business losses have been allowed to be carried forward indefinitely, unlike 8 years at present.
- DTC has also proposed to abolish securities transaction tax which would further benefit the businessmen.

The reasons for their support is graphically represented in the following figure 6:

Overall support of DTC by Men and Women

The overall support of DTC by both men and women is represented by the following charts and tables. Table 6 represents the support group of men:

Table 6: Overall support

Sl.No.	Support	(Men)	Percentage	Women	Per centage
1	Yes	170	61%	84	70%
2	No	110	39%	36	30%
Total		280	100%	120	100%

It has been observed from table 7 that out of total 280 number of men respondents 61% of men support the DTC whereas only 39% of the respondents do not support it.

Table 6 also shows that 70% of the women respondents support the DTC, and only 30% of the respondents do not support it. Therefore, there is not much difference in the supporting pattern between the men, and women respondents. Also the overall percentage of support of DTC is also high among both men and women.

Conclusion

The biggest advantage for the individual tax payers is that the tax slab is just 10% for the income group (income ranging between Rs.1,60,000 to Rs.10, 00,000). This will be certainly beneficial to the middle class section of the population because the tax which will be charged is just 10%. The taxable salary will go up because of some changes but real tax liability will actually reduce. Though, at the last, it may not get reduced too much but surely it will be a reason to cheer. But it is obvious that the tax rates as proposed by the DTC will help in tax savings only for higher income group and not for lower middle income group. It actually defeats all the cannons of taxation

which always advocate that the main aim of direct taxation is to reduce the economic disparity in the society.

The effect of the DTC on corporate sector will not also be one sided. The tax rate for companies (both domestic and foreign) has been proposed to be reduced to 25% from its existing rate 33%. So, for the industries, which fall in the full tax bracket (33% tax), the proposal of reducing tax rate is positive. But this drastic reduction is likely to bring adverse effect on the government exchequer as a result of which the pro-people activities of the government may be substantially affected.

Based on the critical discussion above, it may be concluded that the proposed Direct Tax Code Bill will bring certain definite advantages and disadvantages for both individual and corporate tax payers. The provisions of DTC must be thoroughly debated throughout the country so that, before giving final shape to it, the loopholes are minimized to the maximum possible extent. And, if that is done, it will really be ideal for all.

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TAXATION CHALLENGES AND DIRECT TAX CODE IN INDIA

KULWANT SINGH RANA

In 2009, government of India introduced a draft of Direct Tax Code for discussion. Keeping in view the feedback received, the government issued a revised draft of Direct Tax Code in 2010. The philosophy behind this draft was to simplify the tax structure and minimize the technicalities prevailing in the earlier tax laws. Although, serious attempt has been made but still lot needs to be done in this direction. Therefore, it has been suggested that before finalizing it, government must utilize the expertise available in the country for further enhancing its worthiness.

The draft of the Direct Tax Code was presented in the parliament in August 2009. It represents a drastic change in the taxation mechanism, and is bound to have a profound impact on individuals and corporate (tejas@iimb). The widening of the tax slabs in the current budget is line with what is proposed in the DTC. Tax rates will be 10% for incomes from Rs 1.6 lakh to Rs 10 lakh, 20% for incomes up to Rs 25 lakh and 30% for earnings above Rs 25 lakh per annum. But these lower rates come up with a slew of current exemptions being taken away.

Major Highlights of the Draft Tax Code bill are as under:

- Reintroduces wealth tax and capital gains tax, even though at lower levels
- Scope of income tax expanded to include value of perks, gifts, profit in lieu of salary and capital gains but excludes farm income
- Removal of most exemptions
- All long-term savings to come under EET
- Tax exemption to PPF and other pension schemes on withdrawals accumulated up to March 31, 2011.
- The code proposes to abolish STT.
- Capital gains on shares and securities to be taxed as income.
- Distinction between long-term and short-term capital assets to go.
- Wealth tax cap to be hiked to Rs 500mn.
- Wealth to be taxed on net basis; Amount in excess of Rs500mn to be taxed at 0.25%

- Moves the base year for calculation of capital gains tax to April 2000
- Hike in tax deduction limit on savings to Rupees 3 lakhs
- Proposes highest tax rate of 30% on income of over Rs 25 lakh
- Tax breaks on housing to be removed
- Dividend will continue to be tax-free in the hands of investors
- Effective corporate tax rate at 25% with no surcharge or cess
- MAT to be levied on gross assets as against book profits now
- MAT to be 0.25% for banking and 2% for others
- MAT carry forward to be disallowed
- Business losses to be carried forward indefinitely
- No tax deduction on interest payable on any government security
- Wealth tax liability to be discharged by payment of prepaid taxes
- Income from certain transfers not to be treated as capital gains
- Rationalization of taxes for all non-profit organizations
- Annual disclosure of profits of non-life insurance businesses
- Govt. may enter overseas agreements for double taxation avoidance
- No tax deduction on interest payable to banking firms and insurers

In case of public provident fund investment, the taxpayer will be allowed an exemption when he invests money into his public provident account (or any other tax saving instrument) and when he earns interest on it. But at maturity, the amount that he gets will be added to the income for the particular year and taxed accordingly. So if the individual falls into the 20% tax bracket, the gains made on selling shares will be taxed at 20% and so on. Any withdrawal made or amount received from the above accounts will be taxable in the year in which withdrawal is made or amount received. Currently, almost all tax saving instruments are tax free at maturity (except the New Pension Scheme) and hence follow the EEE (exempt, exempt, exempt) regime. The code paves the way for the EET regime as far as tax-saving instruments are concerned. EET will only apply to earnings after March 31, 2011. The direct tax code aims to simplify tax system, but this may not necessarily reduce taxes at various levels. (http://www.dnaindia.com/money/report_taxpayer-beware-the-direct-tax-code-will-eet-away-all-your-gains_1353158). The DTC has received a good debate and positive response from the different quarters of Indian society.

New Revised DTC

The Indian government on June 15th, 2010 again unveiled a revised discussion paper on its planned direct tax code that seeks to make sweeping changes in corporate and personal income tax structures in comparison to the earlier draft and sought stakeholders' views to help tailor the final tax rules.

There are 11 issues addressed by the revised DTC paper. These include: Minimum Alternate Tax (MAT) for companies; tax treatment of savings, taxation of capital gains; taxation of non-profit organizations; taxation of

existing units in Special Economic Zones (SEZs); wealth tax; and Double Taxation Avoidance Agreement (DTAA) vis-à-vis domestic law. Much will depend on how general concepts of the revised DTC paper are actually worded in the Law, and how implementing regulations and procedures are set (http://www.dnaindia.com/money/comment_revised-dtc-draft-retreat-from-modern-tax-system_1400025). The new tax code has proposed a Minimum Alternate Tax (MAT) on companies calculated with reference to the value of gross assets. The rate of MAT will be 0.25 per cent of the value of gross assets in the case of banking companies and 2 per cent of the value of gross assets in the case of all other companies. The MAT has been proposed as a final tax which means that it will not be allowed to be carried forward for claiming tax credit in subsequent years. The new draft has proposed not to extend time for profit-linked sops for SEZ. The new tax code has proposed to continue the current tax treatment for provident fund investments. The new draft has proposed EEE method of taxation for Government Provident Fund (GPF), Public Provident Fund (PPF) and Recognized Provident Funds (RPFs) and the pension scheme administered by Pension Fund Regulatory and Development Authority. Approved pure life insurance products and annuity schemes will also be subject to EEE method of tax treatment. Investments made, before the date of commencement of the DTC, in instruments which enjoy EEE method of taxation under the current law, would continue to be eligible for EEE method of tax treatment for the full duration of the financial instrument. In a major change, under the new code, the current distinction between short-term investment asset and long-term investment asset on the basis of the length of holding of the asset will be eliminated. Income under the head Capital Gains will be considered as income from ordinary sources in case of all taxpayers including non-residents. It will be taxed at the rate applicable to that taxpayer. Currently, short-term capital gains arising on transfer of listed equity shares or units of equity oriented funds are being taxed at 15 per cent and long term capital gain arising on transfer of such assets is exempt from tax. The withdrawal of this regime will raise the tax liability and may cause fluctuations in the capital market. The new draft code proposes to abolish Securities Transaction Tax. It also proposes that net wealth in excess of Rs 50 crores will be charged at 0.25 per cent as wealth tax (<http://beta.profit.ndtv.com/news/show/govt-unveils-revised-direct-tax-code-74469?cp>). The major reason for the revised draft is that there are different pressure groups in the different quarters of the society. They always try to get the things designed in a way that suits to their interests. Revised code might be the compulsion of the present government.

Major Structural Weaknesses of Direct Tax Code

Although, a good beginning has been made by the government of India by bringing this radical piece of legislation, but number of burning issues faced by the Indian economy in the sphere of taxation have yet to be addressed.

The biggest challenge is the black economy. Usually untraceable business dealings that are not reflected in a country's gross domestic product

computations are generally called a black or parallel economy. Though it employs illegal methods, it is a survival practice in repressive tax regimes or where legitimate expression of entrepreneurial activity is made unnecessarily difficult by a maze of regulations. Black economy and black money go hand in hand and also termed as parallel economy, shadow economy, or underground economy. The biggest challenge before the policy makers is the ever growing size of the parallel economy in India. In the various studies, different estimates of black economy in India have been made. Kamal (1985) did a major work in this field and tried to estimate the size of parallel economy in India. In another study, it was estimated that black money in India accounts for 20 % of GDP. If this is true, then black money generated every year must be around Rs 400,000 crores or \$ 80 billion. This is a huge amount, more than the entire budget of the government at the Centre. According to the New Delhi-based think-tank Indian Council for Research on International Economic Relations (ICRIER), legal businesses controlled by the government, government expenditures and taxes have also been the major source of black-money creation. For instance, say officials from ICRIER, no real-estate deal in the country is done without the involvement of at least 40% unaccounted-for money, and a large portion of the billions of dollars in foreign-exchange inflows that India sees every year is actually the returning black money that went out of the country in the high-tax regime before liberalization began. (http://www.atimes.com/atimes/South_Asia/IF05Df02.html). The black economy in India', puts the figure at around 50% of the GDP. Thus, the size of the black economy, taking it at 40% of GDP, is around \$500 billion. If black money is declared by individuals or corporate houses as income, it becomes legal and would be taxed at 30%. If all the estimated black money is declared, it could generate tax revenue of Rs 7, 50,000 crores for the government. This is more than total tax collection at Rs 6, 41,000 crores for 2009-10. Kumar puts the potential tax revenue figure much higher at around Rs 10, 00,000 crores (<http://economictimes.indiatimes.com/news/economy/finance/India-loses-Rs-10-lakh-crore-from-black-economy-every-year/articleshow/5710210.cms>). Therefore, need of the hour is to design a tax system of the country in such a fashion which takes these problems into consideration.

Another important area which needs to be addressed by the Indian policy makers is the flight of capital from India to tax havens. Like black economy, there are also different estimates of flight of capital from India. Transparency International has done a major work in this area. Swiss Banking Association 2006 details bank deposits in the territory of Switzerland by nationals of the various countries. Here it is important to mention that at one time developed countries were the major donors but of late the transfer from third world countries has been much larger to developed countries through illegal means. Although, much hue and cry is raised on this issue but no concrete results have been noted till date.

In fact, some finance experts and economists believe tax havens to be a conspiracy of the western world against the poor countries. By allowing the proliferation of tax havens in the twentieth century, the western world

explicitly encourages the movement of scarce capital from the developing countries to the rich. In March 2005, the Tax Justice Network (TJN) published a research finding demonstrating that \$11.5 trillion of personal wealth was held offshore by rich individuals across the globe. The findings estimated that a large proportion of this wealth was managed from some 70 tax havens. At least \$5 trillion have been shifted out of poorer countries to the West since the mid-1970s (http://wiki.answers.com/Q/Total_black_money_in_India). According to Transparency International, Indian money in Swiss banks is around \$1456 billion which is more than the next 4 countries combined together. Apart from Swiss banks, various other countries have also created tax heavens to attract black money from various countries. India has emerged as the biggest offender in this sphere. The size of money transferred from India to Swiss banks is much larger than the total money transferred from next 4 countries putting altogether. Dishonest activities have deposited in foreign banks in their illegal personal accounts a sum of about \$1500 billion, which have been misappropriated by them. This amount is about 13 times larger than the country's foreign debt. With this amount 45 crore poor people can get Rs 1, 00,000 each. This huge amount has been appropriated from the people of India by exploiting and betraying them. Once this huge amount of black money and property comes back to India, the entire foreign debt can be repaid in 24 hours. After paying the entire foreign debt, we will have surplus amount, almost 12 times larger than the foreign debt. If this surplus amount is invested in earning interest, the amount of interest will be more than the annual budget of the Central government. So even if all the taxes are abolished, even the nation can survive. Recently, due to international pressure, the Swiss government agreed to disclose the names of the account holders only if the respective governments formally asked for it. It is important to bring back this money but equally more important is that this trend must be reversed for the future by redesigning whole of the tax structure of the nation.

In terms of population, India is the second largest country in the world, but number of tax payers in India is very small. In 2010, total number of tax payers in India is around 42 million. Further, it is important to mention that out of these 42 million; around 30 million are the employees of various state and central government undertakings where tax is deducted by the employer. In other words, voluntary tax compliance is very negligible in India. According to different estimates, the size of middle class in India is around 250 million and this middle class has the capacity to pay taxes. Therefore, unless and until this major section is not brought under the tax net, perhaps no taxation policy is going to yield the desired results. The problem is not merely that the number of tax payers in India is very small but equally important is that most of the returns filed are highly understated and undervalued. This can be substantiated by the fact that according to Kelkar Committee, total numbers of assesseees who have shown their income more than Rupees 10 lakh are just 70,000 only.

It is a well known fact that income tax is shared amongst centre and state government but unfortunately, there is no mechanism for coordinating the

various tax collecting agencies of centre and state government. Various state level taxing agencies never send the details to the income tax authorities. Income tax authorities rely purely on their own resources. This results into huge loss of taxes to the state exchequer and give plenty of scope for manipulation of income in tax returns. Obviously there is need for developing a mechanism for coordination amongst various state and central agencies before DTC is implemented.

The biggest limitation of the existing tax system is that there is hardly any mechanism to curb the mal practices. Although, Election Commission of India has made it mandatory to declare the property before filing nomination papers for MLA or MP. But in spite of this there is no follow up mechanism to check the growth of unaccounted income. After MNREGA, even the Pardhans of some villages are earning lakh of rupees in the term of 5 years. If the data is collected of the entire political community of the country, it will give interesting statistics for further research to social scientists.

Apart from financial and commercial reasons, in India, paying of income tax is not considered as something a very holy thing. A person who is paying taxes genuinely does not enjoy a high social status. Rather a person who is manipulating his tax returns enjoys relatively a better social status. This value system is not only regressive but also dangerous to the society in the long run. Since tax is not merely a source of revenue to the government but also an important tool of national integration. This change in outlook can only be materialized by giving even bigger negative and positive incentives simultaneously to the potential tax payers.

Conclusion

On the basis of present study, the following suggestions can be given for adding more teeth to the existing DTC so as to make it more effective.

- Efforts should be made to bring majority of India's population under tax net.
- Unique Identity Card project should also be supplemented with DTC so that a comprehensive data base of potential tax payers can be worked out.
- Panchayats, Municipal bodies and various state agencies should also be attached with the taxation authorities for getting feedback of potential tax payers. A mechanism of coordination should be created amongst various state tax collecting agencies with the Income Tax Department for having better feedback about the resource generation and flow of finance.
- The Ministry of Finance should follow a carrot and stick policy by which genuine tax payers should be encouraged and defaulters should be penalized with heavy penalty.
- Major economic offences and tax evasion cases must be declared as threats to national security and must be dealt with laws governing terrorism.

- All transactions in real estate and purchase of costly consumer and producer goods must be taxed for the purpose of income tax at market rate at the time of transaction so that the growth of black economy should be curbed to a reasonable extent.
- The most important measure for checking evasion is to establish credibility of the government regarding its own integrity before exhorting persons to pay their taxes correctly. Income tax authorities should take up the matter with Election Commission of India that before contesting election, Income Tax authorities must make thorough scrutiny of the returns filed by these people.
- Unnecessary deductions must be stopped immediately and size of the form of income tax return should not be more than one page so that even the least literate people can also file return without any hesitation.
- The deduction on the interest on house loan was not there in the earlier draft but in the revised draft again this benefit has been given under pressure. A large chunk of black economy is in the real estate sector and moreover, over dose of finance in the housing sector is also putting inflationary pressure on the overall economy of India.
- India should create its special tax free zones particularly in the backward parts of the country where no enquiry should be made about the source of the money for investing in core and infra- structure industries where India is lagging behind globally so that the flight of the capital and black economy should be checked to a reasonable extent.
- Tax slabs should be reduced to 2 only and maximum tax rate should not be more than 20 per cent so that maximum people should be motivated to pay taxes voluntarily rather than forced one. Moreover, the reduced rates will encourage a larger chunk of Indian population to pay taxes voluntarily and it will also reduce the flight of capital to a reasonable extent because number of Indians used to take money out of India because of high tax regime.
- Schemes like voluntary disclosure should not be repeated because such schemes give a wrong signal to the genuine tax payers and give encouragement to the tax evaders that sooner or later black income can be converted into white one. Rather the efforts should be made where people should come forward voluntarily which can be possible only if the general public is convinced that taxes paid by them will be used exclusively for the national development.
- The people from academia must be involved before giving a final touch to DTC.

Technical Session I
Direct Tax Code: An Evaluation

ABSTRACTS

A Study on Perception of Tax Professionals on New Direct Tax Code 2009 in Visakhapatnam City, Andhra Pradesh

A. NARASIMHA RAO, INDRAKANTI SEKHAR AND K. SATYANARAYANA*

This paper aims to collect various opinions on the new DTC 2009 from the experienced tax professionals in Visakhapatnam city. Visakhapatnam is one of the fast-growing cities in India. In an effort to capture the views on the new DTC in a fast-growing city, an attempt has been made to model the opinion survey with respect to the practitioners of direct tax in a city where international exports and import business practitioners are available. This study is an attempt to come out with suggestions and provide feedback to the lawmakers and generate awareness among the tax payers.

Direct Tax Code - An Evaluation

A.H. SHRIRAME**

The major objectives of the present paper are: 1) To review the recommendations of the various tax reform committees and 2) To make a comparative study of the Income Tax Act and the DTC. The present study is based on secondary data. The paper has examined the provision for deduction for interest on capital borrowed for acquisition or construction of self-occupied house to encourage investment in housing.

Capital Gains Taxation under Direct Tax Code

ABDUL AZIZ ANSARI AND SANDEEP KUMAR GOEL***

The present paper seeks to explain the computation of Capital Gains tax under DTC and analyze the various issues related to it. It is found that the capital gains taxation in the proposed framework will benefit the taxpayers especially, the low-

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and middle-income groups. It will make the taxation system simple, certain and easy to administer with lesser litigations but, at the same time, may lead to lesser participation of FIIs and more fluctuations in the stock market.

Direct Tax Code : An Evaluation

(A Special Study of Income Tax)

ABDUL HAKIM AND SHRI SKAY LAMB TOOFAN*

The Central Government collects a large amount as income tax every year and this tax is a part of the government budget. The tax must not be painful for the assesseees. The Central Government should minimize the tax rate. Then the quantity of tax amount will be satisfactory and will be helpful for balanced economic development.

Direct Tax Code: A Changing Scenario of Taxation

AJAY KUMAR SRIVASTAVA**

The DTC, which the government plans to enact and put into practice with appropriate changes if required, envisages meaningful reduction in the tax rates while simultaneously being revenue neutral for the government. It aims to achieve this by increasing the tax base and rationalising the countless tax incentives prevalent under the current law. The overall changes proposed will be quite helpful for a number of sectors and companies as well as for individuals. In this paper, the new DTC and benefits provided by it has been described.

Highlights of Direct Tax Code

AJIT KUMAR***

The main objective of drafting the new code is to make the law simple and easy for taxpayers while bringing in major policy changes regarding corporate taxation, non resident taxation, SEZ exemption, EET method of taxation and many more. The powers of CBDT will also be restructured making it a policy making board in alignment with the tax boards of countries like UK, US and Australia.

Direct Tax Code-An Evaluation

ANIL A. DATANIA****

The paper focuses on and discusses the following with respect to the DTC:

1. introduction, 2. its effects, 3. major areas covered, 4. difference between the present Income Tax Act and the DTC, 5. tax avoidance and tax evasion, and 6. conclusion.

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New Direct Tax Code: An Evaluation

ANIL KUMAR JAIN AND AMAR KUMAR JAIN*

The basic objective of tax reform is to limit the plethora of exemptions and broaden the tax base which is required to face the current fiscal challenges before the country. The proposed reform was essential when only 3.5 crore people is paying income tax in the country having over 100 crore population and a Rs.4.5 lakh crore budget deficit in a Rs.10 lakh crore budget of 2010-11. But, the withdrawal of the provision of EET for tax treatment of savings, Minimum Alternative Tax (MAT), Capital Gains Tax, taxation on retirement benefits and perquisites and provision for Non-profit organizations included.

SWOT Analysis of Direct Tax Code

ARUN H. GAIKWAD AND ASHISH M. PURANIK**

The DTC seeks to consolidate and amend the laws relating to the direct taxes, which consist of income tax, dividend distribution tax, fringe benefits tax and wealth tax, so as to enable to establish an economically-efficient, effective and equitable direct tax system which will facilitate voluntary compliance and help increase the tax-GDP ratio. This paper introduces the highlights of the DTC and its salient features, has made a SWOT analysis of DTC,

Direct Tax Code Bill: Boon for Individual Savers

ASHA TIWARI AND DILIP VAIRAGADE***

All the world over, Nation States have embarked on a voyage to discover the true tax potential in operations carried out by Trans National Corporations (TNC) across the globe. Both Japan and U.K. have in the last two years taken steps to rework on issues concerning taxation of profits arising from out bound investment. In the light of these changes in international tax policies abroad, India cannot be sleeping. The response is found in the Draft DTC, 2009.

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DTC and Revised Discussion Paper: An Appraisal

ASHOK K. MOHANTY AND DURGAMADHAB MAHAPATRA*

The three main objectives of the DTC are to minimise the number of tax exemptions while maintaining moderate tax rates, remove ambiguities and curb evasion. DTC is meant to provide stability to tax regime as it is based on accepted principles of taxation and best international practices. The RDP addresses the issues relating to Minimum Alternative Tax (MAT), gross assets vs. book profits, tax treatment of savings – EET vs. EEE, taxation of income from employment concerning retirement benefits and perquisites, taxation of income from house property, capital gains, non-profit organisations, taxation of existing SEZ units, concept of residence in case of a company incorporated outside India, double taxation avoidance agreement (DTAA) *vis-a-vis* domestic law, wealth tax and general anti-avoidance rules.

Favourable Impact of Direct Tax Reform – An Analysis

ASHOKA M.L.**

This paper has discussed the favourable impact of the DTC Bill 2009. The greatest drawback of Present Income Tax Act, 1961 is that it, being highly complex in nature, has created much inconvenience for the tax payers. The Income Tax Act, 1961 is highly inconvenient for the ordinary individuals and businessmen who have to seek the assistance of the tax consultants and experts to understand its implications.

Stabilizing the Indian Economy through New Direct Tax Code

ATUL BANSAL AND SHWETA BANSAL***

The DTC will probably not have any long-term impact on individuals. The corporate income tax rates have been slashed down but keeping deductions in mind, the effective tax rate is unlikely to be affected drastically. The calculation of the Minimum Alternative Tax based on assets needs to be re-looked at, especially for those companies which are working on projects with long gestation periods.

This paper has explained in details the possible impact of New DTC on an individual and an industry. The paper also summarizes the roadmap to NDTC.

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Paradigm Shift in Direct Tax in India

AWADHESH KR. TIWARI*

An attempt has been made to adopt the principles that have gained international acceptance and to adopt the best practices prevailing in the world. The present research paper has a theoretical background, describing the conceptual framework of Direct Taxes in India and providing an overview of the DTC. In addition, an attempt has been made to evaluate the DTC.

Direct Tax Code – An Evaluation

AZHAGAI AH, CHINTA VENKATESWARA RAO AND S. BALASUBRAMANIAN**

The DTC is going to keep away many exemptions, thereby, enabling the government to reduce the tax rate. It proposes to make policy changes to discontinue all profit-linked incentives for area-based investments like setting up of plants in the backward area and in specific sectors like infrastructure, power, exploration and oil production. It will lead to major tax relief and removal of most tax-exempted benefits with the objective of more transparency and greater compliance. The new proposals are in the right direction through simplification of regulations with a view to reducing unnecessary litigations significantly

Direct Tax Code: An Evaluation

B.V. MORADIYA AND B.K. DAVDA***

The major changes which can affect a common person are as follows:

1. Tax Exemptions upto Rs. 3 lac,
2. Proposes tax on maturity amount from Insurance Policies , PPF, EPF and GPF,
3. Interest you pay for housing loans cannot be exempted and your tax burden increases,
4. Recommends that long-term capital gains be reintroduced and Short-term Capital Gain tax be added in income,
5. Suggests abolishing the Securities Transaction Tax (STT),
6. Perks now will be included as a part of the income for purpose of tax calculation,
7. Lowering Corporate tax to 25% from 30%,
8. Interest you pay for housing loans cannot be exempted and your tax burden increases,
9. Recommends to be reintroduced and Short Term Capital gain tax to be added in Income,
10. Suggests abolishing the Securities Transaction Tax (STT),
11. Perks now will be included as a part of the income for purpose of tax calculation, and
12. Lowering corporate tax to 25% from 30%.

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Concept of Direct Tax Code and Its Impact on Various Sectors

BHASKARJYOTI BORA, HEMEN KUMAR SARMA AND JAYANTA GOGOI*

tion of tax. Litigations and disputes are also expected to be reduced through this. It is expected that the DTC will be having long-term impact on, and implications for, the capital-intensive infrastructure sector, and housing, automobile, pharmaceutical, telecom, FMCG, hospitality, media, retail, insurance and banking sectors, apart from equities and savings. The procedural issues relating to personal income taxation are also expected to be simplified a lot. Despite having the fear of loss of originality of the Income Tax Act, the DTC will bring about structural changes in the Indian tax systems.

Direct Tax Code: An Overview

BODHALE**

In this paper, both the benefits of, and the critical areas in, DTC have been discussed. The proposed DTC is a combination of major tax relief and removal of most tax-exempted benefits. It is expected to usher in a new tax regime of transparency and greater compliance.

Direct taxes Code: An Evaluation

BIKASH KUMAR MALVIYA***

In the DTC, an attempt has been made to simplify the language to enable better comprehension and to remove ambiguity to foster voluntary compliance. The Central Government presented a landmark draft DTC, which is expected to revolutionize the existing taxation system in India by changing corporate as well as personal income tax calculations. DTC is broadly welcomed by people in the industry and the trade.

New Direct Tax Code: A Gift of 2011

C.S. YATNALLI, S.S. PATTANASHETTI AND M.G. KOTI****

The present paper has dealt with the Objectives for the preparation of Direct Tax Code, the proposed IT slabs, the Changes incorporated in New Direct Tax Code and important issues such as Minimum Alternate Tax (MAT) – Gross Assets vis-a vis book profit- proposal, Tax treatment of savings –EET (Exempt Exempt Tax) V. EEE (Exempt Exempt Exempt), Taxation of retirement benefits and perquisites-Proposal in the RDP, Taxation of Income from house property, Taxation of capital gains, Taxation of Non-Profit Organisation, Special Economic Zones-Taxation of existing units.

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Direct Taxes Code

D.B. BHARATI*

The government has released a comprehensive Discussion Paper and draft of the new DTC that seeks to revamp and simplify the direct tax laws and their administration in the country through several radical changes. The DTC will be implemented from the financial year 2012-13 with suitable changes if required. It aims to achieve this by increasing tax base and rationalizing the myriad tax incentives prevalent under the current laws.

Direct Taxes Code – An Evaluation

D.Y. CHALAK AND BAND S.A.**

The DTC has been drafted in a transparent and simplified manner and is easy for a common man to comprehend. Now the Income Tax Department has issued a Discussion Paper based on the public response. In this paper, an attempt has been made to discuss the objectives of the DTC, recent position of the DTC, Problems faced by proposed DTC and come out with some suggestions.

Reforms in Direct Taxes Code and Evaluation with reference to Stakeholders

DILIP B. SHINDE***

The DTC aims to completely overhaul, simplify and replace the existing Income Tax Act 1961. The DTC in simple form is expected to eliminate distortion, minimize the litigation and to improve better compliance and better collection of taxes. The antiquated rules have been replaced in this new proposal.

Impact of Direct Tax Code on Various Sectors of the Economy: An Analysis

E. AHMAD AND S.P. KHARE****

The current Income Tax Act was enacted in 1961 to replace the earlier Acts which had been legislated before independence in 1886, 1918 and 1922. More than 50 years have elapsed since the introduction of the current Income Tax Act. Like the USA and Russia, there was all along demand to change, simplify and make it assessee-friendly. The new DTC will completely overhaul and simplify the existing tax proposals not only for individual tax payers but also for corporate houses and foreign residents. The present paper is an attempt to make an analysis of the impact of the DTC on various sectors of the society.

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Direct Tax Code- An Evaluation

E. APPA RAO, K. LAKSHMANA RAO AND G. SHUBHAKAR*

The DTC seeks to address some of the key facets of a progressive tax regime—simplicity, uniformity, clarity, stability, ease of compliance, and, more importantly, as the Finance Minister, himself, hopes, compatibility with the needs of a fast-developing economy. It seeks to ensure that the language is simple and all the provisos and explanations in the existing laws are eliminated and, wherever necessary, suitably incorporated in the main provisions.

Impact of Direct Tax Code on FIIs and DIIs

E. RANGAPPA, K. RAJ KUMAR AND S.N. ARJUN KUMAR**

Foreign investors, not covered by any Double Taxation Avoidance Agreements (DTAAs), will have to pay higher Capital Gains tax, if the proposals in the revised DTC are implemented. However, most FIIs report their income from such investments as capital gains. In this context, there is a need to study the impact of DTC on FIIs and DIIs. The Mutual Funds and Life Insurance companies have not been called “pass through entities”, meaning that neither income in their hands will not be subject to Dividend Distribution Tax (DDT) nor will they pay tax on income they receive on behalf of their investors.

International Taxation in India: An Evaluation of Direct Tax Code 2009

ELANGBAM NIXON SINGH AND G.P. PRASAIN***

The present paper tries to evaluate the DTC 2009 in general and international taxation in particular. On the basis of the interactions with stakeholders, the government has also released a Revised Discussion Paper (RDP), covering the outcome of public consultation and concerns on the above-mentioned matter.

New Direct Tax Code and Problem of Black Money

G.L. PUNTAMBEKAR AND LIZA JAIN****

The estimation of black money by various agencies indicates that about 40% of India's GDP represents black money. The unaccounted money deposited in Swiss

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Banks disclosed in last Parliamentary elections, i.e., Rs.70 lack crore, seven times of the recent Union Budget is a serious cause of concern to the fiscal health of the country. The new DTC proposed by the Central government, aimed towards a simple and clean tax system to promote voluntary compliance with a lower tax rate, is a good effort.

Direct Tax Code - Its Impact on an Individual

G.P. SHARMA AND S.S. KHANDELWAL*

Government's philosophy has been to moderate the rates and to increase the tax base. Moderation of rates has resulted in increased tax compliance and thereby revenue collections. If you compare the existing rates with international standard, these not appear to be very high, be it corporate tax and personal Income tax. Tax rates have been considerably lowered over the year. But what will happen in the future is difficult to predict at this juncture.

2011 – A Turning Point for Direct Taxes in India

GOUR GOPAL BANIK**

The year 2011 is a turning point for Direct Taxes in India since it is going to bid a final good bye to the half-a-century old Income Tax Act, 1961 as well as the Wealth-tax Act, 1957 and welcome a completely brand new Act which is still in the womb just to see the light of the day. This paper aims to make an exploratory study of the new DTC, focusing on its highlights.

Reforming Direct Taxes on Individual Income—Economic Implications and Impact

GUNJAN DHINGRA, H.K. AGRAWAL AND P.K. GUPTA***

In the present paper, an attempt has been made to evaluate recent reforms in the sphere of individual income taxation. During the period under study, the major reforms in the field of individual income taxation have resulted in restructure of tax rates, increase in exemption limit, and rationalization of tax incentives for investments and introduction of some new taxes. The present paper concludes that the main objective of individual income tax reforms is to broaden the tax base, rationalize the tax incentives, curb the tax evasion, provide greater flexibility to taxpayers and simplify the tax laws. But there is still a long way to go.

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New Direct Tax Code: A Simple Sectoral Summary

H.K. SINGH, BAPI BANERJEE AND PUSHRAJ SINGH*

The present study focuses on the conceptual framework of the DTC and discusses how it is much simpler and full of Exemptions. The study tries to analyze whether the DTC is 'common-man-friendly' or troublesome for individual tax payers, corporate sectors and other sectors. The study also focuses on the impact of DTC on different sectors. The study observes that the DTC has proved 'A bag full of fruits' for individuals, employees, corporate and other sectors. In the same way, this DTC has some areas of great concerns. Hopefully these troublesome areas will be taken care of in the ongoing debate and we may reach a new era of simpler direct tax practices in India.

Direct Tax Code (DTC) – A Step towards Tax Reforms in India

HARISH M. CHANDARANA AND KETAN K. CHAUHAN**

The taxation structure of the country can play a very important role in the working of our economy. While designing the taxation structure, it has been seen that it is in conformity with our economic and social objectives. In this paper, an attempt has been made to specify the objectives of DTC and also highlight the different provisions of the DTC. It also compares the existing tax rate and proposed tax rate.

Impact of Direct Tax Code on Indian Taxation System

JAI PARKASH, SARITA ARORA AND SANJAY GUPTA***

The objective of the present paper is to discuss minimum alternative tax, tax treatment of savings, taxation of income from house property, special economic zones, double taxation avoidance agreement, general anti- avoidance rule. Etc. So the present paper endeavors to study the various provisions suggested in the DTC and their tax implication for different section of society.

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Soliciting Enhanced Compliance Behavior from Individual Assesseees – Direct Tax Code Perspective

JASPAL SINGH*

It appears from the revised Discussion Paper on DTC that the proposals contained in the document would lead to a reduction in the tax base. The past research shows that the administrators generally rely upon two measures for increasing tax revenue collections in India, i.e., tax buoyancy and tax elasticity, whereas, the data indicate negative correlation between the tax rates and revenue collection as regards personal income taxation in India.

Tax Structure: Important Pillar of Financial Infrastructure of a Nation

JITENDRA AHIRRAO AND SANJIVKUMAR S. AGRAWAL**

Direct tax collections in the country are likely to double after the proposed DTC comes into effect. India is moving towards a scenario where one thinks that there will be a substantial increase in collection of taxes when DTC will be in place. It is a major step in the direction of much-awaited tax reforms in India and aims to simplify the entire regime of taxation radically.

Direct Tax Code – A Step towards reforms in Indian Tax System

JOSHI J.V. AND V.S. DEOLANKAR***

In this paper, an attempt is made to throw some light on the DTC bill. It is concluded that an earnest attempt is made by the government to help the tax payer by modifying tax structure and making it as simple as possible. Government has tried to satisfy different classes of tax payers. However, still there is time gap between the proposed DTC Bill and its actual implementation

Direct Tax Code: An Evaluation

JYOTI THAKUR****

The new DTC has been published by Finance ministry, which would replace current Income Tax structure from 2012. The intention of introducing DTC is to moderate tax rate and simplify the tax laws. The paper has been written, focusing on the provisions of the DTC relating to personal taxation and their evaluation, particularly with respect to income from employment, house property and other sources.

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Impact of New Direct Tax Code – A Critical Analysis

K.S. JAISWAL AND POONAM KAPOOR*

The new DTC refrains from minor tinkering of the existing act. In fact, it would allow for the minimum of disputes and litigation and it will help to go a long way towards a system which is consistent with today's milieu. At the first instance, it appears that the new DTC will bring a great bonanza for the tax payers as there will be broadening in the current tax slabs and cutting of rates. The individuals have to keep in mind that they will be required to pay tax at a higher rate, if their income is very close to the border line of Rs. 10lakh. In the new DTC, various tax exemptions have been deleted and it has included certain items, such as HRA, LTC, medical reimbursement, in the gross income of a person (individual).

An Evaluation of Revised Discussion Paper on Direct Tax Code

KAVITA RATNAPARKHI, MOHAMMAD SALIM AND VAISHALI KALE**

In this paper, an attempt has been made to evaluate some of the major issues of RDP like MAT, EET vs. EEE, GARR, Special Economic Zones and taxation of income from house property, etc. It can be said that the new DTC will completely overhaul the existing tax laws not only for individual tax payers but also for corporate houses and foreign residents.

Direct Tax Code – Decoding Impact on Income from Employment

KINGSHUK ADHIKARI AND NIKHIL BHUSAN DEY***

The present paper attempts to evaluate the provisions relating to income from employment. After the introduction of the DTC, the income derived by a person from any employment shall be computed under the head "Income from Employment" instead of "income from Salaries". The paper evaluates the important changes taking place and its consequential impact on the salaried people with special reference to changes regarding taxation on allowances as well as perquisites and tax incentives.

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A comparative analysis of Direct tax Code and Income tax Act 1961

KINNARRY THAKKAR*

This paper outlines the impact of implementation of the DTC on the individual taxpayers vis-à-vis The Income Tax Act, 1961. The said Act was passed in the year 1961 and thereafter it has been amended year after year to incorporate changes related to economic environment, technological up gradation and moreover to minimize tax avoidance. Therefore, it became imperative to revise the tax structure to minimize the complexities and cost related to its administration.

Direct Taxes Code (An Evaluation)

KIRTIKUMAR G. JUDAL**

The government initiated radical tax reforms through the draft DTC that aims at moderating income tax rates, abolishing Securities Transaction Tax and increasing deduction for savings up to Rs 3 lakh.

The benefits of the DTC include (1) single code for direct taxes: (2) use of simple language: (3) reducing the scope for litigation: (4) flexibility: (6) consolidation of provisions, (7) elimination of regulatory functions, (8) providing stability. The DTC may have done away with the numerous tax breaks but it still has provisions for tax-saving investments.

Direct Taxes Code: An Evaluation

KRISHNA CHANDRA DWIVEDI***

This paper is a critical evaluation of various issues relating to the competitiveness of the income tax in India's global perspective in the wake of increased competition and growing opportunities. This paper is divided into four parts. The first part discusses about the DTC in a conceptual manner, while the second part evaluates the rules and provisions of the DTC. In the third part, DTC's silence on tax treatment of reverse mortgages has been discussed, and, in the last part, some concluding remarks have been made.

Direct Tax Code: An Evaluation

KRISHNA PRASAD AND SANJEEVE KUMAR SINGH****

One important objective of the DTC is to reduce the scope for disputes and minimize litigation over last twenty five years. The marginal tax rates have been steadily lowered and the rate structures have been rationalized to reflect the best international practices. Any further rationalization of the tax rates may not be

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feasible without corresponding increase in the tax base. Broadening of the base is important to enhance revenue productivity of the tax systems and to improve its horizontal equity.

Decoding the Law for the 21st Century – Direct Tax Code

LOUIS MANOJ AMBROSE, RAVI M.N. AND GANGADHARA*

The first Direct Tax Law was passed in the year 1922 which continued for 39 years. It made way for a comprehensive Income Tax Act, 1961 which will continue till 31st March 2012. DTC will come into effect on 1st April 2012 and first filing of return under DTC will happen only on 1st April 2013 onwards. Also wealth tax content will find place in the DTC. Initially, the Central Government Was upbeat of bringing the DTC into effect on 1st April 2011, but the final arrangements after tabling the same in the parliament has resulted in delaying it for one year. The lame excuse that the stakeholders must get accustomed to the theory content and also enough time is required to develop software does not augur well for a forward looking Indian economy. Also introduction of DTC will result in more theoretical content in the form of sections and schedules than as existing in the IT Act viz., 319 section and 22 schedules and it contain 20 chapters divided into 9 parts. Introduction of concepts and terms like 'Control Foreign Company' (CFC), Branch Profit Tax, General Aunty Avoidance Rule (GAAR), Place of effective management etc., and changes made in the tax rates has made DTC content worth reading.

Direct Tax Code: An Evaluation

M. VENKATESH AND P. SUDARSANAN PILLAI**

The new DTC which provides a blueprint for the future of the Indian direct tax regime ushers in sweeping taxation changes in India. This paper attempts to make an effort to analyze the key changes in the computation of Income from Employment and corporate taxation and its impacts on the stakeholders.

Direct Tax Code: An Evaluation (With special reference to Taxation of Income from Employment – Retirement Benefit and Perquisites)

M.D. SOMANI, D.K. JAIN AND SUTEEKSHAN DWIVEDI***

The present study aims to investigate into the differences between the present Income Tax Act 1961 and the proposed DTC Bill 2009 introduced by the Ministry of Finance

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(Government of India) with special reference to the salaried persons, retirement benefits & perquisites. The DTC is the modified version of the combination of the Income Tax Act 1961 and Wealth Tax Act 1957. The DTC is the consolidation of all the direct taxes, such as income tax, fringe benefits tax, dividend distribution tax, wealth tax, etc.

Evaluation of Direct Taxes Code with Special Reference to Salaried Employees

M.L. SHARMA*

In this paper, with the help of a comparison table, an attempt has been made to find out the implications of Revised Discussion Paper on DTC issued on 15th June, 2010 *vis-à-vis* the various items of salary income. The important points are withdrawal of deduction for important expenses like house rent, children's educational expenses, leave travel, medical expenses etc. Every employee plans to fund for his/her children's higher education or marriage through his/her retirement benefits.

Direct Tax Code – Its Challenging Implementation (with reference to Section 80C)

M.P. SURI GANESH AND S. TARAKESWAR RAO**

The paper has briefly discussed the major features of the DTC—tax incentives, particularly stated in the Section 80C of the Income Tax Act, 1961 with reference to the EET principle, and also the major deductions for an individual with respect to the tax incentives. Based on the EET principle, the DTC provides for deduction in respect of aggregate contributions up to a limit of three hundred thousand rupees (both by the employee and the employer) to any account, maintained with any permitted savings intermediary, during the financial year. This account will have to be maintained with any permitted savings intermediary prescribed by the Central Government.

Direct Tax Code: Significant Challenges for Tax Payers as well as Collectors

MAHENDRA SINGHAI AND VIKAS SARAF***

The DTC is proposed to make all the tax laws simple. It has also increased the limits of income tax and wealth tax by several folds. India's social security system is still in developing stages and any change in this method might have posed 'significant challenges for tax payers as well as collectors'. Even though the basic

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aim behind DTC is simple and helpful to the people, it is very much criticized because many provisions under this proposal may harm the investors and FIIs.

Direct Tax Code-An Evaluation

MANOJ R. PANDEY AND VINOD S. KHAPNE*

In the new DTC, the stated objective is to improve efficiency and equity of the system by eliminating distortions in the tax structure and introducing moderate levels of taxation and expanding the tax base. The salient features of the DTC are: single code for direct taxes, use of simple language, reducing the scope for litigation, flexibility, consolidation of provisions, elimination of regulatory functions, and providing stability.

Direct Taxes Code and the Common Man

MARTINA NORONHA**

The objective of this study is to evaluate the important changes proposed by the new DTC and its impact on the common man. This paper addresses issues like rates and slabs, tax exemption, income from house property, perquisites, exempt-exempt-tax system of taxation, capital gains, securities transaction tax, treatment of savings and wealth tax.

Direct Tax Code – Ushering in a New Era of Moderate Taxation

MUKTA JAIN***

The objectives of new DTC are to provide greater tax clarity and stability to investors wanting to invest in Indian projects and companies, to eliminate distortions in the tax structure, to introduce moderate levels of taxation, to expand the tax base and to improve tax compliance. Some prominent features of the new DTC, including the tax slabs, tax treatment of savings (EEE vs. EET), taxation of income from House Property, taxation of Capital Gains, have been discussed in the paper.

Direct Tax Reforms in India: Performance Analysis in Pre-and Post- Liberalization Period

P.V. KHATRI AND PROMILA BHARDWAJ****

The direct tax reforms, introduced in 1991-92, have succeeded to increase the number of corporate and personal income tax assesseees but has failed to solve the fiscal problems of the economy. The reduction in direct tax rates could not decrease the

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tax evasion and avoidance. The ineffectiveness of direct tax reforms will widen the inequalities by transferring income from the lower-income class to upper-income class in both pre-and post-liberalization periods. So, the paper strongly suggests that the broader tax bases are always better than the narrower tax bases and suggests reconsideration of the direct tax reform policies in the post-liberalization period.

Direct Tax Code: Boon or Bane

PANDIT C. BILAMGE*

The main purpose of the DTC is promoting voluntary tax compliance and an equitable and progressive tax regime, introducing moderate levels of taxation, expanding the tax base and simplifying the language by eliminating distortions in the tax structure. The tax rates proposed under the DTC look very attractive. Under the DTC, the total income of an individual is calculated under two major heads. One is income from special sources and the other is income from ordinary sources. Though the tax rates are moderated, the tax liability of lower income group will not reduce. It is more beneficial to the people with higher income rather than the people with lower income.

An Evaluation of Incentives in Direct Tax Code

PAHILWAN RAMESH ZUMBARLAL**

The major highlights of the Draft DTC Bill 2009 are: lowering the incidence of tax on corporate and individual incomes, reintroducing wealth tax and capital gains tax albeit at lower levels, expanding the scope for income tax to include value of perquisites, gifts, profit in lieu of salary and capital gains.

Income Tax to Direct Tax Code – A Pragmatic Change

PRADEEP KUMAR AGGARWAL***

Government recently released the draft DTC in an endeavour to eliminate complications in the tax structure, introduce moderate levels of taxation and expand the tax base by minimising exemptions. This paper makes an attempt to provide an in-depth analysis about the significant amendments that has been proposed in the DTC with particular emphasis on personal taxation & taxation on *aam aadmi* (common man) and to see how it will affect all.

An Analysis of Direct Taxes Code

PRADEEP M. NAGHARE****

The DTC is neither an attempt to amend the Income Tax Act, 1961 nor is an attempt to “improve” upon the present Act. The Central Board of Direct Taxes has, to the

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extent possible, started on a clean drafting scale. Some assumptions have been discarded and the principles that have gained international acceptance have been accepted. Hence, it would be advisable to read the DTC without any preconceived notions and without comparing the provisions with corresponding provisions of the Income Tax Act, 1961.

Direct Tax Code-An Evaluation

PRAMILA CHOUDHARY*

In order to get rid of complicated and cumbersome provisions in the present Act, the government of India introduced a simpler, lucid and hassle-free DTC in August 2009 for public debate and suggestions. In this, the government seeks to take bold step of moving from EEE to EET system of taxation for various investment avenues and income tax slabs have been rationalised to a great extent to induce long-term savings for future needs.

Desirability of Withdrawal of Tax Exemptions for Economic Growth

PRAVIN SAXENA**

In the present study, an attempt has been made to quantify the amount of tax expenditures being provided under the various categories of direct taxes and indirect taxes and an analysis has been made as regard to tax preferences being availed by various categories of persons. The paper also highlights the significance of these tax exemptions considering the direct tax reforms proposed recently by the Central Government under the draft DTC and suggests that it would be simplistic to ask for the withdrawal of all concessions.

Direct Tax Code – An Analysis

PRIYA MISHRA AND SUDHANSU SEKHAR MISHRA***

This Paper has three parts. Part 1 describes the proposals in the DTC, Part 2 highlights the issues and concerns raised and Part 3 details the revised proposals in response to these concerns.

An Evaluative Summarization of Direct Taxes Code, 2009

N.M. NARE****

The introduction of DTC and GST are rather late but right, transparent and significant steps towards reforms and rationalization of taxation in India. However,

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some more steps are necessary to be undertaken like (i) reduce tax incentives, exemptions, and deductions. (ii) integrate DTC & GST properly, (iii) rely more on direct tax revenue as is in case of advanced countries. After all, the aim should be overall and inclusive growth and development of mankind.

Direct Code Bill, 2009: An Overview

N.S. PANDEY*

A paradigm change is going to take place in the months to come in the Indian tax system with the release of the draft DTC 2009. Some structural changes in the direct taxes are proposed by releasing the new DTC to improve the efficiency and equity of the existing Indian tax system by eliminating distortion in the tax structure, introducing moderate levels of taxation and expanding the tax base. This paper seeks to highlight the features and main provisions of the DTC2009.

Direct Tax Code Bill 2009: An Evaluation

NAKUL PRASAD AND SUNIL KUMAR AGRAWAL**

A lot of changes have been made in the new DTC to simplify and rationalize the direct tax laws with a view to making them readily comprehensive to taxpayers, reducing litigation and, thus subserving, the interest of the national economy. There is a focus on improving the administration of the tax laws and expediting the assessment, appellate and other proceedings under these laws.

Taxation of Income from Employment

NAMITA JALAN***

According to Clause 21, the income computed under the head 'Income from employment' shall be the gross salary as reduced by the aggregate amount of deductions referred to in Clause 23. The paper discusses exemptions available under the present but not available under the DTC. Tax relief for arrears or advance receipts and the approach to taxation of perquisites under the DTC have also been discussed.

Direct Tax Code 2009 and Transfer Pricing – An Overview

R. THIMMARAYAPPA****

As the financial crisis spilled over into the real sector, governments in many developing countries, including in India, reacted with discretionary fiscal stimulus and support

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measures, such as increase debt finance in public spending and tax cuts, to counter the increasing dramatic downturn in final demand, output and employment. This paper discusses the proposals in the DTC relating to transfer pricing for recognizing the potential for income shifting to lower tax jurisdictions.

New Tax Regime for NPOs Proposed Under the Code

R.K. GODHA AND B.P. SARASWAT*

The DTC replaces the phrase 'charitable purpose' by the phrase 'permitted welfare activities'. Permitted welfare activities have been defined to mean any activity involving: (1) relief of the poor, (2) advancement of education, (3) provision of medical relief, (4) preservation of environment, (5) preservation of monuments or places or objects of artistic or historic interest and (6) advancement of any other object of general public utility. The Act taxes anonymous donation in excess of specified limit at the rate of 30%.

Direct Tax Code – Old wine in an old bottle

R.K. GUPTA**

The original proposal to tax assets, and net profits, of companies paying the minimum alternate tax, would be a drag on investment decisions. The securities transaction tax and the wealth tax in their present form are policing measures *vis-à-vis* effective taxation of capital gains. The DTC, even in its watered down form, tries to limit giveaways and, therefore, is a return to horizontal equity.

Direct Tax Codes: An Evaluation

R.P. GUPTA, AVADH PRATAP SHUKLA AND SUBODH SHUKLA***

Under the new provisions, tax liability will accrue in various specified infrastructure sectors only after 100% of the capital expenditure is recovered, allowing these companies to postpone the tax liability. Sectors to be covered include: generation, transmission and distribution of power; specified infrastructure projects.; hospitals; food processing; packaging; cold storage; agricultural warehouse; oil and gas; SEZ. The DTC is expected to have positive impact in electronics, agriculture, automobile, banking, capital goods, FMCG, hotel, infrastructure, media, oil, gas, power and retail sectors but may have an adverse effect on telecom and pharmaceutical companies.

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Direct Taxes Code in India – A Critique

RACHNA AGRAWAL AND RITESH AGARWAL*

No one can avoid to take interest into the discussions regarding to taxation in Indian system because within the Indian financial system the taxation policies are rapidly changing. In the DTC, however, Indian Government claims to have proposed some major changes over the past but there is still a long way to go. However, the amendments framed in assessment year 2010-2011 do not match with changing conditions of the country especially with reference to the rising prices of the basic and special commodities.

Direct Tax Code: An Evaluation

RAJEEV PRABHAKAR AND ANUMEHA SRIVASTAVA**

The proposed DTC is a combination of major tax relief and removal of most tax-exempted benefits. The DTC aims for a flexible structure so that, in the long run, there may not be a necessity to bring frequent amendments in the tax laws to take care of the changes in growing economy. The main objective of the DTC is to improve efficiency and equity of the system by eliminating distortions in the tax structure, introducing moderate levels of taxation and expanding the tax base.

Direct Tax Code – An Evaluation

RAMESH KUMAR GUPTA***

Proposal in the draft DTC on tax deduction for savings is a point attracting special attention to rethink on long-term investments. As it requires an individual to save with four specified savings intermediaries to defer his/her tax liability, viz., approved provident funds, approved superannuation funds, life insurer and new pension system trust, emphasizing the need to save during working life to secure their retirement. It can be said that receipts on account of gratuity, superannuation funds and voluntary retirement qualify for deduction only when those are deposited in retirement benefits account being maintained by permitted savings intermediaries.

Changing Rules of Taxation and Public Debt

RANJIT TIWARI AND TARUN SONI****

The objective of this paper is to study the impact of the New DTC on the public debt position of the economy. The rationale of this paper is to understand the trend of changing tax structures and public debt position in India over a period of ten years. Further the public debt and direct tax structure of the BRIC nations are also studied.

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Direct Tax Code: - An Evaluation

RAVINDRA N. SONTAKKE AND MILIND R. PATIL*

The reform of personal taxation base is one of the aims of the DTC by moderating the income tax rates, abolishing the Securities Transaction Tax, etc. The Finance Minister said that "We expect to have better compliance and better of Collections of Taxes". The paper is focused on the highlights of the DTC, and personal taxation, i.e., taxation of income from employment, taxation of income from house property and tax treatment of savings. EET vs. EEE basis.

Impact of Direct Tax Code on Mutual Funds and Capital Gains

S. TARAKESWAR RAO, M.P. SURI GANESH AND T. KAMARAJU**

There are some big changes proposed in the DTC, which if implemented will be the biggest ever change in tax laws and will impact people in a big way. The Finance Ministry has released a new draft DTC, which is a document containing changes in exemptions and tax slab. This will be a big change to the four-decade old Income Tax Act.

Direct Taxes Code - Some Proposals and Suggestions

S.C. GARG AND D.C. AGARWAL***

The present study has been undertaken with a view to study the significant issues like Tax Treatment of Savings, Taxation Relief on Retirement Benefits and other Perquisites, Special Economic Zones and General Anti Avoidance Rules discussed in the revised Discussion Paper on DTC released by the CBDT. An endeavour has been made in the present study to highlight the proposals incorporated in the revised Discussion Paper.

Direct Tax Code – An Evaluation

S.C. GUPTA****

The DTC aims at rationalising and simplifying the Income Tax Act, 1961. All receipts from business, including capital receipts, shall be a part of gross earnings. Dividend Distribution Tax (DDT) is sought to be continued at 15% rate, while method of

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computation of Minimum Alternate Tax (MAT) would be changed a lot. Method of computing capital gains tax has also been changed materially. Capital assets would be bifurcated into investment assets and business assets and not as long-term and short-term. Income arising upon transfer of an investment asset would only be taxable as capital gains.

Evaluation of New Direct Tax Code 2010 – Issues, Concerns & Responses

S.K. BHATT AND ATUL BANSAL*

The new DTC is now proposed to be implemented from the year 2012. For its smooth implementation, changes in the present system have to be made on an on-going basis. The forthcoming Budget may, thus, be expected to bring about some changes for a smoother transition. On 15.06.2010, CBDT released Revised Discussion Paper on DTC. It covers 11 points on which comments were received after the release of Draft DTC in August 2009. This article focuses on the impact of the forthcoming budget and the New DTC with respect to individuals only.

DTC for Tax Reform

S.K. MAJUMDAR**

The present deliberations highlight the impact of the next budget and the proposed DTC pertaining to individuals. The focused DTC are amalgam of major tax reliefs and withdrawals of most tax-exempted benefits. The paper discusses the major highlights of the DTC with respect to Salaries, House Property, Business profits, Capital Gains and Wealth Tax.

Decoding Direct Tax Code and Its Impact on Various Products

S.P. PAWAR AND P. NIHALNI***

While the DTC proposes abolition of the controversial STT, it also suggests reintroduction of tax on long-term capital gains on securities trading. The major highlights of the DTC like effects on various products like endowment/ money back insurance policies, ULIPs, PPF, home loans, mutual funds & stocks, Kisan Vikas Patra (KVP)/NSC/Tax Saving FD and Income Tax slab have also been discussed in the paper.

Direct Tax Code: An Analysis

S.P. SAHA AND B.S. PASWAN****

The New DTC seeks to take the bold step of moving from EEE to EET system of taxation on various investment avenues. Any simplified tax code's main target is to

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lower tax rates considerably to spur compliance while widening the tax base to boost revenue. And tax rationalisation requires removing unnecessary exemptions wherever possible.

The Anti-Social Twist: An Assessment of Provisions of the Direct Taxes Code related to Social Organizations

SACHIN AGARWAL*

This paper analyses the provisions of the DTC relating to social and charitable organizations in India and attempts to present them in contrast to the provisions of the Income Tax Act, 1961. It is also an effort in pointing out the ways in which the new law is likely to impact the working of these organizations. Most importantly, an effort is being made to suggest the road map for overcoming the impediments it may create in the functioning of the social organizations.

Awareness and Impact of NDTC Bill 2009 through Communication Channel - A Case Study

SANJAY ASWALE**

The objectives framed in this paper are to evaluate the NDTC 2009, to study the awareness and impact of it and to judge whether people can easily understand and comply with it, to make recommendations, if any, regarding the future of NDTC. Primary data of pre-test and post-test were collected from 14 respondents. The random sampling method has been used while selecting respondents. 14 respondents from the members of Commerce and Trade Association, Omerga, and employees were selected for the study. The analysis of data shows that post-test score (marks) obtained by the respondents is more than the pre-test score. It can be concluded that there is need for awareness and practical knowledge of NDTC 2009 among the people in India.

New Direct Tax Code and Environmental Protection- A Dream of Greening Growth of India

SANJAY KUMAR PATEL***

This research paper has briefly discussed the possible impact of environmental taxation in terms of curbing environmental degradation, distributional effects on households and effects on industrial competitiveness. It has also focused on the steps required for successful implementation of new DTC-cum-Environment Tax.

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Direct Tax Code – An Evaluation

SAAILESH S. ANWANEY*

The present paper contains discussions under the headings capital gains, computation of income from employment, computation of income from house property, computation of income from business, EET regime for savings scheme, and wealth tax.

Direct Taxes Code will alter Tax Collection and Investment Behaviour in India

SHASHANK BHUSHAN LALL**

The present paper is an attempt to assess the positive and negative effect of DTC 2009 upon tax payers, specially the salaried class. This paper has further tried to analyse the impact of DTC upon investment and financing decision by making a comparative study between the existing Direct Tax Laws and the proposed DTC. The study is based on perception that the recent proposed package of reforms would improve tax productivity and lower the marginal tax burden and tax-induced distortion. But simultaneously it will have regressive impact on savings and investment.

Direct taxes code- Issues and Challenges

SHEKHAR V. SAWANT***

This paper highlights the Discussion Paper on the revised DTC. The paper briefly analyses the issues dealt with in the draft Discussion Paper. It also tries to analyze its impact in certain important areas.

Direct Tax Code and Retail Industry

SHISHMA KUSHWAHA AND M.K. GUPTA****

The new DTC is going to replace the existing Income Tax Act, 1961, in India. Retail industry is one of the industries which are going to be affected by the new DTC. In this paper, the researchers have found that the DTC will have a positive impact on the retail industry as it would help it to face the challenges to get more investment and better infrastructure but at some point the impact will be neutral. Thus, the net effect will be the positive one for the Indian retail industry.

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Direct Tax Code: An Evaluation (With special reference to Taxation of Income from Employment – Retirement Benefit and Perquisites)

M.D. SOMANI, D.K. JAIN AND SUTEEKSHAN DWIVEDI*

The present study aims to investigate into the differences between the present Income Tax Act 1961 and the proposed DTC Bill 2009 introduced by the Ministry of Finance (Government of India) with special reference to the salaried persons, retirement benefits & perquisites. The DTC is the modified version of the combination of the Income Tax Act 1961 and Wealth Tax Act 1957. The DTC is the consolidation of all the direct taxes, such as income tax, fringe benefits tax, dividend distribution tax, wealth tax, etc.

Direct Taxes Code – An Evaluation: A Study of Tax on Total Income and Wealth Tax

SOPAN KASINATH**

The present paper attempts to examine the DTC with respect to certain core aspects, viz., scope, simplicity and rationality of tax; equity principles; reforms in tax laws; mechanisms for tax calculations; elimination of ambiguity; widening of income tax slabs; review of a few critical aspects; Wealth Tax—exemption and tax rates; significance of direct taxes in the Indian economy—direct tax collection, number of taxpayers and cost of tax collection.

Indian Tax Reforms and Issues of Direct Tax Code

SNEHA DESHPANDE***

The DTC introduces a total departure from multiple tax brackets and high rates of tax prior to reforms. Simplification and rationalisation have been emphasized with the ultimate objective of mobilizing resources for investment. Thus, in the increasingly market-oriented economy, it is expected that the tax structure brought forward by the DTC would reduce conspicuous consumption and make it difficult for people to evade and avoid tax, and, thus, would promote horizontal equity.

Critical Evaluation of Direct Tax Code

SUBHASH CHAND****

The New DTC is a combination of major tax reliefs and removal of most of the tax-exemption benefits and a tax regime of transparency. It will completely overhaul

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the existing tax system for not only individual tax payers but also for houses and foreign residents. For an individual tax payer, the key areas of concern are: income tax slabs, capital gains tax regime and wealth tax.

Charitable Trust Taxation - Under Direct Tax Code

SUBRAHMANYA BHAT AND I. BHANUMURTHY*

Realising the need that India has to modernise its direct tax laws, mainly its Income Tax Act, which is now nearly 50 years old, the government through the DTC seeks to simply procedural laws and build an investor-friendly atmosphere. It aims at phasing out multiple tax exemptions and deductions. The share of direct taxes has also increased from 4.1 per cent. to 6.1 per cent. of the Gross Domestic Product (GDP), which was made possible by rationalisation of tax structure and improvement in administration that led to better tax compliance.

The New Direct Tax Code: Promises to Simplify Tax System

SUNIL KUMAR, D.D. CHATURVEDI AND A.L. DUBEY**

The year 2009 was a landmark year for taxation in India. In that year, the government The important issues which the Revised Discussion Paper on DTC address are: tax treatment of savings, taxation of income from employment, taxation of income from house property, taxation of capital gains, taxation of non-profit organizations, SEZ and wealth tax. This paper aims to discuss the implications of the revised Discussion Paper.

Impact of the Direct Tax Code on Individuals: An Analysis

SUSANTA KANRAR AND JYOTIRMOY KOLEY***

In tune with the changing business environment, the International Financial Reporting Standards (IFRS), the Goods and Services Act (GST) and the New Companies Act are going to be implemented in near future. The year 2009 was also a landmark year for Indian taxation system. The Government of India introduced the landmark DTC Bill along with a Discussion Paper on 12th August 2009 for public comments. The revised DTC Bill has been issued on 15th June 2010. This paper is an attempt to assess the impact of DTC on individual assesseees.

Rebate and Relief under Direct Tax Code: An Evaluation

T.S. TOMAR****

The DTC is expected to eliminate distortion, minimize the litigation and to improve compliance and collection of taxes. The entire framework of the Act has been changed

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to create a modern progressive regime of taxation of India. The relief under section 89(i) of Income Tax Act, 1961 is to be given in the assessment in which the extra payment by way of arrears, advance, etc., is taxed. Basically, the relief under section 89(i) is arithmetical.

Public Opinion on Direct Tax Code – An Empirical Analysis

U. JERINABI AND S. SUBHA*

This paper gives a brief account of respondents' familiarity towards DTC, their willingness to accept DTC and the socio-economic factors influencing the respondents' familiarity with DTC and willingness to accept Direct Tax Code. The study concludes that the DTC is good to some extent, as it would enable individuals to bring money to the market.

Impact of Direct Tax Code on the Life Insurance Policy-holders: A Study with special reference to Gwalior

VINOD K. BHATNAGAR, S.K. SHRIVASTAVA AND VIJAY DUBEY**

The specific objectives of this research paper are to know the life insurance policy-holders' awareness regarding rate of income tax, deduction from total income in respect of life insurance premium, and awareness regarding DTC and its impact on the life insurance policy-holders. The respondents were found to have knowledge of the relevant tax provisions, the present tax slabs and the possible deductions from total income in respect of life insurance policy. In the study, the respondents were found to be least aware of possible benefits under the New DTC and they would prefer to invest their money in life insurance policy whether it is taxable at the time of maturity or not.

Direct Tax Code and Securities Transaction Tax

ZAJO JOSEPH***

With the introduction of the STT, certain additional concessions on the tax treatment of capital gains were given. Now, in the proposed DTC, it is proposed to reintroduce the tax on capital gains. Hence it is argued that since the concessional treatment of capital gains is partly withdrawn, the STT should be scrapped. Under these circumstances, the wording in the Revised DTC gains importance. Now the question is, in order to compensate for the reintroduction of the tax on long-term capital gains, should the STT be reduced?

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Purchase Behaviour of Urban Residents Towards Organic Food Products

P. SANTHI AND U. JERINABI

An empirical study has been carried out with the objectives to find out the quantum of purchase of Organic food products by the respondents, purchase behavior of the respondents and willingness to purchase of Organic food products, Cognitive, Affective and Behavioural aspects of attitude of respondents to Organic Food Products. The study was carried out in Coimbatore City with the sample size of 200 household respondents who reside close to the Organic Food Store Sreevatsa Organic Farm Products and familiar with Organic Food Products by adopting multistage sampling technique. The null-hypothesis was tested for the socio-economic factors and willingness to purchase organic food products.

Introduction

The growth of competition amongst the producers of organic food products to capture markets has resulted in the invention of almost all kinds of organic food products. Effective awareness has become more indispensable. In the modern commercial world all kinds of organic institutions find awareness as a suitable means of publicity. Whether the attitude towards organic food product is positive and influences to buy organic food products and whether the socio-economic profile helps the residents to buy organic food products.

Objectives of The Study

The objectives of this study are:

- a. To assess the social economic profile and organic food purchase behaviour of by the respondents,
- b. To determine the quantum of organic food products purchased by the respondents,
- c. To analyse respondents attitude towards organic food products, and
- d. To suggest suitable measurement for improving the marketability of organic food products.

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Research Methodology

Coimbatore city was selected as the area of the study owing to the reason that, it is the second biggest city in Tamil Nadu. It is an industrial hub with educated population, middle class, active environmental organization spreading awareness on environmental degradation at the pioneer stage guiding towards organic food consumption. More than 50,000 acres across the state have been brought under organic certification programme by Tamilnadu Organic Certification Department's efforts. It has head office in Coimbatore and branches in Tiruchi, Madurai and Vellore. The study covers the period of three months from January to March -2010. The study was mainly based on primary data first hand information was collected and used in the study. A structured interview schedule was used for the collection of data from the samples selected. The Secondary data collected from government reports, publication, research reports, and books.

For this study, multistage random sampling techniques is used for the selection of the sample. The sample is drawn from the sample unit namely the members of household drawn from the residential area located in the ward number 34 of North zone of Coimbatore Municipal Corporation where The Sreevatsa Organic Farm Products is located. The Sreevasta Organic Farm Products a speciality shop which deals with organically cultivated grains, pulses, edible oil, fruits, vegetables milk and milk products from organically fed cattles and also Organic manures. The collected data is analyzed with the help of statistical tools like Percentage analysis, Chi-square test, Scaling techniques, and Factor analysis.

The study is confined to the selected area and hence no generalization can be made. The accuracy depends upon the respondents' information.

Results and Discussion

Distribution of Respondents Based on Socio Economic Status

The socio economic profile of the respondents is presented in the Table 1.

The majority of the respondents (68.50percent) belong to the age group between 20 and 40 years, female respondents constitutes (55 percent) and remaining (45 percent) were male (Table 1). Majority of the respondents (66.50 percent) were married and 33.50 percent were Unmarried. As far as the occupation is concerned 39.50 percent of the respondents with full time employment, 28.50 percent of the respondents were Homemakers, and 19.50 percent were casual Labourers. The classification of the respondents based on education showed that 39.50 percent were Graduates, 29.50 percent were post graduates and remaining 31 percent of respondents had education up to higher secondary level.

The respondents were classified based on their monthly income. About 33 percent of the respondents have monthly income be low Rs.10, 000, 24.50 percent of the respondents belong to the income level of Rs.10,000 to Rs.20,000, 19 percent of the respondents belong to the income level of above Rs.30,000, 12.50 percent of the respondents do not have income, as they were students and depend on their parents to meet with their needs, and 11

Table 1: Distribution of respondents based on socio economic status

	Variables	No. of respondents	Percentage
Age (in years)	20-30	78	39.00
	30-40	59	29.50
	40-50	30	15.00
	50-60	33	16.50
Gender	Male	90	45.00
	Female	110	55.00
Marital Status	Married	133	66.50
	Unmarried	67	33.50
Education	Primary	42	21.00
	Higher secondary	20	10.00
	Graduate	79	39.50
	Post Graduate	59	29.50
Occupation	Self employed	34	17.00
	Employed	45	22.50
	Casual Labour	39	19.50
	Students	25	12.50
	Homemakers	57	28.50
Monthly income (in Rs)	Below 10,000	66	33.00
	10,000-20,000	49	24.50
	20,000-30,000	22	11.00
	Above 30,000	38	19.00
	Nil	25	12.50
Number of family members			
Below 18 years	Upto 2	136	68.00
	2 to 4	1	0.50
19 – 40 years	Upto 2	183	91.50
	2 to 5	17	8.50
40 – 65 years	Upto 2	191	95.50
	2 to 4	9	4.50
Above 65 years	Upto 1	195	97.50
	1 to 2	5	2.50
Food Habit	Vegetarian	80	40.00
	Mostly Vegetarian	60	30.00
	Not Vegetarian	60	30.00

Source: Primary Data

percent of the respondents belongs to the income level of Rs.20, 000 to Rs.30,000. With regard to food habit, most (40 percent) of the respondents were Vegetarian and 30 percent of the respondents were mostly Vegetarian and remaining 30 percent of the respondents were Not Vegetarian.

Distribution of Respondents Based on Purchase Behaviour

Purchase is a consumer commitment for the product. The respondents purchase behaviour of organic food products and their Pattern of purchase are presented in Table 2.

Table 2: Distribution of respondents based on purchase behaviour

	Variables	No. of Respondents	Percentage
Ever buy organic food products	Yes	136	68.00
	No	64	32.00
Purchase when organic and non-organic food products are available	Always	55	27.50
	Frequently	48	24.00
	Sometimes	69	34.50
	Never	28	14.00
Frequency of purchase	Daily	29	14.50
	Weekly	32	16.00
	Monthly	22	11.00
	2-3 times per month	40	20.00
	Once a year	13	6.50
Willingness to pay price premium	Upto 5%	123	61.5
	5% - 15%	38	19
	15% - 30%	17	8.5
Quantum of purchase in rise in price	Unwilling	32	16
	Buy more	26	13.00
	Buy less	91	45.50
Familiarity through	Not at all	83	41.50
	TV	20	10.00
Sources of Influence	Radio	11	5.50
	Magazines	12	6.00
	Newspaper	26	13.00
	Internet	15	7.50
	Friend/relative/associate	40	20.00
	In store	37	18.50
	Not sure	39	19.50
	Advertisement	30	15.00
	Personal reference	10	5.00
	Peer groups	35	17.50
Duration of purchase	Parents	28	14.00
	Reference groups	23	11.50
	Culture	32	16.00
	Religion	21	10.50
	Environmentalism	21	10.50
	More than 3 years	32	16.00
	1-3 years	48	24.00
Place of purchase	6-12 months	47	23.50
	0-6 months	38	19.00
	Never	35	17.50
	Super market	45	22.50
	Grocery shop	50	25.00
Recognition of organic food as a "product"	Processing center	45	22.50
	Organic food stores	60	30.00
	Public distribution system	Nil	Nil
	Labeling	62	31.00
Recommending organic foods to others	Marketing	59	29.50
	Promotion	41	20.50
	Stamp	38	19.00
	Yes	119	59.50
	No	81	40.50

Source: Primary Data

Consumer behaviour is shaped to the large extent by external or social factors such as family relationship, Cultural and other aspects of external environment. Awareness of these influences can help marketers to think, feel or act similarly and separate them into unique market segments.

It is noted that when both organic and non-organic food products are available 35 percent of the respondents choose to buy organic products Sometimes, 28 percent of the respondents choose always, and 24 percent of the respondents choose frequently whereas 14 percent of the respondents expressed their unwillingness to buy organic food products.

With regard to frequency of purchase of product, 20 percent of the respondents purchased organic food products 2 to 3 times per month, 16 percent purchased once in a week and about 14 percent of the respondents daily, 11 percent respondents once in a month and about 6 percent of the respondents once a year.

Majority of the respondents(61.50 percent) were willing to pay price premium upto 5percent above the price of conventional food products, 19 percent of the respondents were willing to pay price premium of 5percent to 15percent and 8.5 percent were willing to pay above 15percent. About 16percent of the respondents were unwilling to pay any price premium.

With regard to quantum of purchase of organic food products in the year of increasing price, majority (45.50 percent) of respondents purchased less quantity of organic food products, 41.50 percent of the respondents were not buying the organic food products and remaining 13 percent of the respondents continuing their purchase with high quantity of organic food products even with the rise in price level.

Awareness is a major promotion tool. The awareness facilitate the viewers to understand the message by visual, aural and both aural and visual. It is useful to create maximum interest and offered adequate knowledge of the product. About 20 percent of the respondents first time heard about organic food products from friends, relatives, and their associates 18.50 percent of the respondents were from in store, 23 percent of the respondents from Newspaper, and Television and remaining 19 percent of the respondents were familiar organic food products through Radio, Magazines and Internet and then remaining 19.50 percent of the respondents were not familiar about organic food before and were not sure of about the sources which provided awareness about organic food products.

It is understood that the peer groups (17.50 percent) were the major influencing factors in purchase of organic food products, Culture influenced 16 percent of the respondents and advertisement influenced 15 percent of the respondents to purchase organic food products, whereas parents, Reference groups, Religion, Environmentalist, and Personal reference had considerable influence in purchase of organic food products.

Majority of the respondents (24 percent) purchasing the organic food products for about 1 to 3 years and 23.50 percent of the respondents were purchasing for about 6 to 12 months and 16 percent of the respondents purchased for more than 3 years and remaining 17.50 percent of the respondents never bought organic food products.

With regard to place of shopping for organic food products (Exhibit 6), majority of the respondents (30 percent) bought from organic food store and 25 percent from Grocery shop, 22.50 percent respectively from super market and processing center.

The organic certification, granted by agencies such as the soil association, can play a crucial part in the choices made by the consumers. Indeed, and even though these labels are rarely understood, they ensure that consumers recognize which products has been produced according to the regulated practices of organic farming.

The supermarket, however, where food display is regulated the absence of stamp is clearly considered as an accurate indicators that the product is not organic. Organic food has been sold as a way of marketing to people who are not actually interested in the environmental aspects and just want the lifestyle or the luxury.

In order market the organic food products, as Products. About 31 percent of the respondents expressed that Labeling is essential, about 30 percent of the respondents expressed that it is required for Wide marketing, 19 percent expressed the necessity for Stamping, 20 percent of the respondents considered organic food products as equilent to conventional or local food.

Majority (59 percent) of the respondents for recommended organic foods to others.

Quantum of Purchase and Usage of Organic Food Products by the Respondents

The product usage reflects the purchase propensity indicating customer behaviour and the pattern of demand. The Table 3 shows the purchase and usage of organic food products.

Table 3 shows the quantity of organic food products purchased by the respondents. It is revealed that, 2 to 4 litres of Milk were purchased every day by majority of the respondents. Majority of respondents bought weekly once, Meat about 1 kgs, 1 dozen of eggs, 8 to 12 kgs of Vegetables and up to 3 kgs of Fruits. The monthly purchase of organic food products by majority of the respondents consisted of about 75 kgs Rice, 2 kgs of Dhal, about 300 to 600 gms of Masala powder, Pickel, jam and Candy, Beverage, Honey, cosmetics and other provision.

Analysis of Attitude of Respondents towards Organic food products

Positive attitude towards a product does not necessarily mean that a consumer will buy. The attitude which leads to purchase is determined by consumer characteristics, situational characteristics and measurement characteristics and it has implications for marketers.

Affective component of purchase behaviour of Organic food products among respondents

Feelings or emotional reactions to an object represent the affective component of an attitude. Affect is the way in which the customers feel in response to market place stimuli. The affect response of the customers can be very general

Table 3: Quantum of purchase and usage of organic food products by the respondents

Products	Quantity purchased	No. of respondents	Percentage
Milk (litre.per day)	Up to 2	98	49.00
	2 to 4	99	49.50
	Above 4	3	1.50
Meats, poultry, seafood (kgs.per week)	Up to 1	124	62.00
	1 to 2	58	29.00
	Above 2	18	9.00
Eggs (dozen per week)	Up to 1	176	88.00
	1 to 2	24	12.00
Vegetables (kgs. Per week)	Up to 4	46	23.00
	4 to 8	57	28.50
	8 to 12	65	32.50
	Above 12	32	16.00
Fruits (kgs. Per week)	Up to 3	98	49.00
	3 to 6	94	47.00
	Above 6	8	4.00
Rice (kgs.per month)	Up to 25	54	27.00
	25 to 50	22	11.00
	50 to 75	45	22.50
	Above75	79	39.00
Dhal (kgs.per month)	Up to 2	108	54.00
	2 to 4	85	42.50
	Above	7	3.50
Millets (gms.occasionally)	Up to .30	92	46.00
	.30 to .60	90	45.00
	Above .60	18	9.00
Flour (kgs.occasionally)	Up to 4	185	92.50
	4 to 8	11	5.50
	Above 8	4	2.00
Pickel, Jam and candy (gms .per month)	Up to .30	140	70.00
	.30 to .60	49	24.50
	Above .60	11	5.50
Masala powder (gms.per month)	Up to .30	92	46.00
	.30 to .60	102	51.00
	Above .60	6	3.00
Beverage (gms.per month)	Up to .40	184	92.00
	.40 to 80	15	7.00
	Above .80	1	0.50
Other provision (gms.per month)	Up to .25	162	81.00
	.25 to.50	23	11.50
	Above .50	15	7.50
Honey (gms occasionally)	Up to .25	78	39.00
	.25 to.50	80	40.00
	Above .50	42	21.00
Cosmetics (gms per month)	Up to .25	137	68.50
	.25 to.50	31	15.50
	Above .50	32	16.00

Source: Primary Data

Table 4: Ranking of affective component of the respondents attitude towards organic food products
(percentage analysis)

Elements	Ranks												
	1	2	3	4	5	6	7	8	9	10	11	12	13
Percentage of the respondents													
Better Taste	38.00	31.00	0.50	2.50	2.00	2.50	10.50	2.00	2.00	0.50	1.50	5.50	2.00
Better for health	29.50	22.00	8.50	10.50	4.00	3.00	3.00	4.00	1.00	6.00	7.00	1.50	0.00
Better for animal	11.50	11.50	7.00	19.50	4.50	2.50	7.50	4.00	0.00	3.50	20.50	1.00	7.00
Contains no dirt and bugs	3.00	9.50	5.50	19.50	8.00	2.00	8.00	2.50	1.00	2.50	22.50	6.50	10.50
Better for the environment	6.50	6.00	6.00	8.00	4.00	5.00	9.00	4.00	4.00	6.00	12.00	14.50	15.00
Expensive	3.00	6.50	5.50	9.00	10.50	7.50	6.00	6.50	4.00	13.00	7.50	14.00	7.00
Better for farmers	2.50	6.00	5.00	5.50	8.50	13.50	18.00	7.00	4.50	10.50	5.00	7.50	6.50
Very low yield	1.00	1.00	8.00	5.00	11.00	18.00	7.50	15.00	3.50	10.50	2.50	8.00	9.50
Ecological	0.50	1.00	12.50	5.50	6.50	12.50	11.00	13.00	8.00	8.00	3.00	12.00	6.50
Free from harmful substances	2.00	0.50	8.50	3.50	12.50	12.00	3.00	14.00	11.00	9.50	6.50	11.50	5.50
Better quality	1.00	2.00	9.50	5.00	8.00	9.50	6.50	10.00	14.00	11.00	4.50	9.00	9.50
Low Calories	1.50	1.00	11.50	3.50	11.50	5.50	4.50	13.50	24.50	11.00	5.50	2.00	4.50
Certification	0.00	2.00	12.00	3.50	9.00	6.50	5.50	4.50	22.50	8.00	2.50	7.00	17.00

Source: Primary data

or very specific. Since the affect component leads action, marketers are concerned with understanding affective component in purchase behaviour and is presented in Table 4.

It is inferred from Table 4 that, the respondents ranked the elements associated with organic food products most liked by the respondents, majority of the respondents assigned first rank to "Better for health" (29.50 percent) "Better taste" (38 percent) and the sixth rank to "Very low yield" (18 percent) the seventh rank to "Better for farmers"(18 percent) and eighth rank to "Ecological" and "Free from harmful substances" (14 percent) the ninth rank to "Better quality" (14 percent) "Low calories" (24.50 percent) and "Certification" (22.50 percent) and eleventh rank to "Better for animal" (20.50 percent) and "contains no dirt and bugs" (22 percent) and twelfth rank to "Expensive" (14 percent) the last rank to "Better for the environment" (15 percent). It is understood that, the elements of organic food products most liked by the respondents where better taste, better for health, very low yield and better for farmers.

Cognitive Component in Purchase Behaviour of Organic Food Products by the Respondents

A consumer belief is a psychological association between a product, attribute or feature of that product. Beliefs or cognitive, that is based on knowledge.

Table 5: Cognitive component in purchase behaviour (age)

Reasons	Strongly agree	Agree	Neutral	Dis agree	Strongly Dis agree
Perishables nature of food	16.00	24.00	26.50	21.50	24.50
Absence of food additives (less flavour)	16.50	26.50	21.00	21.00	29.50
Not much difference on the taste	27.00	24.50	25.50	12.50	17.50
Not much difference on the health issue	18.00	18.50	26.50	23.50	18.50
Not much difference on the preparation and consumption	27.00	25.00	20.50	18.50	13.00
Don't care about organic	13.00	27.00	15.50	20.00	18.50
Prefer other cereals	18.00	30.00	25.00	23.50	20.00
Not enough choice	23.00	28.50	22.00	20.00	19.50
Don't eat organic cereals	19.00	16.00	20.00	29.00	25.00
Mood	23.50	38.00	23.00	21.00	17.00
Time constraints	62.00	21.00	14.00	13.00	13.00
Inconvenient to get organic food	31.00	28.00	20.00	13.00	20.00
Too expensive	20.00	32.00	28.00	25.00	19.00
Not available where I shop	17.00	20.00	13.00	18.00	14.00
Haven't noticed them	19.00	18.00	25.00	22.50	21.50
Don't like the image	15.00	25.00	28.00	13.00	20.00

Source: Primary data

The Table 5 shows cognitive components in purchase behaviour of organic food products by respondents. Cognitive aspect of attitude is analysed for the reason for not buying organic food products. The purchase organic food product was restricted mainly due to Time constraints and convenience to get Organic food.

Behavioural Component of Respondents Attitude

The behavioural component of an attitude is one's tendency to respond in a certain manner towards a object or activity. A series of decision to purchase would reflect the behavioural component of attitude. Actual behaviours reflect these intentions as they are modified by the situation in which the behaviour will occur.

Factors Influencing Purchase Decision of Organic Food Products

To know about the agreement or disagreement about the purchase of organic food instead of conventional food by the respondents twenty seven variables were included and the respondents were asked to give their opinion in the Likert five point scale. Data so collected were subjected to factor analysis to bring out the underlying factor.

Varimax Rotation with Kaiser Normalization was used for the Factor Analysis. The principal component analysis was used for extraction purpose. The criterion for selecting number of factor was based on Eigen value. All those factors which had Eigen value more than one was included. On applying Varimax Rotation, six factors had Eigen value of more than one. The rotation resulted in whose value of eight factor are presented in Table 6.

From the above Table 6 a loading of 0.7 and above was considered to be significant for grouping the variables. In factor one, the variables Food neophobia (.749), food involve a vegetarian had the loadings of 0.7 and above, and hence these two variables forms first factor. Factor four was named as "Social interaction", as social desirability (.773) and food ideology (.716) had the loadings of 0.7 and above, and hence these two variables forms fourth factor. Fifth factor was with respect to supporting organic farming (.702). Factor seven with the variable "Conscience" (.762). factor eight with monetary cost (.807). All these eight factors taken together explained a total variance of 58.815. The communality value represents the variation explained by the selected eight factors for each variable. The variance explained by food habit is 78.4 percent and minatory cost is 71 percent.

It is inferred from the factor analysis that food habit, Food involvement and vegetarianism, food ideology and social interaction were prime factors influencing decision about the purchase of organic food products. The price of Organic food products also resulted as an important factor.

Suggestions to Marketers

The following are the suggestion for the marketers of Organic food products.

- Sustained improvement in product features.
- The increase frequency of viewing the advertisement of organic food products and better taste would influence the purchase of organic food products.

Table 6: Factors influencing purchase decision of organic food products (factor analysis)

Variables	1	2	3	4	5	6	7	8	Communality Value
Sensory appeal => Taste	.035	.089	.035	.059	.452	.556	.032	.039	.529
Texture	.693	.046	.260	.130	.054	.140	.068	.044	.596
Smell	.540	.090	.023	.011	.419	.176	.072	.168	.541
Familiarity => Habits	.151	.575	.039	.084	.435	.080	.357	.315	.784
Culture and tradition	.231	.582	.146	.202	.253	.072	.317	.060	.628
Food safety	.366	.134	.607	.018	.148	.012	.022	.158	.569
Food neo phobia	.749	.132	.039	.190	.102	.003	.031	.116	.641
Availability/ convenience => Shopping facilities	.007	.093	.152	.222	.666	.093	.126	.029	.551
Eating out	.600	.153	.179	.024	.178	.267	.045	.053	.524
High Monetary cost	.085	.094	.086	.031	.141	.010	.121	.807	.710
Social interactions=> Social desirability	.034	.059	.053	.773	.223	.012	.021	.067	.660
Food ideology	.178	.008	.064	.716	.006	.033	.229	.028	.603
Animal welfare	.454	.002	.081	.261	.407	.056	.177	.281	.560
Supporting organic farming	.099	.029	.130	.073	.702	.007	.102	.124	.551
It is special – Go for it	.205	.021	.007	.324	.202	.069	.555	.015	.501
Personal Ideology => It is life style	.085	.180	.188	.306	.197	.138	.561	.027	.542

contd.

Conscience	.056	.073	.094	.176	.033	.020	.762	.126	.646
Trade policies	.729	.140	.092	.071	.041	.182	.073	.069	.610
Food involvement and vegetarianism	.026	.118	.180	.011	.018	.653	.003	.091	.482
Political beliefs	.515	.240	.172	.094	.188	.272	.356	.027	.598
Environmental concern	.078	.493	.030	.012	.107	.473	.048	.254	.552
Free from pesticides/ Fertilizers	.418	.551	.065	.181	.000	.160	.053	.118	.558
Media and advertising=> Visual attractiveness	.181	.145	.596	.112	.217	.017	.078	.027	.475
Health => Knowledge	.157	.004	.165	.104	.142	.577	.459	.061	.630
Optimistic bias	.521	.202	.163	.330	.182	.075	.293	.019	.573
Family health	.319	.149	.607	.124	.130	.366	.146	.079	.687
Children's health	.220	.515	.316	.208	.109	.248	.035	.220	.580
Eigen Values	3.982	3.539	1.992	1.449	1.399	1.313	1.173	1.034	
Proportion of total variance	13.596	6.639	5.752	6.692	7.891	6.658	7.528	4.059	
Cumulative percentage	13.596	20.235	25.987	32.679	40.57	47.228	54.756	58.815	

Sources: Primary data

- To persuade to buy organic good products, the variables like familiarity, personal ideology, social interaction and monetary cost and habits had greater influence in buying organic food products.
- The familiarity of the organic food products among customers depends on the promotional efforts of the marketers.
- Allocation of separate shares for organic food products in departmental stores
- Positioning organic food products by their specific attributes
- Positioning organic food products by influencing consumer beliefs about the benefits they derive on consuming.
- Positioning by reputation for quality “only organic”.
- The attitudes of never buying could be modified by educating consumers on the benefits of organic food products.
- The price premium is the major hindrance for non-buying of organic food products. The customers need motivation to buy even with a small price premium than to just avoid on one hand and the cost of cultivation and cost of marketing to be brought under check on the other hand.
- The products initially should be made available in prominent market places and also gradually, in all the shops.
- Education programme on Environment and the benefits of organic farming and consumption of organic food products will make the consumers more environmentally conscious Green Consumer.
- “organic” to be promoted as “the way of life” than considering it as “product”.
- The agriculture marketing and co-operative departments to help farmers get a good price for organic produce.
- Ensuring quality of organic by farmers through certification by the Government Department.
- Demand creation large-scale production and availability of organic food products should go hand in hand.

Conclusion

Consumer behaviour plays a major role in Organic food products segment. The marketers of organic foods need to be innovative and dynamic in order to compete with the changing purchase behaviour in the Organic food products market among urban residents. The importance of organic food products was ignored for quite a long period. As a result of environmental sustainability, importance is shifted towards Organic food products rather than conventional farming. The study brought out the fact that the people were well aware of images and availability, but not loyal entirely to organic food products. So the marketers must create realistic promotions which are both realistic and moral and the product availability in terms of volume and variety are required to become successful in marketing organic food products.

The Emerging Green Building Market

DEVAKI KUTTY

The paper is an attempt to study the opportunities prevailing in the green building market. The paper recommends spotlight on residential green buildings for an accelerated growth. Integrated affordable township can be ideal for green architecture. With huge amounts of urbanization and a potential demand of 27 million houses, the green building can usher an era of environment sustainability and healthy living. Correspondingly when it is initiated at the middle and bottom of the pyramid, it could be the next revolution after mobile phones and befit the government agenda of inclusive growth.

In India the green building movement has been pioneered by the Confederation of Indian Industries (CII) which set up the IGBC (Indian Green Building Council) in 2001, at the behest of then US President Bill Clinton. The CII-Green Building Centre at Hyderabad showcases different technology that could be used for green construction. The result was the first (Leadership in Energy & Environmental Design) LEED platinum certified building outside the US and the third in the world. ITC & Patni structures ranking as the second of the largest platinum certified structures globally. The scorecard display 109 certified Green Buildings, 433.26 m sq.ft Green footprint & 687 registered Green Building projects. 350 companies have voluntarily signed in CII's Mission on sustainable growth. It is also working on norms for green SEZ's and factories.

Regulatory Bodies in India

The CII plays an active role in promoting sustainability in Indian construction sector. It is the central Pillar of the IGBC. The IGBC has licensed the LEED green building standards from the USGBC. LEED rating system is the mostly widely accepted benchmark for green buildings world over. The Energy and Resources Institute (TERI) plays an important role in developing green building capacities in the country. It came up with a rating system called GRIHA which was adopted by the government of India as the National Green Building Rating System.

Both the bodies aim at ensuring all kinds of building become green building. Their strength lies in the fact that even non air conditioned buildings are rated as green and put greater emphasis on local and traditional construction knowledge.

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The Indian Bureau of Energy Efficiency (BEE) has launched 5 star rating schemes for office buildings operated in day time. RBI buildings in Delhi & Bhubaneswar are already rated with 4 & 5 star respectively.

Indian's green momentum is slowly gaining traction with companies like CII, ETL Infrastructure Service Ltd, KTPL, Lake View Developers, Kalpataru Properties, Godrej & Boyce Manufacturing Co.Ltd, Lodha Group, Kesar Group, Buhari Group, India Land & Properties Ltd, Bengal Shraichi Housing Development Ltd, Ambuja Realty Development Ltd, & other leading groups having and working on environmentally sustainable projects.

Pre-requisites for Green Building Construction

- Making a building green begins at the planning stage. After the construction is over, it is not possible to make a building green.
- Safety is of paramount importance. If a laborer dies during construction, the building is never given a green certification.
- Identifying a site for building is crucial. For e.g. a residential building should be located in a centralized place so that inhabitants can use public transport and less or no fossil fuel ran vehicles.
- Energy utilization should be optimum.
- Water discharge should be zero. All waste water should be biologically treated and recycled. Structure specification should allow for harvesting rain water. Grey water should be used for flushing & gardening.
- Recycled materials should be used to a greater extent.
- Aerated concrete blocks should be used instead of bricks for better insulation and heat rejection.
- Roof insulation should be done with clay rather than chemicals.
- Maximum bamboo products should be used for flooring.

Key Growth Drivers of the Market

Energy Savings: An energy deficient country, India is already unable to meet its energy demands and rapid urbanization is not helping. Green buildings are a clean way out at the consumer level. Buildings are designed to have correct sized rooms to let in fresh air, while cutting out heat. Energy density flyash bricks and energy efficient glasses are used which help reduce air-conditioning load. Terrace roofs are covered with material having high solar reflective index. Features like double glazed windows that allow light while cutting the heat save lot of energy. Solar heating wind energy and gas-thermal energy are also used according to facilities available. Thus energy saved is energy generated. Companies like Wipro, Osram have already agreed to a CII initiative to use only recycled mercury in the lights.

Water Conservation: An occupant living in a green building saves around 20-25% of power and 20% of water. Thus a number of projects use dual flush system, low water faucets and rain water harvesting. In an average sized complex it could save 1000 liters of water per day. Similarly flow restrictors will save about 3 liters per minute per tap or shower at home. For e.g. the Thyagaraj Sports complex at Delhi has made provisions for rain

water collection into a tank with a storage capacity of 300,000 liters.

Waste Reduction: Recycling is an important environmental benefit. Flooring is largely done keeping in mind materials that could be recycled. Wood and PVC flooring is preferred as it is 100% recyclable. Water is recycled for flushing and horticulture. Conversion of waste into energy or organic manure is an added advantage. Similarly developers are asked to reduce construction waste. Thereby reducing the construction cost.

Increase in Productivity & Health Benefits: A recent study conducted by the University of San Diego & CB Richard Ellis Group has found that tenants in green buildings experience increased productivity and fewer sick days. The research found that an average of 2.88 fewer sick days was reported in green offices as compared to non-green office. Around 55% of the respondents indicated that employee productivity improved. Based on an average salary, an office space of 250 sq.ft per worker and 250 working days in a year, the decrease in sick days translated into a net impact of nearly 5\$ per sq. feet occupied and increase in productivity translated into a net impact of about \$20 per sq. feet occupied.

Corporate Image: Green building boost corporate and brand image for commercial occupants and builders. Green Buildings are recognized as tangible signifiers of a corporation's commitment to the well-being of its people, the environment and their surrounding commitments. It can enhance reputation of corporate that work and produce in green offices and factories. Moreover in a rapidly changing market, it stands as a future proofed structure as tenants increasingly understand benefits of green buildings. It stands for commitment to good management practices and CSR.

Global Benchmark: Green buildings can provide property related data required for voluntary or mandatory environmental reporting. CII is also planning to launch the Green Business Rating by September- October 2010 for corporate in manufacturing and service sector. High Green House Gas Emission will be viewed as a liability for a Company. Company with high scores will treat as green leaders. Green building will make it easy for Companies to fulfill parameters required for green rating. For the builder or developer the LEED certificate is a global benchmark. The certificate by itself is an endorsement of the builder's integrity. This would help to encash a market that depends on consumer trust and savings pooled in for a lifetime.

Suggestions and Recommendation

Corporate Social Responsibility Agenda: The cost of green architecture is high. But is not it the responsibility of corporate India to contribute towards greener India given they are the ones churning out tones of waste into the environment. Moreover overall life cycle operating cost of green building is lower than regular buildings. Coupled with earnings from carbon credit the investment should be worth every penny spent.

Instill Conviction with Large Projects: The demand of the rapidly expanding metros can hardly be met by old solutions. Filthy cities, chocked rivers, gray skies, inadequate water supply and energy is enough reasons to opt for green

technology in the domestic realty sector. But unless large scale public, commercial and residential neighborhood can be designed and built with radically new ideas, the larger public will remain unconvinced. Integrated affordable township can be ideal for installing these technologies as they have huge space. Sustainable methodologies like rain water harvesting, solar panels, wind power generation, sewage treatment plants, use of CFL's in common lobbies, air economizers, glazed windows and occupancy measures can have a cascading effect.

Build Awareness: Another area to work upon is building awareness through mass media. Patterns of behavior need to be changed to accommodate and reinforce sustainable features in a building. Thus occupants have to be green sensitized. Builders like Kalpataru provide home-owners an education program and home-user guide to communicate feasibility of new technology and activities such as recycling, composting and energy conservation. At Cisco employees share their green perspectives via video clips downloadable from a new green focused website Cisco also has group email of green minded employees. It has an online community called Let's Talk Cisco Green.

As green building gain popularity, the cost comes down. For e.g. ITC green centre construction had a 15% cost overrun in 2003 which is termed as pioneer's cost. On the other hand the Odyssey building at GE's John F. Welch Tech. centre in Bangalore was completed at an incremental cost of 0.5% today it is a Gold structure. This cost could be offset easily as they anticipate a reduction of 40% in operating costs, 25% in energy consumption and 20% in water consumption. Put differently the savings are equal to powering close to 550 Indian homes or supplying water to about 250 people. As more and more builders jump in, large scale economies will also start applying.

Infuse Traditional Architecture: Builders can also learn from traditional architecture, which has been green in many ways. Construction takes into consideration biological diversity. Therefore buildings in hot region would ensure corridor's directed the wind so that it naturally cooled the interiors.

In wetter regions architects would build using natural breeze emphasize on light window shades was used as source of light and heat. Thus traditional architecture knew how to optimize use of elements. Local materials were used. Frugal planning of big structures was made so that less building material was consumed and less energy used for cooling and heating. Every part of India has its unique stamp of buildings. Instead of importing building technology use of such architecture would be more economical.

Begin with the Middle & bottom of the Pyramid: A recent study by monitor group, a global consulting firm shows that there is a significant business potential in low income segment, defined as those with a monthly household income between Rs.7000 and Rs.24000. For the lower income housing categories it is mostly small regional developers and state development agencies which are catering to the demand. However financing is readily available for those with a monthly income above Rs.12000/-

Conclusion

As the green movement is spreading its wings, more & more corporate are seeking LEED ratings. The country is looking at a shortfall of close to 26 million residential units coupled with huge amounts of urbanization. Close to 500 m people would live in cities over the next decade. An increasingly affluent middle class with more disposable income and aspirations will provide marketers with a worthy target market. Moreover India has a strong cultural value of saving of up to 30-40% which would lead to growth. With faster returns and better yields on real estate investments in the range of 25-30%, most private equity funds are also looking at residential projects. Robust demand will attract high levels of FDI. Increasing literacy levels and exploding media technologies can spread awareness. For the lower income households where financing is negligible government can pioneer green construction and use techniques for economizing on cost. In Bangalore where the IISC introduced environment friendly technology more than 25 years ago, there are more than 5000 mud homes in the main city and suburbs. It cost half of what a concrete building would have cost. It is suited to local environment as mud is treated according to the region. Green buildings in this mass market can bring about a revolution as mobiles have done to India.

Green Marketing Initiatives- A Case Study of Philips

CHAYTANYA BORA*

The study is based on Sustainability Report of the Royal Philips Electronics. The Sustainability Report of the Royal Philips Electronics is prepared as per the GRI (Global Reporting Initiatives). Considering the strategic drivers for sustainability, Philips is innovating Green Products which offer customers, users and society a significant environmental improvement in one or more of the Philips Green Focal Areas. Philips' endeavour towards green marketing can be summarized as: Green Innovation, Green Products and Philips Green Focal Areas, Philips Strategic Focus for Green Marketing and Green Products and Sustainability.

Green Marketing: The Beginning of Environmentalism

DARSHANA S. ROHIT**

This article discusses some basic concepts like: What is green marketing? It's Evolution, Why Green Marketing? The importance of green marketing, the Adoption of green marketing, why is green marketing chosen by most marketers? The keys to successful green marketing, the benefits of green marketing and it's opportunities, strategies, the challenges that lay ahead, the green marketing mix, the problems of green marketing, some cases of green marketing and lastly the concluding observation.

Environmental Accounting: Issues and Challenges

G.Y. SHITOLE***

In India introducing environmental accounting and reporting practices for all corporate bodies, it may require appropriate organizational need to ascertain all environmental impacts from a cost benefit point of view and to measure the economic assets and liabilities of the said organization. It may need an appropriate accounting standard formally designed, although a global accounting standard to that effect is under consideration by the International Accounting Standards Committee.

Green Marketing Strategies and Challenges The Hospitality Way: On ECOTEL Concept Hotels with Special reference to "The Orchid", Mumbai.

GUNTUR ANJANA RAJU AND HIREMATH SUVARTHA****

This article examines the Green marketing strategy adopted by the Hospitality sector. And further explores the ECOTEL concept that is gaining interest and popularity

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achieved. Although no consumer product has a zero impact on the environment, in business, the terms “green product” and “environmental product” are used commonly to describe those that strive to protect or enhance the natural environment by conserving energy and/or resources and reducing or eliminating use of toxic agents, pollution, and waste.

“Application of Green Marketing in Fertilizer Industry”

P.B. ASHTURKAR AND V.D. DUBE*

Indian fertilizer industries should develop strategies for its green marketing. It includes regular green marketing audit, development of product to reduce pollution, conserve natural and scarce resources, accepting premium price for new design, visual appeal & test, developing environmental responsibility for green renewable and recyclable products. Disclosure of product contents and R & D are the strategies of green marketing. The study concludes that application of green marketing in fertilizer industry is of greater importance to the farmers, authorities of fertilizer industries, Government authorities and social workers & public at large of the country.

Opportunities and Challenges of Green Marketing

P.P. CHANDRA BOSE, K. SATISH AND K. LAKSHMANA RAO**

Green marketing is based on an assumption- that the customers will view a product or service as environment friendly and then implement their buying choices accordingly. Sustainability is about using less energy or fewer resources in the course of business. Since both have associated costs, using less is an automatic cost savings. This article introduces the terms and concepts of green marketing, briefly discuss why going green is important and also examine some of the reason that organizations are adopting a green marketing philosophy.

Green Marketing : New Hopes and challenges

RAJESH KESARI AND ABHISHEK KUMAR SRIVASTAVA***

Green marketing is a vital constituent of the holistic marketing concept. It is particularly applicable to businesses that are directly dependent on the physical environment; for example, industries like fishing, processed foods, tourism and adventure sports. Changes in the physical environment may pose a threat to such industries. Many global players in diverse business are now successfully implementing green marketing practices.

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consumers and earn better profits. This paper will attempt I) to introduce the terms and concepts of green marketing; II) briefly discuss about the importance of green marketing; III) opportunities with going green marketing philosophy; and IV) some challenges with green marketing.

Green Marketing : Agenda of Sustainability

S.P. SAHA AND T.N. SINGH*

Based on the greenness span of firms, business and marketing operations, green marketing is considered as various marketing activities concerned with scanning of green marketing environmental awareness, identifying ecologically sensitive customers through market surveys and also studying their green needs and motivations to designing, pricing, promoting and distributing products that have minimum detrimental impact on environment. Green marketing also consists social and ethical consideration of business firm.

Green Business and its Future Role in Indian Economy

SWAMI PRAKASH SRIVASTAVA**

The concept of green business calls business to focus on eco friendly business and design marketing strategies for promoting the product with protecting the environment. As society, becomes more concerned with the natural environment, businesses have began to modify their behavior in an attempt to address society's "new" concerns. Some businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated environmental issues into all organizational activities.

Embarking on Natural Capitalism: A Green Business Strategy for Competitive Advantage

SYED AZHARUDDIN***

Thanks to the development of the Kyoto protocol an international plan to limit carbon dioxide and other so called greenhouse gases in the atmosphere. A green business strategy is beginning to assume a prominent position on the agendas of business executives. No one would run a business without accounting for its capital outlays. Yet most companies overlook one major capital component the value of the earth's ecosystem services.

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Technical Session III

**Rural Entrepreneurship in India:
Opportunities and Challenges**

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Prof. Nimit Chowdhary
Indian Inst. of Tourism & Travel Management
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Head, Shrinathji Institute of Management
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Role of NABARD in Rural Entrepreneurship A Study of Services Quality and Customer Satisfaction in Haryana

H.J. GHOSH ROY, SANKET VIJ AND N.K. GUPTA

The research focuses on the NABARD and its role in servicing the rural micro-enterprise sector. It has been undertaken for measuring customer's satisfaction regarding services quality offered by NABARD in the state of Haryana (India). The purpose of this empirical study is to obtain information about quality parameters of services provided by NABARD, to find out as to how much these parameters rate are as per the expectations of the customers.

Introduction

The Indian rural entrepreneurship sector especially the financing institutions are still more of a seller's market. The demand far outstrips the supply. As in case with any other product or industry in a sellers' market, the quality services and customer satisfaction aspect in Indian rural entrepreneurship sector is given a low level of importance. Quality is abstract characteristic that encompasses a variety of more or less physical attributes. Philip Crosby (1979) Quality in banking sector cannot be measured directly but must be judgmentally assessed by considering entity attributes that are more directly perceptible. Unlike a manufactured product, where quality can readily be assessed, service quality is an elusive and abstract concept that is difficult to define and measure. Services in banking sector are intangible because it is not possible to count, measure, inventory, test or verify them in advance of sale. The ultimate goal of service quality measurement is to assist administrator in ensuring service quality and customer satisfaction (Webster, 1988). If service quality is to become the cornerstone of marketing strategy, the marketer must have the means to measure it.

Objectives

The objectives of the study are:

- To obtain information about quality parameters of services provided by the various branches of NABARD in the state of Haryana (India).

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- To find out the expectations of the customers regarding the initiatives taken by the NABARD.

Research Methodology

The present study was exploratory cum descriptive in nature. Customers of NABARD had been considered as sample unit. The sample units were selected by using Quota sampling from five districts i.e. Ambala, Gurgaon, Mahendergah, Panipat & Faridabad of Haryana where NABARD offers services. The primary data was obtained from those customers of selected branches, who had no previous experience related to services offered by NABARD. 500 external respondents were selected from various districts i.e. Ambala, Gurgaon, Mahendergah, Panipat & Faridabad of Haryana.

Frequency Distribution

Table 1: Customers response rate

Name of	Total Sample Size (Quota)	Usable Response Received (%)	Response Rate (%)
Panipat	300	252 (59.4)	84
Ambala	50	48 (11.3)	96
Gurgaon	50	41 (9.7)	82
Faridabad	50	40 (9.4)	80
Mahendergah	50	43 (10.1)	86
Total	500	424 (100)	84.8

Out of 479 responses received, 424 (88.56%) were usable responses and of which 323 (76.2%) were males and 101 (23.8%) were females; 252 (59.4%) were customers of Panipat, 48 (11.3%) were customers of Ambala, 41 (9.7%) were customers of Gurgaon, 43 (10.1%) were customers of Mahendergah, and 40 (9.4%) were customers of Faridabad; 197 (46.5%) surveyed customers belong to 25-45yrs, 123 (29.0%) belong to >45yrs, and 104 (24.5%) belong to <25yrs age group; 223 (55.0%) of the surveyed customers belong to service class, 96 (22.6%) were businessman's, 75 (17.7%) were retired and 20 (4.7%) were housewife's; 172 (40.6%) surveyed customers belong to 10000 – 30000 household income, 128 (30.2%) belong to 30001 – 50000 household income, 78 (18.4%) belong to <10000 household income, and 46 (10.8%) belong to >50001 household income group; 206 (48.6%) of surveyed customers holder were residents of urban area, 132 (31.1%) were residents of metro city and 86 (20.3%) were residents of rural area; 236 (55.7%) surveyed customers were under graduates, and 188 (44.3%) were post graduates.

Analysis and Discussions

Level of Perceived Quality of Services Offered by NABARD

Overall SERVQUAL Score of services provided by the selected branches of NABARD

Table 2: Overall SERVQUAL score

N=424	Mean	Median	Std. Deviaton
Overall Unweighted SERVQUAL Score	0.69	0.71	0.34
Overall Weighted SERVQUAL Score	9.31	10.39	4.81

Overall average Unweighted SERVQUAL score for the total of 424 respondents was 0.69 (SD = 0.34). When importance weights were also taken into consideration the resultant overall Weighted SERVQUAL Score 9.31 (SD = 4.81) was also positive (Exhibit 3.0). Both Overall Unweighted and Weighted SERVQUAL scores were in positive zone meaning thereby that the customers' perceptions were more than their expectations. Customers perceived the services provided to them were of good quality. This reaffirmed that life insurance companies of India were providing the quality services to their customers.

Overall Importance Weights for Dimensions of Services

Average Importance Weights were compiled and it revealed that *Security* 16.80 (SD = 4.17) was allocated maximum weight by the respondents, closely followed by *Convenience* 16.70 (SD = 3.94) and *Easy to use* 16.24 (SD = 3.87). *Reliability* 15.19 (SD = 3.60) ranked fourth closely followed by *Responsiveness* 14.46 (SD = 3.73), *Competence* 11.60 (SD = 3.78), *Product Portfolio* 9.36 (SD = 2.63) was ranked lower in services quality dimensions (Exhibit No.4.0). Meaning thereby, the customers were ready to compromise on *Reliability*, *Responsiveness* of employees of the selected branches of NABARD, *Competence and different types of Product Portfolio* offered by the selected branches of NABARD. The inherent intangibility of banking services led the respondents to look for surrogate parameters of quality in *security*, *convenience*, and *easy to use*, which they rightly ranked higher than other quality dimensions.

Table 3: Overall dimension wise importance weights

N=424	Relia- bility	Respon- siveness	Com- petence	Easy to use	Product Portfolio	Security	Con- venience
Mean	15.19	14.46	11.60	16.24	9.36	16.80	16.70
Median	15.00	15.00	10.00	15.00	10.00	15.00	15.00
STD. Deviation	3.60	3.73	3.78	3.87	2.63	4.17	3.94

Multiple correlations had been done between the dimensions and it was observed that there was a significant correlation between most of the dimensions of services (Annexure 1.0). Reliability dimension was significantly

positively correlated ($r_{(423)} = .228$) with responsiveness and significantly negatively correlated with easy to use ($r_{(423)} = -.403$), product portfolio ($r_{(423)} = -.455$) and security ($r_{(423)} = -.263$) dimension of service quality. Responsiveness was significantly negatively correlated with easy to use ($r_{(423)} = -.396$) and convenience ($r_{(423)} = -.150$) service dimension. Competence was significantly negatively correlated with easy to use ($r_{(423)} = -.140$), Product portfolio ($r_{(423)} = -.135$) and security ($r_{(423)} = -.394$) dimension of services. Ease in use was significantly positively correlated with Product portfolio ($r_{(423)} = .304$) and significantly negatively correlated with security ($r_{(423)} = -.139$) dimension of services. Product portfolio ($r_{(423)} = -.152$) and security ($r_{(423)} = -.262$) both were significantly negatively correlated with convenience dimension of services.

Overall Dimension Wise Gap Score

As an extension of analysis each service quality dimension was separately compiled and analysed to find out the dimension wise Overall Un-weighted [Perception (P) – Expectation (E)] and Weighted [Importance Weight I (P-E)] Average Gap Score. It was observed that respondents were consistently more satisfied with convenience dimension (overall un-weighted average gap score = 0.85) in dimensions wise Unweighted gap score and were also consistently more satisfied with convenience dimension (overall weighted average gap score = 13.71) in dimensions wise weighted gap score, which was ranked higher than all other quality dimensions. The study also disclosed that there was positive Gap score for all quality dimensions of services provided by the branches of NABARD (Annexure 2.0). Meaning thereby the level of perceived quality of services was better than expectations for all the dimensions.

Inter Comparison of SERVQUAL Score of services provided by the selected branches of NABARD

The respondents were further grouped on the basis of their respective Life Insurance Companies, for inter comparison of SERVQUAL score of services quality offered by the selected branches of NABARD. Out of 479 responses received, 424 (88.56%) were usable responses and of which 252 (59.4%) were customers of Panipat, 48 (11.3%) were customers of AMBALA, 41 (9.7%) were customers of Gurgaon, 43 (10.1%) were customers of Mahendergah, and 40 (9.4%) were customers of Faridabad.

The study disclosed that respondents rated the quality of services provided by Panipat (Unweighted SERVQUAL Score = 0.46 & Weighted SERVQUAL Score = 6.17) were above than their expectations and higher than the SERVQUAL score of other district offices. Meaning thereby the customers of PANIPAT were more satisfied with the quality of services offered to them as compare to compared of other NABARD branches. The study also revealed that all of the selected branches of NABARD were accorded positive SERVQUAL SCORE (Unweighted score viz. Ambala = 0.06; Gurgaon = 0.05; Faridabad = 0.06; Mahendergah = 0.06 and Weighted score Ambala = 0.74; Gurgaon = 0.65; Faridabad = 0.89; Mahendergah = 0.87) that meant the customers using the services offered by these NABARD branches perceived services better than their expectations.

Table 4: Inter comparison of the SERVQUAL scores

Name of		Unweighted Servqual Score	Servqual ServqualL Score
Panipat	Mean	0.46	6.17
	Median	0.80	11.14
	Std. Deviation	0.34	4.82
Ambala	Mean	0.06	0.74
	Median	0.69	9.48
	Std. Deviation	0.36	5.02
Gurgaon	Mean	0.05	0.65
	Median	0.49	6.67
	Std. Deviation	0.18	2.59
Faridabad	Mean	0.06	0.89
	Median	0.74	10.39
	Std. Deviation	0.25	4.52
Mahendergah	Mean	0.06	0.87
	Median	0.75	10.98
	Std. Deviation	0.28	4.17

The result of company wise average importance weight clearly described that Security dimension (Mahendergah = 2.03; Gurgaon = 1.73; Faridabad = 1.70) of service quality was accorded the best perceived dimension amongst all the selected NABARD branches except Panipat (Convenience 10.28) and Ambala (Convenience 2.02). Meaning thereby the customers of Gurgaon, Faridabad, and Mahendergah were more concerned with security while using services and the customers of Panipat and Ambala were more concerned with convenience while using services offered by selected life insurance companies (Annexure 3.0).

Easy to use service dimension ranked fourth closely followed by Reliability, Responsiveness, and Competence service dimensions of services quality offered by NABARD branches. Product Portfolio was accorded (PANIPAT = 2.63; Ambala = 1.03; Gurgaon = 0.87; Faridabad = 0.75; Mahendergah = 1.05) the worst perceived quality dimension amongst all the selected branches of NABARD. Meaning thereby, the customers were ready to compromise on Reliability, Responsiveness of employees, Competence and different types of product portfolio offered by selected branches of NABARD (Annexure 4.0).

Panipat was accorded the best Unweighted and Weighted gap score in all the seven quality dimensions of services offered (Reliability 0.44 and 6.24, Responsiveness 0.22 and 2.28, Competence 0.54 and 5.09, Easy to use 0.47 and 6.79, Product portfolio 0.37 and 3.01, Security 0.53 and 8.60, and Convenience 0.69 and 11.14). Mahendergah was accorded by the customers the second best Unweighted gap score in three dimensions of service quality (Reliability 0.11, Responsiveness 0.06 and Convenience 0.6) and Weighted gap score in two dimensions of service quality (Reliability 1.57, and Convenience 0.86) following Panipat. Customers of Ambala accorded best

Unweighted and Weighted gap score in two dimensions (Competence 0.10 and 1.01, and Product portfolio 0.11 and 1.12) of service quality following Panipat. Respondents accorded best Unweighted and Weighted gap score in two dimensions (Responsiveness 0.06 and 0.87, and Easy to use 0.07 and 1.03) of service quality offered by Gurgaon following Panipat. Faridabad was accorded the best Unweighted and Weighted score (0.08 and 1.51 respectively) in Security service dimension of services following Panipat (Annexure 4.0).

The results of the above analysis indicated that the attributes of Security (16.80), Convenience (16.70), and Easy to use (16.24) had been identified by the respondents to be the most important dimensions of services quality in life insurance sector of India. All of the service quality dimensions of services were found to have positive gap, implying that customers expectations regarding the services in life insurance sector of India were met by the selected branches of NABARD.

Conclusion

The study empirically revealed that the overall unweighted (0.69) and overall weighted (9.31) SERVQUAL score both were in positive zone meaning thereby that the customers perceived the services provided to them were of good quality. The respondents accorded maximum weight to *Security* (16.80) closely followed by *Convenience* (16.70) and *Easy to use* (16.24) dimensions of services. *Reliability* (15.19) ranked fourth closely followed by *Responsiveness* (14.46), *Competence* (11.60) and *Product Portfolio* (9.36) was ranked lowest in services quality dimensions. Meaning thereby, the customers were more concerned with *security*, *convenience* and *easy to use* services as compare to other dimensions of services quality offered by the selected branches of NABARD in state of Haryana. The study also disclosed that the overall dimension wise unweighted and weighted gap score in all of the dimensions of services were found to have positive gap, implying that customer's expectation regarding services dimensions were met by the selected branches of NABARD.

There was a significant correlation, both positive and negative, existing between most of the dimensions of services offered by the selected branches of NABARD. The study also revealed that the customers rated the quality of services provided by Panipat branch [both unweighted (0.46) and weighted (6.17) SERVQUAL score] were above than their expectations and higher than the other selected branches of NABARD in state of Haryana. The Panipat was also accorded the best Unweighted and Weighted gap score in all the seven quality dimensions of services offered. It is pertinent to note that all the selected branches of NABARD were providing services at or above par than expected by their respective customers.

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Multiple Correlations : amongst service dimensions

			Relia- bility	Respon- siveness	Com- easy to- petence use	product- use	security portfolio	con- venience
Reliability	Pearson Correlation	1	.228**	.017	-.403**	-.455**	-.263**	-.031?
	Sig. (2-tailed)	.	.000	.731	.000	.000	.000	.525?
Responsiveness	Pearson Correlation	.228**	1	-.085	-.396**	-.150**	-.043	-.573** ?
	Sig. (2-tailed)	.000.	.	.081	.000	.002	.373	.000 ?
Competence	Pearson Correlation	.017	-.085	1	-.140**	-.135**	-.394**	.011 ?
	Sig. (2-tailed)	.731	.081	.	.004	.006	.000	.819 ?
Easy to use	Pearson Correlation	-.403**	-.396**	-.140**	1	.304**	-.139**	-.072 ?
	Sig. (2-tailed)	.000	.000	.004	.	.000	.004	.137?
Product portfolio	Pearson Correlation	.455**	-.150**	-.135**	.304**	1	-.078-	.152** ?
	Sig. (2-tailed)	.000	.002	.006	.000.	.	.108	.002?
Security	Pearson Correlation	-.263**	-.043	-.394**	-.139**	-.078	1	-.262** ?
	Sig. (2-tailed)	.000	.373	.000	.004	.108	.	.000?
Convenience	Pearson Correlation	-.031	-.573**	.011-	.072-	.152**	-.262**	1
	Sig. (2-tailed)	.525	.000	.819	.137	.002	.000	.

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

Annexure 2.0

		Overall dimension wise gap score						
		Relia- bility	Respon- siveness	Com- petence	easy to- use	product- portfolio	security	con- venience
Overall	Mean	0.65	0.43	0.82	0.68	0.63	0.75	0.85
Unweighted	Median	0.75	0.50	1.00	0.70	0.60	0.75	1.00
Gap Score	STD. Deviation	0.51	0.66	0.90	0.68	0.51	0.61	0.65
		Relia- bility	Respon- siveness	Com- petence	easy to- use	product- portfolio	security	con- venience
Overall	Mean	9.32	5.24	8.52	10.25	5.39	12.73	13.71
Weighted	Median	10.00	6.67	8.33	12.00	6.00	12.50	13.33
Gap Score	STD. DEV.	8.04	9.95	10.52	9.94	4.69	10.07	9.80

Annexure 3.0

Comparison of Importance Weights of Selected branches of NABARD

Name of		Reliability	Respon- siveness	Competence	easy to-	product use	Security portfolio	Con- venience
Overall Score (n=424)	Mean	15.19	14.46	11.60	16.24	9.36	16.80	16.70
	Median	15.00	15.00	10.00	15.00	10.00	15.00	15.00
	Std. Dev	3.60	3.73	3.78	3.87	2.63	4.17	3.94
Panipat (n=252)	Mean	9.01	8.77	6.44	9.79	5.66	9.48	10.28
	Median	15.00	15.00	10.00	15.00	10.00	15.00	15.00
	Std. Dev	3.57	3.88	3.38	3.79	2.63	4.03	3.87
Ambala (n=48)	Mean	1.59	1.52	1.54	1.85	1.03	1.86	2.02
	Median	15.00	15.00	10.00	15.00	10.00	20.00	20.00
	Std. Dev	3.67	2.95	5.81	3.68	1.97	4.25	2.51
Gurgaon (n=41)	Mean	1.46	1.36	1.06	1.44	0.87	1.73	1.65
	Median	15.00	15.00	10.00	15.00	10.00	20.00	20.00
	Std. Dev	3.26	3.74	2.01	3.26	2.01	2.49	4.03
Faridabad (n=40)	Mean	1.51	1.32	1.32	1.42	0.75	1.70	1.51
	Median	15.00	15.00	15.00	15.00	10.00	20.00	15.00
	Std. Dev	3.79	3.79	3.79	4.53	2.48	2.48	3.79
Mahendergah (n=43)	Mean	1.62	1.49	1.24	1.75	1.05	2.03	1.24
	Median	15.00	15.00	10.00	20.00	10.00	20.00	10.00
	Std. Dev	3.66	3.34	2.51	3.98	3.34	5.34	2.51

Comparison of unweighted and weighted gap scores of selected branches of NABARD

		Reliability	Respon- siveness	Competence	easy to-	product use	Security portfolio	Con- venience
Overall Score (n=424)	Mean	0.65	0.43	0.82	0.68	0.63	0.75	0.85
Dimension wise	Median	0.75	0.50	1.00	0.70	0.60	0.75	1.00
Unweighted Gap Score	Std. Dev	0.51	0.66	0.90	0.68	0.51	0.61	0.65
Overall Score (n=424)	Mean	9.32	5.24	8.52	10.25	5.39	12.73	13.71
Dimension wise	Median	10.00	6.67	8.33	12.00	6.00	12.50	13.33
weighted Gap Score	Std. Dev	8.05	9.95	10.52	9.94	4.69	10.07	9.79
Panipat (n=252)	Mean	0.44	0.22	0.54	0.47	0.37	0.53	0.69
Dimension wise	Median	0.75	0.50	1.00	0.80	0.60	0.75	1.00
Unweighted Gap Score	Std. Dev	0.43	0.79	0.96	0.80	0.56	0.64	0.60
Panipat (n=252)	Mean	6.24	2.28	5.09	6.79	3.01	8.60	11.14
Dimension wise	Median	10.00	5.00	10.00	12.00	6.00	15.00	20.00
weighted Gap Score	Std. Dev	6.71	11.83	10.66	11.29	4.97	10.15	8.35
Ambala (n=48)	Mean	0.02	0.04	0.10	0.05	0.11	0.06	0.03
Dimension wise	Median	0.50	0.33	0.33	0.20	1.40	0.75	0.33
Unweighted Gap Score	Std. Dev	0.62	0.36	1.03	0.36	0.54	0.43	0.39
Ambala (n=48)	Mean	0.08	0.56	1.01	0.83	1.12	1.02	0.54
Dimension wise	Median	15.00	15.00	10.00	15.00	10.00	20.00	20.00
weighted Gap Score	Std. Dev	3.67	2.95	5.81	3.68	1.97	4.25	2.51
Gurgaon (n=41)	Mean	0.03	0.06	0.07	0.07	0.05	0.03	0.03
Dimension wise	Median	0.50	0.50	0.67	0.80	0.40	0.25	0.00

Contd...

Unweighted Gap Score	Std. Dev	0.34	0.29	0.53	0.10	0.20	0.29	0.33
Gurgaon (n=41)	Mean	0.55	0.87	0.74	1.03	0.39	0.54	0.44
Dimension wise	Median	5.00	7.50	6.67	12.00	4.00	5.00	0.00
weighted Gap Score	Std. Dev	6.23	4.76	5.12	2.51	1.26	5.58	5.86
Faridabad Life (n=40)	Mean	0.05	0.05	0.05	0.06	0.05	0.08	0.05
Unweighted Gap Score	Median	0.50	0.50	0.00	1.00	0.60	1.25	0.67
Dimension wise	Std. Dev	0.19	0.39	0.87	0.58	0.35	0.63	0.34
Faridabad Life (n=40)	Mean	0.87	0.80	0.97	0.96	0.38	1.51	0.72
Dimension wise	Median	10.00	7.50	0.00	10.00	4.00	18.75	10.00
weighted Gap Score	Std. Dev	4.21	6.72	16.34	9.29	2.64	12.39	4.73
Mahendergah (n=43)	Mean	0.11	0.06	0.06	0.03	0.04	0.05	0.06
Dimension wise	Median	1.00	0.83	0.67	0.40	0.60	0.50	1.00
Unweighted Gap Score	Std. Dev	0.60	0.44	0.46	0.37	0.23	0.34	0.49
Mahendergah (n=43)	Mean	1.57	0.74	0.70	0.64	0.50	1.06	0.86
Dimension wise	Median	17.50	8.33	6.67	6.00	6.00	10.00	10.00
weighted Gap Score	Std. Dev	7.95	6.08	6.10	7.37	2.36	7.62	6.86

RURAL ENTREPRENEURSHIP IN ASSAM CHALLENGES AND OPPORTUNITIES

KINGSHUK ADHIKARI, SUBIT DUTTA AND NIKHIL BHUSAN DEY

The present paper analyses the various problems associated with the development of entrepreneurship in the rural areas of Assam and also explores the opportunities for the development of rural entrepreneurship in the state in the light of the recent government's policy in this regard. With the passage of time, the rural areas of Assam are economically developed to a certain extent and the levels of awareness and education of rural people have also increased. These positive facts obviously offer some opportunities for entrepreneurial development in rural Assam.

Entrepreneurship is a vital component of productivity and growth (Baumol, 1993). Organization for Economic Cooperation and Development (OECD) defines entrepreneurs as essential agents of change, who accelerate the generation, application and spread of innovative ideas and in doing so, not only ensure efficient use of resources, but also expand the boundaries of economic activities. The Global Entrepreneurship Monitor (GEM) reported a strong positive correlation between the level of economic activity and overall economic performance (Zacharakis, Reynolds & Bygrave, 1999). GEM reported that as firm startup rates increased, growth in national GDP and the employment rate increased (Zacharakis, et al, 1999). Therefore, acting as market innovators, entrepreneurs play critical roles in economic development (Schumpeter, 1934).

Like entrepreneurship, rural entrepreneurship also conjures different meanings to different people. Without going into semantics, rural entrepreneurship can simply be defined as entrepreneurship emerging in rural areas is rural entrepreneurship. In other words, establishing industrial units in the rural areas refers to rural entrepreneurship (Khanka :2003). Rural entrepreneurship occurs in economically and socially depressed areas with inadequate infrastructure, economic stagnation, low levels of education, low skilled workers, low income, and a culture not supportive of entrepreneurship (Kulawczuk, 1998). Fostering entrepreneurship is a crucial factor in energizing the rural economy in impoverished rural regions because entrepreneurship creates wealth and employment and has a profound impact on the quality of livelihood of rural populations.

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Since independence, some specific industries like Tea, Petroleum (Oil), have flourished in Assam. Some other industries like Cement, Paper, Sugar, industries based on forest products came up also. But in the absence of entrepreneurial culture, the pace of industrial development in the rural areas of Assam is very slow and as a result economic development of rural areas of Assam get shattered.

Rural entrepreneurship can play a crucial role in ameliorating the socio-economic conditions of rural people of Assam. The development rural entrepreneurship in the state of Assam is of utmost importance because of the fact that the majority of the populations of Assam belong to rural areas and disguised unemployment is a common phenomenon in agricultural sector of the state. The rural areas of Assam are marked by inadequate infrastructural facilities, rampant poverty, growing unemployment of different forms and overall economic backwardness. The promotion and development of rural entrepreneurship can be of immense help to attain overall development of rural areas of the state.

The major constraints for rural entrepreneurs are geographical isolation of the state itself from the rest of the country, lack of adequate physical infrastructure, shortage of capital as well as financial services and the absence of sound and developed market within the state.

The financial condition of rural entrepreneurs, geographical location of the state, and infrastructural status of Assam are the major factors which decides the nature, style and scale of business of rural entrepreneurs. The financial condition of rural entrepreneurs does not allow them to operate on a large scale basis and take the benefits of economies of large scale operation. The geographical isolation of the state from the rest of the country creates difficulties for marketing of products of rural entrepreneurs in other part of the country. The entire north eastern region of India often gets detached from the rest of India due to natural calamities and terrorist activities. Some of the problem areas for the development of rural entrepreneurship are identified below :

Inadequate Infrastructural Facilities: The strength of infrastructure development plays a crucial role in rural entrepreneurship development. Commercial and professional infrastructure development is highly correlated with the level of entrepreneurial activity across different countries (Zacharakis et al., 1999). Basic infrastructure development is a pre-condition for any entrepreneurial venture. Inadequate infrastructure facilities hinder the development of entrepreneurship in Assam. One of the challenges of entrepreneurs in Assam in the field of marketing is the absence of transport network due to geographically disadvantaged locations of rural Assam. The coverage of existing railway network of Assam and road network is quite insufficient to meet the requirements of the state. The distribution of goods and services by the entrepreneurs of rural Assam is adversely affected because of poor infrastructure facilities in Assam. The poor transportation and communication system within the state is also a major problem for entrepreneurs of rural areas of Assam. Most of the villages do not have all weather roads. In many villages people are bound to go on foot because no

transportation facilities exist in those areas. Lack of proper roads and inadequate road and rail network creates hurdles for the rural entrepreneurs. The existing transportation system not only creates problems in the distribution of products to different corners of the state but also increase the cost of distribution to a certain extent.

Scarcity of Finance: Promoting rural entrepreneurship requires financial resources such as funds for loans, sizeable investment and technical assistance for micro enterprises (Kulawczuk, 1998). The availability of financial resources specifically refers to low interest government loans, credit counseling and technical assistance to rural entrepreneurs in starting new ventures. Financial support may play a role in observing opportunities and creating motivation for individuals to exploit opportunities. Therefore, it is rational to assume that increasing funds and loans for rural regions enables the continuation of production and helps rural residents start and grow their businesses. Rural entrepreneurs find it difficult to meet their fixed and working capital needs due to limited assets and goodwill. Rural entrepreneurs borrow money from the unorganized sector by paying a high rate of interest due to easy accessibility. Rural entrepreneurs cannot enjoy the benefits of lower rate of interest charged by the organized sector. (Selvaraj, 2009).

But the per capita income of Assam is very low resulting in low savings. Low savings does not contribute for capital formation. Due to lack of adequate capital and complicated procedure of bank finance, young entrepreneurs find it difficult to set up industries in the state. Most of the entrepreneurs in rural areas of Assam are economically not sound. They need financing facilities but rural areas financing facilities is insufficient and these rural entrepreneurs of Assam are dependent on moneylenders. These money lenders demand exorbitant rate of interest on loans. The position has been improved over the years but it is far below than the level of expectation.

Marketing Problems: Rural entrepreneurs are facing problems in the field of marketing because of low population density in most of the rural areas which, in turn, results in low level of local demand. Thus, rural entrepreneurs find it difficult to achieve economies of scale. Without such economies, their products and services must be sold at higher prices, often beyond the reach of local consumers, thus limiting their market still further. Small rural entrepreneurs because of their small size are unable to offer competitive prices and are vulnerable to the arrival of large scale firms and their wide distribution network. Production of goods by village industries is simple but marketing these goods is a complex problem. The rural producers generally sell goods to local merchants and at lower prices for cash mainly to meet their immediate family expenses and repay the loans (Selvaraj, 2009).

Further Small entrepreneurs of rural areas find it difficult to sell their products outside their locality due to the increase in the cost of distribution. Marketing research, promotional strategy, advertising campaign etc are constantly rising. The products of small scale industries are sold in the local market. Marketing channels and marketing networks are yet to be developed. The prices of products are not at all remunerative to the

entrepreneurs. The role of middlemen and commission agents makes marketing more complex.

Stiff competition in the market and lack of mobility of rural people make the dependence of rural entrepreneurs on middleman indispensable. Many rural entrepreneurs find it difficult to capture the market and make their products popular. They are also not fully aware of the changing market conditions

Law and Order Problem: The state has experienced poor law and order situation for more than two decades. Ethnic conflicts and lack of employment opportunities leads to social disturbance in the state. Under such situation no industrialists outside the state is willing to set up industries in the state. There is no political willingness to welcome industrialists to set up industries in Assam. It is really frustrating for Assam that the state could hardly get any benefit from economic reforms initiated in the country from the year 1991. Private investments in the state and particularly in rural areas have been quite discouraging.

Personal Traits and Micro Environment: In general, rural people lack confidence in their strength and competence. The family members and the society are reluctant to stand beside their entrepreneurial growth. To a certain extent, this situation is changing among Indian rural people and yet to face a tremendous change to increase the rate of growth in entrepreneurship. The family and personal obligations is sometimes a great barrier for succeeding in entrepreneurial career. Only few people of rural areas are able to manage the family members. Self motivation can be realized through a mind set for a successful business, attitude to take up risk and behavior towards the business society by shouldering the social responsibilities

Rural people are generally not aware of entrepreneurial opportunities available and also about support organizations. Even those who are aware find their micro environment is not favourable to select entrepreneurship as career. the environment in the family, society and support system is generally not conducive to encourage the rural people to consider self employment and entrepreneurial career as an option to salaried employment (Sangita : 1990)

The rural environment of Assam has undergone a steady and positive change over the years and offers some excellent opportunities to rural entrepreneurs which may be stated as follows:

- Vast Unexplored Market
- Economic Development
- Enhanced Mobility
- Spread of Education
- Audio-Visual Media
- Extension Wing of SIRD
- Industrial Policy Support
- Entrepreneurship Development Programme
- Emerging Areas of Opportunities

The post liberalization industrial and economic scenario in Assam makes it imperative that a more dynamic and pragmatic approach be adopted to create new, first generation entrepreneurs on a large scale in rural areas. This would help in tackling the problem of unemployment and poverty and also contribute to the creation of new entrepreneurs. Using knowledge & advanced technology as their strategic tools those who can take on the increased competition in the domestic as well as global markets are innovators and entrepreneurs in true sense. This can be achieved only if more and more people are motivated and convinced to choose entrepreneurship as a career and put their energies and resources to a productive use.

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Level of Entrepreneurial Success Among Rural Women Entrepreneurs – A Micro Level Study

K. SRIVANI AND D. SATYANARAYANA

In India, women with varied social, economic, political, regional and linguistic backgrounds constitute half the nation. The socio-economic condition of women is the key for overall growth and development of the country. Entrepreneurship is a concept assumed to be sex-neutral. Even then in India, women entrepreneurship is still in its infancy. This paper evaluates the level of entrepreneurial success among rural women.

During 1990s, many women entered in the field of entrepreneurship to avail economic competence and independence, but many of them are observed to be not succeeding well as they had planned. Main reasons often are placed on the lack of enabling and sustaining facilities of entrepreneurial environment in general.

Objectives of the Study

The objectives of the study are:

- i. To study the level of performance of women entrepreneurship
- ii. To measure the economic success of the sample rural women entrepreneurs; and
- iii. To examine the involvement of these rural women entrepreneurs.

Research Methodology

The data has been collected from the primary sources like field survey as well as secondary sources which are related to study and the inferences drawn from the field survey. An Entrepreneurial Success Index (ESI) was developed for the study and it was used to understand the extent of success of entrepreneurs. Eight dimensions, viz., profitability and extent of indebtedness, social recognition, consumer satisfaction, produce or brand recognition, employee's satisfaction, quality of products, capacity utilization and diversification of products were selected and included in the study.

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The ES was conceptualized as the aggregated score obtained by the individual entrepreneur for the selected eight dimensions. The ESI was worked out using the following formula.

$$ESI = \frac{\sum_{i=1}^K A_i}{\sum_{i=1}^K P_i}$$

Where ESI- Entrepreneurial Success Index; A_i - Actual score of the i th dimension; P_i - Potential score of i th dimension; K - Number of dimensions applicable

The Entrepreneurial Success Index (ESI) values ranged from zero to one. Relevant data on these dimensions were collected from the 82 respondents in Ranga Reddy, Krishna and Chittoor Districts of Andhra Pradesh. Analysing the data collected, the ESI of all the respondents were worked out. The respondents were categorized into four levels of success using Delinious Hodges Cumulative Method of stratification.

Results

The ESI of the respondent women entrepreneurs selected for the study was worked out and found to range from 0.43 to 0.91. The respondents were classified into four groups, based on their ESI for detailed analysis using Delinious Hodges Cumulative Method.

Table 1: Distribution of Rural Women Entrepreneurs

Sl.No.	Category	F
1	Very High (0.91-0.79)	18
2	High (0.78-0.71)	22
3	Medium (0.70-0.56)	22
4	Low (0.55-0.43)	20
		82

Source: Field Survey.

From Table 1, it is clear that 18 small enterprises promoted by women entrepreneurs fell in the Very High Success, while 22 rural women entrepreneurs were having High success and 22 women entrepreneurs had Medium Success. Out of the total 82 women entrepreneurs from the three districts viz., Ranga Reddy, Krishna and Chittoor, only 20 women entrepreneurs were found to be having low Success.

Table 2: Advice to Potential Entrepreneurs

Sl. No.	Category	Very High		High		Medium		Low			
		F	%	F	%	F	%	F	%		
1	Ranga Reddy	30	36.5	7	23.3	8	26.6	8	26.6	8	23.3
2	Krishna	30	36.5	8	26.6	7	23.3	8	26.6	7	23.3
3	Chittoor	22	27	5	2.7	7	31.8	5	22.7	5	22.7

Source: Field Survey.

According to Table 2, of the 30 small enterprises promoted by women entrepreneurs in Ranga Reddy District, almost 23 enterprises were in Very High/High/Medium level of success. Only 7 enterprises were having Low Success. In Krishna District, again we observe that 23 enterprises are in Very High//High/Medium success level. Only 7 enterprises are having Low Success. Of the 22 small enterprises in Chittoor District, 17 enterprises were found to be in Very High/High//Medium success level while 5 enterprises had a low success level.

From Table 3, the classification and distribution of small enterprises and ESI, it can be observed that of the 18 enterprises in Food Processing Industry, 15 were in Very High/High/Medium Success Level while only 3 enterprises had a low level of success.

Table 3: Advice to Potential Entrepreneurs

Sl. No.	Industry	Very High		High		Medium		Low			
		F	%	F	%	F	%	F	%		
1	Food Processing	18	21.9	5	27.7	5	27.7	5	27.7	3	16.6
2	Garments	19	23.1	6	31.5	5	26.3	5	21	4	
3	Service	30	36.5	10	33.3	8	26.6	7	23.3	5	
4	Miscellaneous	15	18.25	5	33.3	3	20	3	20	4	26.7
		82	100								

Source: Field Survey.

As regards the Garments Industry, there were 19 small enterprises promoted by women, of which 15 enterprises were in Very High/High/Medium level of success and 4 enterprises were classified as Low Success. In the Service Enterprises, 25 small enterprises were classified in the Very High/High/Medium, while only 5 were treated as Low Success. In the Miscellaneous Category, of the 15 small enterprises, 11 enterprises fell in Very High/High/Medium and 4 enterprises fell in the Low level of success.

In order to make a quantitative analysis of management of small enterprises by women, an Enterprise Involvement Index consisting of 10 dimensions was adopted for use in our study. (Table 4)

Table 4: Enterprise Involvement Index-scoring Procedure

Dimension	Score
Motivation to become an Entrepreneur	
Own	5
Own+ Others	4
Own + Friends/Other entrepreneurs	3
Own + Family	2
Purely suggested by others	1
Role in Setting up stage of the Enterprise	5
If a women entrepreneur did all the tasks on her own she rated 5, if it was done completely by others, it was marked 1 and remaining were rated based upon the extent of help she received from others for each task.	4 3 2 1
Role in Management of the Unit	5
If the woman entrepreneur is managing all functions on her own, they were rated 5, it was managed by others marked 1, and remaining scores 2,3,4 ranked based upon the help she received from others for each function.	4 3 2 1
Role in Major Decisions	5
If she was taking all decisions on her own was ranked 5, if most of the decisions were taken by others was ranked 1, and remaining scores 2,3,4 were ranked based upon their role in taking major decisions.	4 3 2 1
Time Spent on Unit-related Work:	
10 hours & more	5
8 to 9 hours	4
6 to 7 hours	3
4 to 5 hours	2
2 to 3 hours	1
Perceived Satisfaction in Life	
Highest satisfaction	5
High satisfaction	4
Moderate Satisfaction	3
Slight change	2
No change	1
Training	
Training obtained	5
Need for training	4
No felt need for training	2
Pride in Being an Entrepreneur	
Highest score 43 to 50	5
High score 35 to 42	4
Moderate score 27 to 34	3
Low score 19 to 26	2
Lowest score 10 to 18	1

contd.

Membership in Professional Bodies	
Holding responsible position in business association	5
Member is business association/organization	4
Holding responsible position in any association	3
Member in any association/organization	2
Not a member	1
Future Plans	
Definite plans and working for it	5
Definite plans	4
Some plan, some idea	3
Vague idea	2
No idea	1

Conclusion

Women entrepreneurs have a high need for achievement, independence orientation, ability for decision-making, future planning and good time management. The woman entrepreneur likes the independence associated with the entrepreneurial career, has high hopes and ambitions, has a positive approach to competition, is confident of her ability to deal with problems and has a belief that hard work is a sure ingredient of success in entrepreneurial ventures. While the background of self-employed women varies considerably, these women entrepreneurs share some similarities in personality, motivation, education and family background. The assessment of business management skills is essential for every woman entrepreneur before she starts her business as it provides the knowledge of one's strengths and weaknesses. The woman entrepreneur is an individualist, creative, enthusiastic, instinctive and adaptable. A high energy level is essential for the woman entrepreneur because the success and profits of the business depend on her efforts. It is in this direction that the state sponsored institutions and non-governmental organizations, should play the role of a catalyst in unleashing the hidden talent among the millions of Indian women who have the self-confidence, flexibility, persistence, independence, determination to succeed and to make them successful entrepreneurs.

Development of Women Entrepreneurship – Challenges and Opportunities (A Case Study for Eastern Uttar Pradesh)

DR. MANAS PANDEY

The emergence of the entrepreneurs in a society depends to a great extent on the economic, social, religious, cultural and psychological factors prevailing in the society. Women are now more cognisant about their existence, roles and rights. Women entrepreneurs are those who explore new paths for economic involvement and contribution. Women entrepreneurs have been making a significant impact in all segments of the economy. Women may attain empowerment through their entrepreneurial attitude and skill either in choosing the entrepreneurship as a profession as a challenge and as an adventure with an urge to do something new or in taking up business enterprises to get over financial difficulties and responsibilities trusted on them due to family circumstances. The study is based on the case study of women entrepreneurs working in the eastern UP in India.

Introduction

The emergence of women on the economic scene as entrepreneurs is a significant development in the emancipation of women and securing them a place in the society, which they deserved for a long period. The hidden entrepreneurial potentials of women have gradually been changing with growing sensitivity to the role and economic status in the society. Women are increasingly becoming conscious of their existence, their rights and their work situations. Today, women entrepreneurs represent a group of women, who have broken away from the beaten track and are exploring new avenues of economic participation. Among the reasons for women to run organised enterprises are their skill and knowledge, their talents and abilities in business and a compelling desire of wanting to do something positive. What makes their arrival as well as achievements even more significant and commendable are the struggles they have to put up, frustrations they have to experience and the multiple handicaps they have to overcome to emerge as entrepreneurs at the early stage and subsequently achieving success in business at the stage of managing their enterprises.

The Gender Empowerment Measure (GEM) on the other hand, measures the extent to which a woman has influence in decision – making, in politics,

in professional life, and in organizations. The GEM has been used widely in advocating the empowerment of women. The HDR takes into account some aspects of female empowerment (i.e., economic participation, political participation and power over the economic resources) and to an extent it explains the degree of their empowerment. However, there are various other aspects also that decide the level of empowerment. Though a woman is literate and working, she may not be empowered as regards: domestic decision-making, financial autonomy (i.e control over the resources), mobility(or freedom of movement), child related issues (e.g. well-being, schooling, health, marriage etc.), and participation in the modern sector.

Review of Literature

The study by Vianello (1990) showed that a husband's power within marriage tended to increase in proportion to the resources that he could muster: education, income, prestige, social status, and so on. The results about decision-making from the United States [Kendell and Lesser, 1972; Centers et al., 1971], France [Michel 1967], West Germany [Lamouse 1969; Lupri 1965, 1965; 1969] and other countries showed a positive association between the husband's power and his socio-economic resources, such as education, social status, income, and occupation. In the above studies there were curvilinear tendencies in the data and weak relationships that lacked statistical significance.

Burr (1973) developed a general model of marital power, which spells out a set of proposition. It takes into account the complex interconnection between the amount of power, the cultural or normative context, and the specific tangible and intangible resources that affects the distribution of marital power. Peattie and Rein (1983) and Sapiro (1984) rightly mentioned that is necessary for women to organize themselves as women, and to devise a strategy on how to win leading positions. Amarnath et al. (1996) have described the consequences of middle-class women taking up economically productive roles.

Kabeer (1999) shows that the most probable indicators for empowerment of women are: family structure, marital advantage, financial autonomy, freedom of movement and lifetime experience of employment participation in the modern sector. The study by Malhotra et. al. (2002) identifies various indicators for measuring empowerment of women are: domestic decision-making; finance and resource allocation; social and domestic matters; child related issues; access to or control over resources; freedom of movement; and so on.

Mangal (1991) finds that due to this conflict the women teachers are faced with the problem of inadequate time to rest and subsequent fatigue. However, the social and interpersonal relationship is not affected much.

Pradhan (1992) finds that the male secondary school teachers have a more positive attitude than the female teachers towards the child-centered practices, the educational process, the pupils, and the teachers. Based on these findings, the author concludes that the female teachers are not

empowered and as a consequence, they do not have a positive attitude towards the teaching-learning process.

Nancy M. Carter (2006) suggest that women's businesses can make a significant contribution to the economy.

Ramaswamy Ganesan, (2010) focused on congregating psychosocial profile of women entrepreneurs in food processing enterprises to provide better picture about women entrepreneurs by and large.

Objectives of the Study

The objectives of the study are to:

- analyse the religion, marital status and age patterns of the women entrepreneurs in the region
- examine the place, area and level of the women entrepreneurs
- ascertain the preferred types and ownership pattern of their industrial activities
- identify the problems of the women entrepreneurs

It proceeds with the hypothesis that (i) the development of women entrepreneur is at a primary stage from the point of view of psychological factor, education, and business and (ii) it is a viable system for empowering women economically for strengthening the economic conditions of people in Eastern UP.

Methodology

The statistical data for the study have been mobilised both from the primary and the secondary sources. Primary data has been collected from the eastern UP through a well designed questionnaire schedule and the secondary data has been collected from the various publications of Economic Survey, NSSO, books, journals and periodicals. The data thus collected, have been analysed by using the suitable statistical tools for specific interpretation.

The study covers the Varanasi, Jaunpur, Mau, Azamgrah, Gazipur, Balia and Gorakhpur districts of Uttar Pradesh in India. The data has been mobilized through random samples of 120 women entrepreneur in the aforesaid districts having tiny, village, cottage or small scale industries.

Analysis

Demographic characteristics like age, marital status, education etc. are important for locating potential women entrepreneurs.

Table 1: Profile of women entrepreneurs

Particular	Percentage
Age (years)	
26-40	66.7
41-55	25.9
55 and above	7.4
Religion	
Hindu	81.5
Muslim	18.5
Marital status	
Married	97.0
Unmarried	3.0
Education status	
Education	
High School	40.7
Intermediate	11.1
Graduation	25.9
Post Graduation	11.1
Professional	11.1
Place of Education	
Rural	11.1
Urban	88.9
Education level at start	
Primary	7.4
Highschool	66.7
Intermediate	18.5
Degree	7.4
Education in the area of	
Agriculture	66.7
Commerce	18.5
Arts	11.1
Science	3.7
Business & Ownership	
Reason to start-	
To earn money	48.1
To Fulfill the ambition of family	33.3
To Fulfill the own ambition	18.5
Setup of Unit-	
Self	96.3
Inherited	3.7
Types of enterprise-	
Small	18.5
Cottage	51.9
Tiny	29.6
Establishment period-	
Before Liberalisation	33.3
After Liberalisation	66.7
Ownership of Unit	
Individual	70.4

contd.

Partnership	22.9
Cooperative	7.4
Product Produced	
Types of Product-	
Standard	51.9
Specification	33.3
Ancillary	14.8
Types of Resources used-	
Agro based	14.8
Live Stock	40.7
Forest	18.5
Mineral	25.9
Demand of Product-	
Institutional	37.0
Domestic or Consumptional	37.0
Sub Contracting	25.9
Finance arrangement	
Through relation and friends	18.5
Bank	22.3
Money Lender	11.1
Self	29.6
Other sources	7.4
Financial Institution	11.1

Table 1 shows that the data collected from the female only and out of that 97% were married and more than 66% population are of the age of 26 to 40 near about 81.5 percent population belongs to Hindu community (Table 1).

It reveals that maximum number of respondents belongs to education level of high-school and most of them are from the urban areas which alone account for 88.9% of the total number of respondents covered. Most of the respondents started their units having high-school education level and 66.7% population of the respondent having agriculture specialization (Table 1).

96.3% women entrepreneur started their own unit and 66.7% of them were started after the liberalization and when to economic and taxation policy liberalized by the quart. The above tables also reflect that the large percent (51.9%) of the women entrepreneurs have cottage units set up by individuals (70.4%) with the objective to earn money (Table 1).

It is also found those products produced by the women entrepreneurs are of in nature of standard product (51.9%). Which comprises of 40.7% live stock based product popularly dairy product and by product are very common. Then 25.9% were engaged in the mineral product units to support 37% consumption of institutional and domestic demand (Table 1).

Finance is the backbone of the entrepreneurial development. But the scarcity of finance and credit is the main obstacle in the development of women entrepreneur. The capital based of small industrial unit of cottage or tiny in nature is very low that reflect the functioning of the women entrepreneurs which they either collected from their own sources. In many cases credit is obtained on a very high rate of interest and is thus much explosive in

character. They are not even in a position to know about the various schemes and get the benefit of them. Bank and financial institution are generally supporting the small scale industries. It reveals from the table that most of the time women entrepreneur get financial resources from the self sources (29.6%) or banks (22.3%).

Conclusion

It is clearly observed from the present study that the women entrepreneurs in the eastern part of Uttar Pradesh (UP) experience various challenges like low mobility, lack of achievement motivation, low risk taking, low educational level, unsupportive family environment, being a women lack of information and experience. Consequently, the main thrust of planning revolves around the development of small scale, cottage and tiny enterprises based mainly on the local skill and these types of industries are also good enough to attract women entrepreneurs of the region as they have already involve in such activities like handicrafts, handloom, stone work, textiles etc. Therefore, empowering women will ultimately help us in improving the status of women entrepreneurs by formation of supportive network family and other institutions to deal with the challenges. There should also be proper and appropriate intervention strategies that can prove to be a big source of assistance to empower women and motivate them to setting up a cottage industries specially agro based industries, dairy cooperatives, poultry farming and food and fruit preservation and provide opportunities to market the products, understand product qualities and features.

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Technical Session IV

**Talent Management in
Globalised Scenario**

Chairperson

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Co-Chairperson

Dr. (Ms) Anshuja Tewari
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Rapporteur's Report

Inclusive Growth: The Road Ahead

Altogether 195 papers were received by the Chairperson for this technical session, which is quite encouraging and thereby proving the necessity of choosing the topic "Talent Management in Globalised Scenario". Out of these 195, 100 papers were presented in person and the remaining papers were deemed to be presented because of the paucity of time. Many empirical studies based on field work and conceptual papers were minutely deliberated in the technical session.

The gist of the majority of the papers is that with the advent of globalisation and liberalisation, the market competition has got intensified. Competitive market place and challenging economic conditions have given rise to a dearth of talent. Organisations cannot afford to be complacent about retention, especially of high quality employees. In today's world of high level of competition, it is necessary for an organisation to develop its human resource so as to enable it to have a competitive edge over its competitors. It is high time now that firms must truly come on board and show they really mean that our workforce is our greatest assets. They need to plan and execute talent management in order to survive competitions. With the demand for talent going up disproportionately in relation to its supply, the cost of attracting, developing, compensating and retaining the talent is a big challenge to the professionals. When there is no dearth of opportunities for the talented lots for switching over to better options amidst a plethora of companies lining up to grab them organisations need to tighten their belt to ensure sustainable loyalty from the talent people.

The session concluded successfully with the vote of thanks proposed by Prof. G.P. Prasain, Chairperson and Dr. Anshuja Tewari, Co-chairperson of the session.

Impact of Talent Management on Employee Effectiveness

JEEVAN JYOTI, R.D. SHARMA AND JYOTI SHARMA

In the era, where global business is talk of town, every employer has to be ready for meeting the future business demands, which can be efficiently handled through talent management. Talent management is gaining popularity as a significant predictor of employee and business performance. It refers to integration of new workers, developing and retaining existing workers as well as attracting experienced and qualified persons to work for organisation. There is limited academic research on talent management in auto-mobile service sector. This study empirically examines the extent to which Talent Management and Employee Effectiveness are correlated and its impact on Employee Effectiveness. The Talent Management framework has been developed on the basis of comprehensive literature review.

Introduction

Talent management refers to the process of integrating new workers, developing and retaining the current workers and attracting highly skilled personnel to work for your company (Chugh and Bhatnagar, 2006). The management of talent is acknowledged as a great challenge for organisations and the topic is gaining popularity across all industries. With high turnover, multi cultural workforces and massive growth, service industries are gradually making talent management a top priority (Lewis and Heckman, 2006). It is indispensable for survival and sustainable development of any business organisation. Neglect of talent management is suicidal for the organisation particularly in the current business scenario of high competition. Opportunities for qualified and talented employees are abundant in India due to expansion of higher education and coming up of a large number of institutes promoting professional courses in various streams (Joerres and Turcq, 2007). The efficient management of talent in the organisation increases the commitment level of the employees, which in turn enhances their effectiveness and place them according to their suitability, aptitude and interest, so that the ill consequences of putting a square peg in a round hole—which leads to distortion in the organisational structure and low productivity—could be avoided (Julia and Rog, 2008). The

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presence of talented and committed people with will power and the team spirit will, in turn, motivate other employees and positively impact the performance and growth of the organisation. Their effectiveness lies in their dedication that influences the work culture of the organisation and results into a strong brand name for company's products (Donahue, 2001).

Talent Management

Talent management can be defined as the strategic management of the flow of talent through an organisation (Duttagupta, 2005). It comprises the processes from recruiting the best to retaining the best. Talent management is a thorough and holistic approach to management in an organisation, which ultimately develops into organizational culture and create competitive advantage (Lockwood, 2005). Cohn et al. (2005) stated that those who are not giving sufficient attention to human resource management and development will lose in the long run. Identifying talents in the organisation is a responsibility that lies not only with organizations' HR executives, but also with its line managers (Cohen et al., 2005).

The different aspects of the engagement and development of talent within an organisation may consist of highly valued project assignments, cross-functional training, mentoring, externships, continuous feedback and international exposure (Branham, 2005). Together with the possibility of executive education these aspects make up a talent programme. It is important however to acknowledge that the term talent management is used loosely and often interchangeably across a wide array of terms (Rothwell, 2005). It could refer to recognizing and developing the top percentile of performers in an organisation or refer to specific programs initiated for fast-tracking high potentials or it could be strategic processes and people development (Duttagupta, 2005; Rothwell, 2005). With a shift from replacement planning to succession planning, talent management has become a strategic planning tool (Kur and Bunning, 2002). According to Rothwell (2005) succession planning assist in detecting training and development needs in identifying and utilising talents and intellectual capital by providing opportunities for individuals to grow and develop in the organisation and help in optimum utilization of the capital spend on human resource management (Rothwell, 2005:20-30).

The service industry is highly people oriented with its regards to the proper management of employees who are working in the sector. The success of any industry is depending on employee's contribution and commitment (Baum and Kokkranikal, 2005). The growth and success of a company cannot be measured alone on the profits which it earns. In todays highly competitive and complex business environment, the talent which an organisation possess in the form of its employees effectiveness i.e. their skills and competencies decide its success (Lockwood, 2006).

Research Methodology

The study is exploratory in nature and in order to increase its accuracy following methodology has been adopted:

Generation of Scale Items: The data was collected thorough two questionnaires specifically developed for the study viz: Talent management and employee effectiveness. The questionnaire used in the study for talent management was designed on the basis of review of existing literature viz; Corbin and Strauss (2008) and Ashridge (1997). The questionnaire for measuring employee effectiveness has been adapted from Fuentes et al., (2007). The talent management questionnaire consisted of 28 statements on 7 point Likert scale, covering 6 dimensions namely Development Strategy, Attract and Retain, Motivation, Deploy and Manage, Connect and Enable and Transform and Sustain. The employee effectiveness questionnaire comprised with 18 statements which pertained to employee behavior, Customer focus, Service Culture, Continuous Improvement etc. Besides this extensive discussion were held with the subject experts and employees and managers of the showrooms.

Sample Selection and Data Collection: The study has been confined to the showroom cum service stations of major player of automobile industry i.e. Maruti Udyog Ltd. All employees of the showrooms of Maruti namely Highland, Jamkash and Shaurya Motors Ltd. in Jammu Province were contacted for primary data collection. Census method was used for it. The total number of employees came to 180, out of which, 152 employees respond properly (Response Rate 84.4%). The data was analysed with the help of two software, viz; SPSS (15 version) and AMOS (16 version). Before data analysis, it was duly purified with the help of exploratory factor analysis and validated through Confirmatory factor analysis (CFA).

Hypotheses: On the basis of core literature, following hypotheses were developed:

Impact of Talent Management on Employee Effectiveness

The organisation should follow a holistic approach for talent management, right from selection of employees, to their retention, development and promotion to higher levels. Talent management requires HR professionals and their clients to understand how they define talent, whom they regard as 'the talented' and what their typical background might be (Frank and Taylor, 2004). Agus (2004, 2005) viewed that HR policies, leadership commitment, training and development and other aspects of talent are critical issues, which are important aspects to provide employees with the necessary knowledge and skills to enable them to cope with problem solving. However, training focused on broadening employees' knowledge and skills can represent opportunities for individual growth and development and result in advantageous outcomes such as more proficient team-related skills and increased workforce flexibility (Hunt, 1992; Leitch et al., 1995).

HYP 1 : Talent Management significantly affects Employee Effectiveness.

HYP 1a : All factors of Talent Management affect Employee Effectiveness.

Impact of HR Policies on Development

Human resource practices can improve business productivity, particularly when the firm combines complementary practices (Armstrong, 2000 and Becker et al. 2001). Bowen and Schneider (1988) suggested that the service firms have to train their employees in human related issues. Training increases their skill; thereby develop them to achieve the organisation goals (Schneider et al. 1994). The employee-reported performance from HR department can help the company to collect data that can validate the employee performance (Freeman and Dube 2000). Thus the proposed hypotheses are

HYP. 2 : HR policies affect Employee effectiveness directly as well as indirectly through other factors of talent management.

HYP. 2a : HR policies affect Development of employees directly as well as indirectly with Training as mediating variable.

- The construct reliability of some of the sub scales is lower than the accepted threshold value of 0.70, which is a limitation of the study. This also lends credence to the need for an independent and more robust scale refinement.
- The sample was restricted only to the employees' of the showrooms in Jammu of Maruti Udyog ltd.
- Scope of subjectivity might be there because the employees responded according to their own perceptions.

Data Purification – Exploratory Factor Analysis (EFA): Factor analysis was carried to simplify and reduce the data. It was carried with Principal Component Analysis along with orthogonal rotation procedure of varimax for summarizing the original information with minimum factors and optimal coverage. The statements with factor loading less than 0.5 and Eigen value less than 1.0 were ignored for the subsequent analysis (Sharma and Jyoti, 2006). The data reduction was performed in three steps-first in the anti-image correlation the items with value less than 0.5 on the diagonal axis were deleted. In the second step, the extracted communalities were checked and items with values less than 0.5 were ignored for the subsequent analysis. In the third step, in rotated component matrix, the statements with multiple loadings and values less than 0.5 were ignored. Factor analysis reduced 28 items of Talent Management to 17 under 6 factors namely, Motivation Strategy (F1), Training (F2), HR Policies (F3), Development (F4), Benchmarking (F5), and Quality Policy (F6). The Variance explained and KMO value for Talent management has arrived at 75% and 0.789 respectively. The eighteen item of Employee effectiveness scale got reduced to five, which converged under two factors namely Service Culture and Customer Focus.. The Variance explained and KMO value for Employee effectiveness has arrived at 71% and 0.634 respectively.

Scale Validation- Confirmatory Factor Analysis: In this study, after EFA, CFA was run and items with Standardized regression weights (SRW) less than 0.50 were deleted (Hair et al., 2005). Fitness of the model has been assessed with various global fit indices like Goodness of fit index (GFI),

Comparative fit index (CFI), Root mean square error of approximation (RMSEA), Root mean squared error (RMR), by examining specific deviations for the model e.g., standardised residuals or modification indexes (Hu and Bentler, 1995). For the model to be fit, at least one absolute criteria and one incremental fitness criteria should meet the prescribed limits.

Reliability of scales: Reliability is the extent to which a variable or set of variables is consistent in what it is intended to measure (Hair et al., 2005). The reliability of both scales has been tested by checking the internal consistency of the data with the help of Cronbach's alpha values. Cronbach's alpha value of 0.70 or above implies strong scale reliability (Cronbach, 1951). The Cronbach's alpha values for talent management and employee effectiveness are above 0.70. The split half method was also used by dividing the respondents into two equal halves and the results revealed no significant difference in mean values of the two halves (Table 1). Construct Reliability for two scales have arrived at 0.734 and 0.709, which was calculated on the basis of variance extracted (Table 4). The Cronbach's *alpha, split half and construct reliabilities* indicate that the scales are quite reliable.

Table 1: Reliability analysis

Constructs	Std. Cronbach Alpha	Alpha Part I	Alpha Part II	Mean Part I	Mean Part II
Talent Management	0.787	0.677	0.719	6.94	6.12
Employee Effectiveness	0.849	0.641	0.723	6.96	6.21

Validity of Scales: The factors that emerged after exploratory factor analysis (EFA) were used as manifest variables of talent management and employee effectiveness. The results revealed that all factors are highly related with their respective latent variables. The goodness of fit statistics also gave good results. For talent management, values are: $\chi^2 = 5.78$, $df = 3$, $\chi^2/df = 1.925$, GFI= 0.967, AGFI= 0.913, CFI= 0.943, RMR= 0.023, RMSEA= 0.078, For Employee Effectiveness, the values of Fit indices are: $\chi^2 = 9.40$, $df=4$, $\chi^2/df= 2.355$, GFI= 0.982, AGFI= 0.962, CFI= 0.964, RMR= 0.019, RMSEA= 0.057 (Table 4). The *Face/content validity* of the constructs was duly assessed through review of literature and deliberations with the subject experts, managers of the showrooms and sale executives. Since the dimensions for both scales were developed after an extensive literature survey, their selection is justified to prove the face/ content validity.

Convergent Validity assesses the degree to which two measures of the same concept are correlated. High correlations indicate that the scale is measuring its intended concept (Hair et al., 2005). A scale with Bentler-Bonett coefficient of 0.90 or above implies strong convergent validity (Bentler and Bonnet, 1980). Since the Bentler- Bonnet coefficient for all dimensions of both the scales are above than 0.90 (Table 4), indicating strong convergent validity.

Discriminant Validity describes the degree to which the operationalisation is not similar to other operationalisation. Fornell and Larcker (1981) highlighted the importance of evaluating the Discriminant validity of the constructs

used. A successful evaluation of Discriminant validity shows that a test of a concept is not highly correlated with other tests designed to measure theoretically different concepts. It has been proved by comparing the variance extracted with squared correlations between two constructs. The variance extracted has been calculated with the help of following formula (Hair et al., 2005).

$$VE = Z (\text{Std. Loading}^2) / Z (\text{Std. loading})^2 + E$$

The variance Extracted for the talent management and employee effectiveness construct is 0.852 and 0.672 respectively and the squared correlation between the two constructs is 0.161. The V.E of two constructs is higher than the squared correlation, it proves that the talent management constructs and employee effectiveness construct have Discriminant validity.

Nomological validity has also been proved as the construct proved the theoretical relations between Talent management and employee effectiveness.

Table 4: Confirmatory factor analysis

Scale Title	Standardized Estimates	R2	Construct Reliability	Variance extracted	Bentler-Bonett Coefficient	Cronabch's Alpha
Talent Management						
Motivation Strategy	0.698	0.62	0.67	0.487	0.943	0.93
Training	0.51	0.61	0.305	0.921	0.78	
HR policy	0.683	0.61	0.66	0.466	0.967	0.77
Development	0.639	0.58	0.60	0.408	0.953	0.70
Benchmarking	0.721	0.69	0.71	0.519	0.942	0.60
Quality Policy	0.542	0.51	0.56	0.293	0.969	0.62
Goodness Of Fit-indices	χ/df= 1.925, GFI=0.967 , CFI= 0.943, RMR= .023 RMSEA .078, AGFI= 0.913					
Employee Effectiveness						
Service Culture	0.675	0.56	0.59	0.456	0.940	0.83
Customer Focus	0.767	0.59	0.62	0.588	0.957	0.63
Goodness Of Fit- indice	χ/df =2.344, GFI =0.982 , CFI= 0.964, RMR= 0.019, RMSEA .057, AGFI= 0.962					

Measurement of Talent Management

The data analysis has been done on the basis of factors that emerged after EFA and CFA. The Factor wise analysis is as under:

Motivation Strategy (F1): The Factor motivation strategy verifies the employees' capabilities and need to develop them by motivation. The factorial mean has arrived at 6.37, which indicates that their business organisation understand their need for motivation development. Organisation provides

them incentives for achieving desired level of performance (M=6.25) besides incentives there are indirect benefit schemes like selection for training programmes, giving quality certificates for quality improvements which are the part of their motivational strategies (M=6.07). About 76% employees agreed that beside indirect or direct benefits for motivation, focus is put on quality awareness programmes by the organisation (M=5.82).

Training and Education (F2): Training has direct relationship with the employees' performance. Basically training is a formal and systematic modification of behavior through learning, which occurs as a result of education, instruction, development and planned experience. The overall factor score came to 5.96 (Annexure I). Employees believe that for the development of human resource in an organisation there is a need to develop communication skills by imparting them proper training (M=6.07). For the smooth conduct of employee education and training programmes, annual budget have a provision for that, so that these development programmes do not face financial constraints (M=6.00). About 57% employees reflected that for training effectiveness quality improvement strategies like quality circles are used (M=5.82).

HR Policies (F3): HR policies establish long term strategy for attracting, developing, connecting and deploying the work force properly. The overall mean score has come to 6.66, which is highest among all factors (Annexure I). Organisation gives priority to experienced persons at the time of recruitment (M=6.08), which enhances their awareness about the business goals (M=6.19, $r = 0.455$, $p < 0.01$). The HR policy for delegation of authority is also satisfactory (M=5.93). The overall analysis of this factor revealed that showroom authorities give priority to experienced employees while recruiting and empower them through delegation of authority.

Development (F4): The overall mean score for this factor has come to 6.18 (Annexure I). Employees revealed that their organisation gives importance to job enrichment (M=6.34) which act as encouragement for employees to give innovative suggestions (M=6.01, $r = 0.373$, $p < 0.01$). Further, employees (85%) viewed that continuous improvement in strategies is necessary for survival and to serve better in the highly competitive environment (M=6.21).

Benchmarking (F5): Benchmarking involves comparing current activities and outcomes against the best. The organisation, in total can be transformed to world class status when benchmarking is directed at the key or critical business processes. The overall mean score of Benchmarking came to 6.02 (Annexure I). Employees stated that organisation emphasized on benchmarking their satisfaction (M=6.25) as well as the business performance with that of direct competitors (M=5.68) and periodic appraisal of employees about the effectiveness of quality management processes (M=6.02). Analysis confirmed that showroom adopt the systematic process of measuring the products, services and practices against those of industry leaders for achieving global standards.

Quality Policy (F6): Quality policy defines the degree to which the expectations of both employees and customers are realized. The success of

service industry depends on the success of quality policy i.e. its sound implementation. The mean of factor Quality Policy has arrived at 6.12 (Annexure I). Employees revealed that there is career-advancement programme for all levels of employees with clear specifications of requirements and expectations (M=6.26) because the implementation of quality policy is proper (M=5.98, $r=0.454$, sig. 0.01). Results revealed that showroom's quality policy takes care the progress of employees by implementing it properly,

Measurement of Employee Effectiveness: Factor wise analysis of employees' effectiveness is as under:

Service Culture (F1): Service Culture is an organisational strategy that motivates the employees to have a service orientation in what ever they do. It indicates that, customer satisfaction is the top priority and the service provider is likely to offer a reliable, responsive, empathetic service to customers. The factorial mean of service culture came to 6.14 (Annexure II). About 64% employees believe that quality management is essential for survival in the highly competitive market (M=6.28) and they (69%) follow the philosophy of make it right first time (M=6.10). Further they realize and practise the motto of service to customers (M=6.05). On the whole, results reflect that the employees are fully aware about the importance of service culture and they practise it too.

Customer Focus (F2): An organisation can outscore their competitor by effectively addressing customer's needs and demand. The mean score for the factor came to 6.24 (Annexure II). Employees' understand the need and expectations of the customers (M=6.29) as they make them to feel safe and secure (M=6.19). Analysis of Customer Focus results that employees effectively deal with customers by keeping them focused.

Structural Equation Modeling (Sem)

Structural Equation Modeling (SEM) is a multivariate technique that seeks to explain the relationship among multiple variables. In the present study, the relationship between employee effectiveness and talent management as well as Factor wise impact of talent management viz; motivation strategy, Training, HR policies, Development, Benchmarking and Quality policy have been assessed by using the structural equation modeling (SEM) through AMOS 15. The results are discussed as under-

Relationship between Talent Management and Employee Effectiveness

The relationship between talent management and employee effectiveness was explored with the help of modeling technique of SEM. The result revealed significant and positive effect of talent management on employee effectiveness (SRW= 0.402, CR=5.39, $p < .001$, Table 5, fig. 1). Further the model fit indices are also very good ($\chi^2/df=3.878$, GFI=0.982, CFI= 0.901, RMR= 0.033, RMSEA .081, AGFI= 0.872). Thus the first hypothesis that Talent management affects employee effectiveness stands accepted.

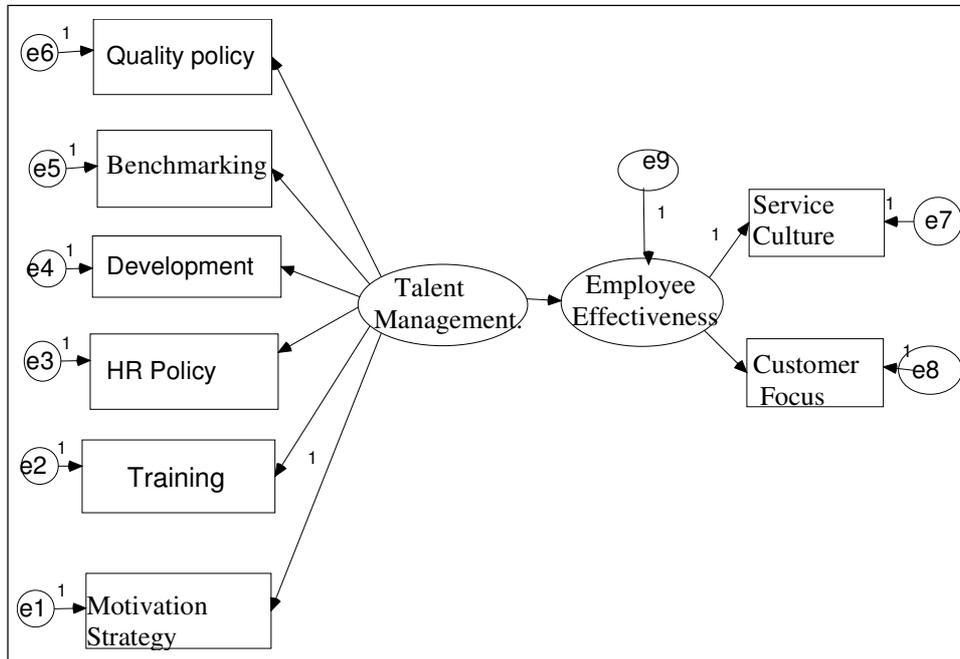


Figure 1: Effect of Talent management on Employee Effectiveness

Key: e1-e6 =Errors of Factors of talent mgt., e7-e8= Errors of factors of Employee effectiveness, e9=Error of Employee effectiveness

Factor-wise Impact of Talent management on Employee Effectiveness

Exploration of Factor wise impact of talent management on employee effectiveness revealed that all factors of talent management are accounting for about 23 percent variation in employee effectiveness ($R^2= 0.226$, Table 6). Benchmarking (F 5) is the most significant predictor (SRW=1.363, $p < 0.001$) of employee effectiveness followed by development, motivation strategy and HR policy. On the other hand, training and Quality policy are insignificantly related (Table 6). Thus our 1a hypothesis i.e. all dimensions of talent management affect employee effectiveness stands partially accepted as out of six dimensions of talent management, only four are significant predictor of employee effectiveness. Model modifications were introduced by deleting the insignificant variables (Arbuckle and wothke, 1995) and SEM was applied again, which yielded very good model fitness indices. ($\chi^2/df=1.196$, RMR=0.020, GFI=0.976, CFI=0.982, RMSEA= 0.03, Table 7).

Table 5: Structural equation modelling

Dependent variable	Independent variable	SRW	CR	R ²
Employee Effectiveness	Talent Management	0.402	5.393**	0.261

$\chi^2/df=3.878$, GFI=0.982, CFI= 0.901, RMR= 0.033, RMSEA .081, AGFI= 0.872

** Sig< 0.001

Table 6: Exploratory factor analysis

	Dependent variable	Independent variable	SRW	CR (Sig.)	R ²
Model 1	Employee Effectiveness	Motivation Strategy (F1)	0.123	0.651	0.226
		Training (F2)	0.028	0.133	
		HR Policies (F3)	0.400	1.970*	
		Development (F4)	0.742	3.493*	
		Benchmarking (F5)	1.241	6.476*	
		Quality Policy (F6)	0.442	2.300**	
Model 2	Employee Effectiveness	Benchmarking (F5)	1.363	7.456*	0.271
		Development (F4)	0.875	3.749*	
		Quality Policy (F6)	0.467	3.213**	
		HR Policies (F3)	0.421	1.980*	

* Sig< 0.001, ** Sig.<t 0.05

Table 7: Goodness of fit

	χ	DF	÷/df	RMR	GFI	AGFI	CFI	RMSEA
Model 1	95.173	15	6.345	0.058	0.845	0.711	0.931	0.188
Model 2	15.543	13	1.196	0.020	0.976	0.933	0.982	0.036

The literature reveals that HR policy exerts influence on employee effectiveness directly as well as indirectly, so its impact through other dimensions of Talent management was also explored. HR policies has direct and significant effect on training (SRW=0.388, CR=5.167, sig.0.00) followed by development (SRW= 0.329, CR= 4.254, sig. <0.001) and quality policy (SRW=0.258, CR= 3.287, sig. <0.01, Figure 2) but there is insignificant relationship between HR policy (F3), benchmarking (F4) and motivation Strategy (F1). Thus the second hypothesis stands to be partially accepted

Though all dimensions of talent management are related with each other but an attempt was made to see the effect of talent management dimensions on each other. The result of path analysis explored the direct and significant effect of HR on training and development (SRW= 0.388 and 0.329, sig < .001, Table 8). But the indirect effect of HR policy on Development through training is low but significant. Thus our hypothesis that HR policy affects development directly as well as indirectly through training is accepted.

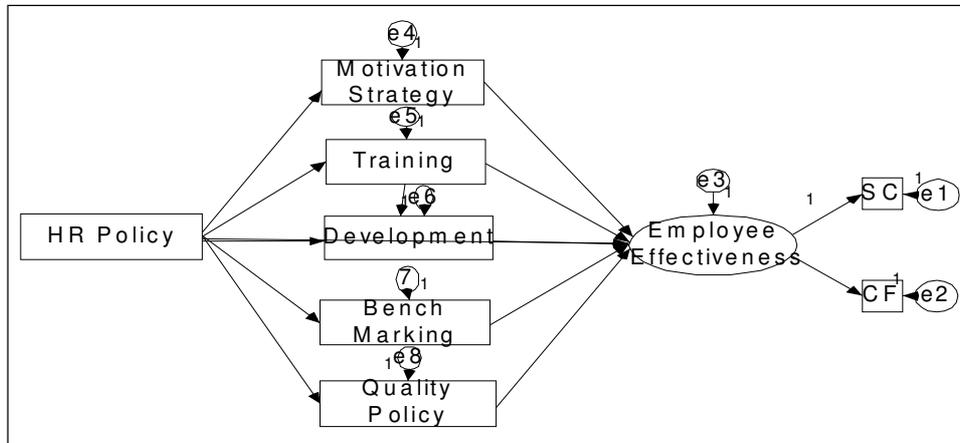


Figure 2: Impact of HR policies on Employee Effectiveness

Key: e1-e2 =Errors of Factors of employee effectiveness, e3=Error of Employee effectiveness, e4-e8 = Errors of factors of Talent management, SC=Service culture & CF= Customer focus.

Table 8: Effect of HR policy on dimensions of talent management and employee effectiveness

Independent	Dependent	SRW	C.R.
Training	HR Policy	.388	5.167***
Motivation Strategy	HR policy	.013	.159
Development	HR policy	.329	4.254***
Benchmarking	HR policy	.121	1.503
Quality Policy	HR policy	.258	3.287**
Employee Effectiveness	HR Policy	.400	1.97*
Development	Training	.245	3.172**
Employee Effectiveness	Quality Policy	.119	1.657
Employee Effectiveness	Benchmarking	.370	5.190***
Employee Effectiveness	Development	.235	3.055**
Employee Effectiveness	Training	.109	1.423
Employee Effectiveness	Motivation	.086	1.213

Conclusion

A new approach of talent management is needed in service as well as in manufacturing sector for two key reasons- external and internal i.e. the companies are not developing the required talent to stay competitive in their business and most of the companies aren't doing talent planning, or their planning is wrong (Berger and Berger, 2004) Basically, talent management process entails efficient utilization of human assets of the organisation, so if properly implemented it will improve the efficiency of employees. The results of the study suggest that a relationship exists between talent management

and employee effectiveness which is line with earlier research by Handfield et al., (2001). The factors namely development, benchmarking, motivation and HR policy affect employee effectiveness significantly and positively. The results further verified that HR policies of the showroom are linked to the employee effectiveness through developmental aspect of talent management. The proper formulation and implementation of HR policies of the showroom makes employees of the showroom competent and effective by developing their skills through training. Though training is not directly affecting employee effectiveness but its indirect effect can be visualized through development. At the organizational level, a successful Human Resource policies and programs prepares the employees to undertake a higher level of work which improves their performance (Nadler 1984). In these settings, Human Resources Development is the framework that focuses on the development of competencies at the first stage by developing the employee, to satisfy the organization's long-term needs and the individuals' career goals (Kelly, 2001). Hence, better training methods, proper designing and formulation of HR policies and quality policies will increase employee effectiveness. Greater stress should be paid to the formulation and implementation of HR policies because for managing the talent in an organisation, it is the HR policy which plays a major role and it affects every aspects of talent management and there by affecting employee effectiveness Thus, the study concludes that talent management is the bigger priority for the automobile service sector mainly because Maruti is a renowned company with a huge market share and its ability to get enough talented employees is one of the biggest issue, which can affect not only employees' performance but also other major aspects of the business.

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Summary of result from scale purification for Talent Management

Talent Management	Factor Loading	Communalities	Mean	S.D	Alpha	Eigen Value	KMO	VE
Motivation Strategy (F1)			6.37		0.926	2.680	0.789	15.765
Incentives for Motivation	0.957	0.643	6.25	0.817				
Emphasis on Quality Awareness Programme	0.959	0.854	5.82					
Indirect benefit scheme	0.846	0.628	6.07					
Training (F2)			5.96		0.778			
Usage of Improvement Strategy Like Quality Circles	0.856	0.647	5.82	0.822		2.436		14.328
Budget for Employee education and Training	0.857	0.446	6.00	0.817				
Training for enhancing Communication skills among Employees	0.769	0.808	6.07	0.759				
HR Policies (F3)			6.66		0.778			13.624
Importance is given to Experience at the time of Recruitment	0.816	0.757	6.08	0.762		2.316		
Employees have adequate authority	0.763	0.74	5.93	0.751				
Employees are aware about their Business Goals.	0.673	0.598	6.19	0.716				
Development (F4)			6.18		0.704			
Importance is given to Job Enrichment.	0.891	0.854	6.34	0.633		2.130		12.531
Continuous Improvement strategies are implemented for Employee's growth	0.852	0.865	6.21	0.677				

Contd..

Employees are Encouraged to give Innovative Suggestions	0.597	0.768	6.01	0.677			
Benchmarking (F5)			6.02		0.707		
Benchmarking is practiced	0.791	0.799	5.68	0.568		1.723	10.137
Emphasis on Benchmarking the Employee Satisfaction	0.867	0.769	6.25	0.645			
Periodic Appraisal about effectiveness of Quality management processes	0.789	0.675	6.13	0.755			
Quality Policy (F6)			6.12		0.724	1.494	8.788
Quality Policy is Implemented Properly	0.762	0.886	5.98	0.745			
Qualitative Career advancement programmes for all levels of Employees.	0.799	0.740	6.26	0.734			
<i>Total</i>			6.101				75.173

Annexure II

Summary of result from scale purification for employee effectiveness

Talent Management	Factor Loading	Communalities	Mean	S.D	Alpha	Eigen Value	KMO	VE
Service Culture (F1)			6.14	8.20	0.829	1.202	0.634	42.527
Employees Follow the philosophy Make it Right first time	0.921	0.876	6.10	0.815				
Realisation and Practice of the motto 'Service to Customers'	0.959	0.897	6.05	0.820				
Employees believe that quality management is essential for survival in the highly competitive market	0.874	0.845	6.28	0.645				
Customer Focus (F2)			6.24	8.33	0.735			
Employees understand the needs/ expectations of the customers	0.909	0.893	6.29	0.838		1.100		29.063
They make customers feel safe and secure	0.912	0.756	6.19	0.828				
Total Mean and Variance Explained		6.14						71.589

Talent Quotient Model for Effective Talent Management

AJAY KR. SINGH AND MS. SONIA SABHARWAL

Based on a sample study of 70 respondents from the public and private service sector employees using factor analysis, seven important factors were found which constitute talent. It was also found after applying non-parametric Mann Whitney test that there is no significant difference between the opinion of public and private sector respondents.

Introduction

The important dimensions which constitute the concept of talent management are attraction, retention, motivation and engagement, development, and succession planning. But they are bundled together to produce a more coherent whole that can be a vehicle for the development and implementation of coordinated and mutually supporting activities that help the organization to get and to keep the talented people it needs.

The idea of talent management is attractive for many reasons. Managers and HR professionals feel they should be doing more about developing their organization's workforce for the future and talent management is assumed to be just about this. Talent management is about positive things—doing things for your people, investing in developing them, building on their potential and, therefore, helping people make the best use of their strengths and improve upon their weaknesses. The term talent management can also have the potential to apply both to meeting the needs of the organization and of the individual, which is in tune with the current sense of what HR professionals should be trying to do. Talent management starts with the business strategy and what it signifies in terms of the talented people required by the organization. Ultimately, its aim is to develop and maintain a talent pool consisting of skilled, engaged, and committed workforce.

Wikipedia (2009) defines talent management as: *the process of developing and fostering new workers through on boarding, developing and keeping current workers and attracting highly skilled workers at other companies to come work for your company.* Companies that are engaged in talent management are strategic and deliberate in how they source, attract, select, train, develop, promote, and move employees through the organization.

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Development Dimension International (DDI 2009) defines talent management as the system, in which people are recruited, developed, promoted, and retained to optimize the organization's ability to realize positive business outcomes in the face of shifting competitive landscapes and labor requirements. More specifically, talent management is a business process that systemically closes the gap between the talent an organization has and the talent it needs to successfully respond to current and emerging business challenges.

Good talent management programs can add real benefit to the company by generating tangible amounts of enthusiasm, inspiration and commitment, all of which are essential to business. They can also give rise to product innovation, creating new client relationship, and identifying different ways of achieving the overall business strategy. All of these things contribute directly to bottom-line profitability

Review of Literature

McKesson Corporation (2004), 173 years old and one of the most respected companies in the U.S. agreed on a plan to develop and implement an enterprise wide talent acquisition system. With the ability to measure, manage and improve talent acquisition efforts on a continuous basis, McKesson now enjoys an added strength in the recruiting marketplace. Russell Reynolds Association (2008). The idea of talent management is not new-it is simply the binding together of many previously distinct HR disciplines as a means of harnessing human assets to drive business results. But its practice is more sophisticated, complex, and demanding than ever, and the professionals armed with the required skill set and experiences are in great demand. In other words, there is not enough talent in talent management. The BCG and World Federation of Personnel Management Associations (2008) recently conducted a survey of more than 4700 executives in 73 nations. The study identified a number of critical challenges for companies, with managing talent emerging as the most important. By managing talent we mean ways, in which a company attracts, recruits, retains, identifies, and develops a high potential people throughout the organization.

Talent management is alive and well, but the focus in Human Resources Information Technology (HRIT) applications is shifting from recruiting toward retention and development of existing staff as the full impact of recession becomes clearer. This was a key finding in the 11th annual edition of the (Cedar Crestone 2008-09) HR Systems Survey: HR Technologies, Service Delivery Approaches, and Metrics. The use of talent management applications is linked to better financial performance is the most recent Cedar Crestone research. In fact, organizations that used talent management applications reported higher financial performance than those not using these applications. Talent management strategies continue to be an important component of organizational success, according to the talent survey. More than 60% of the organizations feel that the importance of talent management has increased in the past year and only 2% feel talent management has

become less important. (Anderson 2009). According to the U.S. Department of Labor's Bureau of Labor Statistics, the unemployment rate between 2007 and the end of 2008 rose sharply. IDC studies show that more than half of companies continued to experience a noticeable candidate shortage in 2008. This dynamics of increasing unemployment and continued difficulty filling roles suggests the skills required for some open positions remain in tight supply. (Anderson 2009)

Reed (2001) claims that: "every worker is five minutes away from handing in his/her notice, and 150 working hours away from walking out of the door to a better offer. There is no such thing as a 'job for life' and today's workers have no qualms about leaving employees for greener pastures. The average permanent job in the UK lasts six years.

A retention strategy takes into account the particular retention issues, the organization is facing and sets out ways in which these issues can be dealt with. This may mean accepting the reality, as mentioned by Cappelli (2000), that the market, not the company will ultimately determine the movement of employees. Cappelli believes that it may be difficult to counter the pull of the market-'you can not shield your people from attractive opportunities and aggressive recruiters', and suggests that: 'the old goal of HR management -to minimize overall employee turnover-needs to be replaced by a new goal: to influence who leaves and when'. Talent issues are clearly on the core agenda of top executives and concern them more and more. Most top executives today are spending more and more time on talent related issues. A 2006 survey by the Economist Intelligence Unit and Development Dimensions International (DDI 2009) showed that on average CEO's thought they were spending around 20% of their time on people issues and many reckoned it was a lot more.

Various studies have been done to identify the variables which are important in measuring talent like Berger & Berger (2004), Bryan (2007), Khan (2004); in retaining talent like Branham (2000); and enhancing talent like Cheese et.al.(2008).

Objectives of the study

The objectives of the present study:

- To study the measurable set of factors that constitutes Talent.
- To analyse the differences in the responses of public and private sector employees with regard to set of factors that constitutes Talent.

Hypotheses of the study

To achieve the above objectives, following **Null (HO) and Alternate (HA) Hypotheses** have been formulated:

HO1: There are no measurable set of factors that constitutes Talent.

HO2: There are no significant differences in the responses of public and private sector employees with regard to a set of factors that constitutes Talent.

Research Methodology

For the purpose of the study, both primary and secondary data sources of information were used. Published books, journals and periodicals, etc., constituted the secondary sources of information. Primary data to test the hypotheses was collected by administering a structured questionnaire to a sample of 70 managerial personnel working at the upper, middle, and lower levels of different organizations belonging to public (30 respondents) and private sectors (40 respondents) on a random basis. Organizations were selected from the various service sector industries based on Judgment sampling. The data collected from the respondents has been used to test the hypotheses of the study. The various univariate and multivariate analysis tools like mean, standard deviation, factor analysis, have been used to analyse the data along with non-parametric independent group test i.e., Mann-Whitney U test. Inferences and conclusions have been drawn on the basis of the data analysis using statistical tools.

Reliability of the instrument

To measure the reliability of the instrument, Cronbach's alpha, Spearman-Brown's equal length split half, and Guttman's split half tests were conducted.

High value of these tests indicates high internal consistency of the multiple items measuring the construct. Nunnally (1978) recommends that the value of alpha should be more than 0.7.

The various coefficients of Cronbach's alpha, Spearman-Brown's equal length split half, and Guttman's split half technique all revealed high reliability coefficients.

The instrument has Cronbach alpha coefficient of 0.826, Spearman-Brown's equal length split half coefficient of 0.851 and Guttman's split half coefficient of 0.850 indicating high level of reliability (Table 1).

Table 1: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.826	.917	23

Data Analysis

A structured questionnaire was designed that contained a list of 23 variables that helped in determining an individual's talent. (Candidate Resource 2009) Respondents were asked to rate the variables on a scale of 1-10 according to the importance of the variables in measuring an individual's talent.

Table 2: Descriptive Statistics

Descriptive Statistics			
	N	Mean	Std. Deviation
Leadership	70	8.76	7.507
Personal Motivation	70	8.40	1.232
Critical Judgment	70	8.27	1.048
Problem Solving & Analysis	70	8.26	1.099
Accountability	70	8.24	1.459
Action Orientation	70	8.21	1.048
Customer Orientation	70	8.21	1.693
Resilience	70	8.10	1.105
Quality Orientation	70	8.04	1.488
Interpersonal Sensitivity	70	8.03	1.744
Flexibility	70	7.99	1.440
Interpersonal Skill	70	7.99	1.268
Teamwork	70	7.96	1.439
Technical/Functional Expertise	70	7.80	1.593
Collaboration/Integration	70	7.80	1.708
Creativity/Innovation	70	7.70	1.438
Planning & Organizing	70	7.69	1.470
Questioning/Probing	70	7.59	2.123
Oral Communication	70	7.56	1.481
Written Communication	70	7.51	1.359
Persuasiveness	70	7.50	1.338
Strategic Awareness	70	7.30	1.507
Commercial Awareness	70	7.29	1.889

Leadership emerged as the most important followed by personal motivation.

Validity of the Instrument using Factor Analysis

A factor is a sort of super-variable with its commonness expressed by the group of variables having high inter-correlations but low correlations with any other group (Burns & Burns 2008) The goal of using this statistical tool is to study the pattern of relationship between many variables and determine constructs or factors that bind them together (herein item is mentioned as variable). Principal Component Analysis method is used to determine the minimum number of factors that will account for maximum variance in the data for use in subsequent multivariate analysis.

The construction of the meaningful indices was initiated by the use of principal components analysis with varimax rotation. Factor analysis was deemed necessary since it was considered prudent statistically to ascertain whether the adopted list of variables (items) pictured differing dimensions of talent. To check the sampling adequacy Kaiser-Meyer-Olkin (KMO) measure was used. This statistic should be greater than 0.5 for satisfactory analysis to produce. For this scale KMO measure is 0.690 and, therefore, satisfactory also. Bartlett's test is significant i.e., associated probability is less than 0.05 This means that the items included in the scale do have correlation to each other. Thus, factor analysis is an appropriate technique for analysing the data.

A factor loading is the correlation between an item and a factor that has been extracted from the data. Seven factors are extracted from the analysis with the eigen value of more than 1. All the factors have a loading of more than 0.30.

A Principal component analysis with subsequent rotation (varimax) was conducted on 23 items related to Talent variables. All communalities (i.e. proportion of variance explained by the common factors) varied from 0.935 to 0.675.

Table 3: Principal component analysis of talent variables

Factor	Rotated sum of squared loadings		
	Total	% of variance	Cumulative %
1	4.392	19.096	19.096
2	3.300	14.349	33.445
3	3.055	13.281	46.726
4	3.016	13.115	59.841
5	1.729	7.519	67.361
6	1.544	6.714	74.074
7	1.435	6.238	80.312

Kaiser-Meyer-Olkin measure of sampling adequacy = 0.690

Bartlett test of sphericity

Approx. Chi-square = 1.401E3, df =253, significance = .000

Table 4: Rotated factor matrix

S.No.	Items	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7
1	Action Orientation						0.748	
2	Creativity/ Innovation			0.693				-0.511
3	Critical Judgment		0.547					-0.606
4	Customer Orientation	0.736					0.489	
5	Interpersonal Skill	0.738		0.531				
6	Leadership							0.767
7	Teamwork	0.549	0.443	0.387				
8	Technical/Functional Expertise					0.839		
9	Planning & Organizing		0.809		0.306			
10	Quality Orientation		0.585	0.447			0.308	
11	Persuasiveness	0.301			0.693			
12	Problem Solving & Analysis				0.853			
13	Oral Communication	0.575		0.367	0.365			
14	Written Communication	0.482			0.372	0.555		
15	Commercial Awareness	0.653		0.610				
16	Strategic Awareness	0.312			0.601	0.379		
17	Interpersonal Sensitivity	0.892						
18	Flexibility	0.696	0.574					
19	Resilience		0.813					
20	Personal Motivation	0.355	0.652	0.353				
21	Questioning/Probing				0.855			
22	Accountability	0.324		0.568	0.310	-0.367	0.363	
23	Collaboration/Integration			0.821				

Notes: Principal components analysis with varimax rotation, converging in twenty six iterations (all loadings less than 0.3 suppressed)

Applying Kaiser's rule i.e., selection of factor for interpretation with eigen values greater than 1 is known as Kaiser's rule, seven factors were deemed important. The twenty three variables were reduced to seven major factors using Kaiser's rule and scree test. First factor accounted for 19.09 percent of the variance, the second accounted for 14.35 percent, third factor accounted for 13.28 percent of the variance, the fourth factor accounted for 13.12 percent, fifth factor accounted for 7.52 percent of the variance, the sixth accounted for 6.71 percent, seventh factor accounted for 6.24 percent

of the variance. These seven rotated factors account for 80% of the covariance among the variables.

It is to be noted that all the items have high factor loadings, so all the items were accepted which established the construct validity of the instrument.

Mann-Whitney U Test

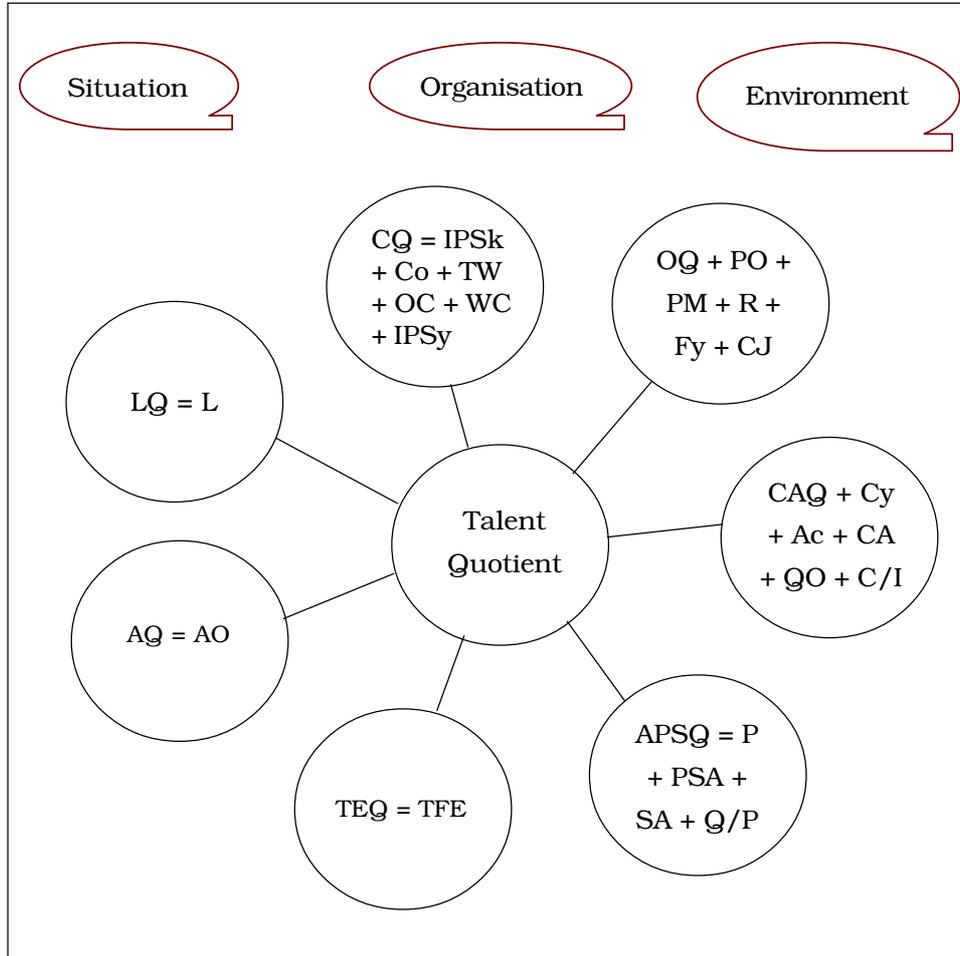
An independent group Mann-Whitney U Test was conducted to evaluate the null hypothesis (H₀) that no significant differences existed between the responses of two sectors i.e., public & private sector.

Table 5: Output for Mann-Whitney U Test

	Mann-Whitney U	Wilcoxon W	Asymp.Sig.(2tailed)
Rank of VAR00001	567.000	1387.000	0.680
Rank of VAR00002	562.500	1027.500	0.644
Rank of VAR00003	537.500	1357.500	0.440
Rank of VAR00004	553.500	1373.500	0.571
Rank of VAR00005	575.500	1395.500	0.763
Rank of VAR00006	533.000	1353.000	0.408
Rank of VAR00007	526.500	1346.500	0.368
Rank of VAR00008	569.000	1389.000	0.705
Rank of VAR00009	561.000	1381.000	0.636
Rank of VAR00010	447.500	1323.000	0.239
Rank of VAR00011	461.000	1281.000	0.091
Rank of VAR00012	471.000	1291.000	0.108
Rank of VAR00013	447.500	1267.500	0.058
Rank of VAR00014	551.500	1371.500	0.553
Rank of VAR00015	571.500	1391.500	0.728
Rank of VAR00016	571.500	1352.000	0.410
Rank of VAR00017	568.000	1388.000	0.698
Rank of VAR00018	538.500	1358.500	0.454
Rank of VAR00019	504.500	1324.500	0.233
Rank of VAR00020	489.000	1309.000	0.172
Rank of VAR00021	558.000	1378.000	0.610
Rank of VAR00022	579.000	1399.000	0.799
Rank of VAR00023	597.000	1062.000	0.971

Table 5 displays Mann-Whitney U value and the significance level. For all the variables the significance value is more than 0.05 (i.e. 5% significance level). Thus the result shows that there is no significant difference in responses of public and private sector employees in identifying the variables that constitute Talent.

Figure 1: Talent quotient model for effective talent management



TQ (Talent Quotient) = CTCQ + MJRQ + AQIQ + APPQ + TFEQ + ACOQ LEDQ

CTCQ (Customer Orientation, Teamwork & Communication)	=	CO [Customer Orientation (8.21)] + IPSy [Interpersonal sensitivity (8.03)] + IPSk [Interpersonal Skillas (7.99)] + TW [Team work (7.96)] + OC [Oral Communication (7.56)] + WC [Written Communication (7.51)]
MJRQ (Motivation, Judgement & Resilience Quotient)	=	PM[Personal Motivation (8.40)] + CJ [Critical Judgement (8.27)] + R [Resilience(8.10)] + FY [Flexibility (7.99)] + PO [Planning & Organising (7.69)]
AQIQ (Accountability, Quality & Integration Quotient)	=	AC [Accountability (8.24)] + QO [Quality Orientation (8.04)] + C/I[Collaboration Integration (7.80)] + CY (Creativity & innovation (7.70)] + CA [Commercial awareness (7.29)]
APPQ (Analysis, Probing & Integration Quotient)	=	PSA [problem solving & analysis (8.26)] + Q/P [Questioning/probing (7.59)] + P [Persuasiveness (7.50)] + SA [Strategic Awareness (7.30)]
TFEQ (Technical & Functional Expertise quotient)	=	TFE [Technical & Functional Expertise (7.80)]
ACQO (Action Orientation quotient)	=	AO[Action Orientation (8.21)]
LEDQ (Leadership Quotient)	=	L[Leadership (8.76)]

Note: Mean scores of each variable are indicated in brackets

Source: Made by Authors based on data analysis

Conclusions

A Principal Component Analysis with subsequent rotation (Varimax) was conducted on 23 items (variables) of the questionnaire. Both KMO and Barlett's tests produced criteria that supported the application of PCA.

- Applying Kaiser's rule and the Scree test, seven factors were deemed important.
- Following rotation, factor 1 was loaded with 6 items that reflects Customer Orientation, Teamwork & Communication Quotient (i.e. item no. 4, 5, 7, 13, 14, & 17)
- Factor 2 was loaded with 5 items that reflects Motivation, Judgement & Resilience Quotient (i.e. item no. 3, 9, 18, 19, & 20),
- Factor 3 was loaded with 5 items that reflects Accountability, Quality & Integration Quotient (i.e. item no.2, 10, 15, 22, & 23),
- Factor 4 was loaded with 4 items that reflects Analysis. probing & Persuasiveness Quotient (i.e. item no.11, 12, 16, & 21),
- Factor 5 was loaded with 1 item that reflects Technical & Functional Expertise Quotient (i.e. item no. 8),

- Factor 6 was loaded with 1 item that reflects Action Orientation Quotient (i.e. item no. 1),
- Factor 7 was loaded with 1 item that reflects Leadership Quotient (i.e. item no.6).
- All the items had a high factor loading, so no item was dropped. So it is concluded that we can have a Talent Quotient that contains these seven factors.

Thus we reject the null hypothesis Ho1: There are no measurable set of factors that constitutes Talent. We accept the alternate hypothesis HA1: There are measurable set of factors that constitutes Talent. Hence we can conclude that talent can be measured and whatever can be measured can be managed.

Mann-Whitney U Test was conducted to check whether significant differences exist in the responses of public and private sector employees. For all the variables the significance value is more than 0.05 (i.e. 5% significance level). Thus the result shows that there is no significant difference in responses of public and private sector employees in identifying the factors including the variables that constitute Talent.

Thus the null hypothesis Ho2 is accepted that: There are no significant differences in the responses of public and private sector employees with regard to a set of factors that constitutes Talent. Therefore, we reject the alternate hypothesis HA2: There are significant differences in the responses of public and private sector employees with regard to a set of factors that constitutes Talent.

Recommendations

It is said that whatever can't be measured, can't be controlled, and whatever can't be controlled can't be managed. That was the prime reason for an evolving concept of talent management which prompted us to deal with measurement part of talent so that it can be controlled and managed in an effective manner. Hence people should start measuring Talent Quotient in their organizations so that they can manage them effectively.

A model has been developed based on the primary data collected through structured questionnaire followed by data analysis and findings of study. The Talent Management model shows the constituents of talent in the form of a diagram (Figure 1 given below) and equation which can be used to manage the talent in an effective manner.

It is important to note that Talent Management is in the context of organization, environment, and situation. The same talent would be underutilized if not given the proper environment. Further it is the situation that would decide the effectiveness of the talent of an individual.

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Talent Management and Quality of Work Life: An Analysis of Indian Banking Sector

MANOJ PILLAI

Quality of work life is one concept which is designed specifically to reduce stress; increase motivation and retain employees through creation of a positive work place. It is a philosophy, a set of principles, which holds that people are the most important resource in the organization as they are trust worthy, responsible and capable of making valuable contribution and they should be treated with dignity and respect. This article delves into all the relevant aspects of quality of work life specifically relating it to the Indian Banking Sector.

Introduction

In order to grow and prosper many companies are seeking business opportunities in global markets. The economic liberalization and increased privatization across the globe has resulted in competition and co-operation with foreign companies on a larger scale, particularly after 1991. These new parameters and constructs of international business has made the nature of global business extremely dynamic and it is essential to have a balanced approach on the issues related to different geographies, cultures, laws and business practices. The neo liberal economic environment provides new and broader opportunities for organizations. It also represents an increase in the complexities of human resources management.

Objectives

The objectives of the research are as follows:

- (1) To study the extent of competition and the level of employee motivation.
- (2) To analyze the changes in nature of job due to competition and office automation and its impact on employees.
- (3) To examine the various aspects of quality of work life components present in the Indian banking setup and operational environment.
- (4) To study whether any innovative methods have been evolved to enhance the motivation level of employees and to reduce the work related stress in the wake of the competitive business environment.

Literature Survey

Katz, Harry (1983) conducted an inter plant analysis employing pooled time series and cross section data from 18 plants within a division of General Motors for the years 1970 to 1979. The empirical results show a strong association between industrial relations and economic performance measures and support for the hypothesis that quality of work life effort improve both kinds of performance. Robert Golembiewski and Ben-chu Sun studied 231 applications of QWL (from bibliographies, journals, books, unpublished reports, dissertations, theses, and so on) that were conducted over twenty-two years (1965-1987). The success rates for four major classes of QWL (human processual, sociotechnical systems, techno structural, and combined), which encompass fifteen separate types, were substantial for hard-criteria effects as well as for soft changes, such as those in attitudes, opinions, and self-reports about worksite features. This article explains the outcomes, predictions, limitations, and perhaps the biases of their research. Despite minor inadequacies in design the authors remain adamant about the success of QWL - so much so that they recommend greater reliance on its techniques. R.S.M. Lau

Bruce E. May (2007) developed and tested hypotheses to examine empirically how the perceived image of a company's quality of work life will affect its market and financial performances. Growth and profitability of two groups of publicly held companies were compared based on sales growth, asset growth, return on equity, and return on assets. The first group consisted of fifty-eight companies identified as the best companies to work for in the United States; the second group consisted of eighty-eight of Standard and Poor's top one hundred companies. Statistical evidence found in this study supports a paradigm that aligns the interests of the investor, manager, and employee stakeholders into a win-win situation. Findings from this empirical study suggest that companies with high quality of work life can also enjoy exceptional growth and profitability. Greenhaus (2002) examined the relation between work-family balance and quality of life among professionals employed in public accounting. Three components of work-family balance were assessed: time balance (equal time devoted to work and family), involvement balance (equal involvement in work and family), and satisfaction balance (equal satisfaction with work and family). For individuals who invested substantial time in their combined work and family roles, those who spent more time on family than work experienced a higher quality of life than balanced individuals who, in turn, experienced a higher quality of life than those who spent more time on work than family. They observed similar findings for involvement and satisfaction. They identified the contributions of the study to the work-family balance literature and discussed the implications of the findings for future research. Havlovic, Stephen (2002) develops and tests hypotheses regarding the influence of Quality of Work Life (QWL) initiatives on absenteeism, accidents, grievances, and quits, using monthly longitudinal human resource archival data collected at a unionized Midwestern heavy manufacturing firm for the period from 1976 to 1986. The sample size is 129 months (48 months of pre-QWL measures and 81 months of post-QWL measures). Auto regressions procedures are utilized to examine

the direct impact of QWL on human resource outcomes. QWL is found to significantly reduce absenteeism, minor accidents, grievances, and quits.

Hypotheses

- H₁** : Nature of job has become more challenging in the post liberalization era.
- H₂** : Work environment and quality of work life affects motivation and morale of employees.
- H₃** : In order to effectively operate in the competitive environment, Public Sector banks have initiated steps to improve and enhance quality of work life

Methodology

The proposed research work is primarily based on primary data which is collected from three public sector banks operating in Mahe Administrative territory of the Union Territory of Pondicherry. Survey method is adopted to collect information relating to primary data.

A detailed questionnaire is prepared after an extensive study of the literature. The proposed research work is based on census analysis of the three public sector banks operating in Mahe administrative region of Pondicherry State. Appropriate statistical measures like percentage, correlation, frequencies, and cross tribulations etc. has been used for the analysis of data. The help of statistical package for social science research (SPSS) software version 13.0 for windows is also taken to analyze the data.

Analysis

Seventy five percent of the total respondents agree on the point that liberalization of the banking sector has resulted in the change of business

Table 1: Response of the respondents

Attributes	Response	Frequency	Percent
Nature of Banking Industry	Strongly agree	10	25.0
	Agree	30	75.0
	Total	40	100.0
Nature of Work	Strongly agree	13	32.5
	Agree	27	67.5
	Total	40	100.0
Work related stress	Strongly agree	13	32.5
	Agree	27	67.5
	Total	40	100.0

environment. Banking operation has become more dynamic and competitive in the liberalized economic system. 32.5 percent of the respondents strongly agree that nature of work has become more challenging and complex in the post liberalized environment and 67.5 percent of the respondents agree that the nature of work is more challenging in the post liberalized business environment. Thirty two and a half percent of respondents believe that work related stress has increased in banking sector in the post liberalized area similarly 67.5 percent of the respondents agree on the same point. Thus the above findings prove the hypothesis that the nature of job has become more challenging in the liberalized Indian economy.

The two-tailed correlation test shows a high degree of correlation (.943) between the nature of work and its adverse affect on the non work life of employees. The two-tailed correlation test (.588) shows significant correlation between nature of work and work related stress. The two co-relation tests prove the fact that there is direct relation between nature of work, stress and imbalance between work and non - work life. Thus the work environment affects motivation and morale of the employees. All the respondents believe that cordial office environment is an integral part of Quality of work life. Majority of the respondents are of the opinion that regular training increases the skill and efficiency of the employees. All the respondents are of the opinion that career advancement and promotions are vital components of Quality of Work Life. Majority of the respondents are satisfied with the career advancement and promotion schemes of their banks Majority of respondents never participated in any skill development training programs.

Factors Influencing the Job Satisfaction and Motivation

The respondents were asked to rank five factors which directly influence the job satisfaction and motivation aspects. 30 respondents (75%) gave the rating as highlighted in the table given below. The remaining 10 (25%) respondents share a similar rating opinion as far as salary, recognition, working condition and welfare measures components are concerned. The only difference in these 10 respondents ratings is related to recognition and opportunity for advancement components where they have given second rating to opportunity for advancement and third rank to recognition. Thus, based on overall majority opinion the following table highlights their rating in a descending order:

Table 2: Factors Influencing the Job Satisfaction

Factor	Rating
Salary	1
Recognition	2
Opportunity for advancement	3
Working condition	4
Welfare Measures	5

Level of Satisfaction on Attributes Relating to Work Load, Work Timings, Working Conditions, and Leave Rules Based on Respondent Rating is described below:

Work Load – 75% Satisfied and 25% Neutral

Work Timings – 80% Satisfied and 20% Neutral

Working Conditions – 90% Satisfied and 10% Neutral

Leave Rules – 80% Satisfied and 20% Neutral

All the respondents are satisfied with the work load, office timings, working conditions and leave rules. The most striking aspect to note here is that no respondent gave any adverse comment on the above attributes. Only few respondents were neutral in their response. The study reveals that even though there are notable changes in the volume and nature of work there is a very high level of satisfaction among the employees relating to work load, work timings, working conditions and leave rules.

Findings of the Study

1. There has been a direct and strong impact of globalization and economic liberalization on the Indian banking sector. The liberalized environment and global orientations have made banking sector in India more dynamic and competitive.
2. Banking operations and the nature of work has become more challenging and complex after economic liberalization. Technological changes have made the nature of work more technology specific which is a strategic shift from manual based branch operations.
3. Human resource development and management has attained centre stage as far as efficient and effective banking operations are concerned.
4. Quality of work life has assumed tremendous significance in the wake of all the new innovative developments in the Banking Sector.
5. Banking operations have become more demanding and as a result work related stress is on the rise. Similarly the volume of work is affecting the non work life as personal life.
6. Technical skill and specific human skills have become the need of the hour in order to manage the branch operations in a better and effective way.
7. Regular training has become as important facet for enhancing the Quality of Work Life. The dynamic nature of business operations requires regular training so that the employees remain up dated with the latest development. Every new generation banks must initiate mechanism for developing competency of the employees.
8. Career advancement and promotions have assumed high significance as it enhances the quality of work life in an organization.
9. Employees have a high level of satisfaction with the promotion and career advancement schemes of the banks.

10. Salary is the most important factor which influences the job satisfaction and motivation of the employees. Recognition, Opportunity for Advancement, Working Conditions and Welfare Measures all play a positive role in enhancing motivation and job satisfaction.
11. Employees are satisfied with the volume of work they are performing. They are also satisfied with the present work timings, working conditions and the leave rules.
12. Employees had very little opportunities for attending skill development training programs.

Based on the above findings it can be opined that there has been revolutionary changes in the Indian Banking Sector during the last two decades. Competition, innovative technological changes and innovative products have all made the banking sector a dynamic entity. Human Resource is a strategic component of banking sector as they assume a pivotal place in the efficient banking operations. Quality of work life has assumed tremendous significance in the wake of all these developments. Motivation and efficiency of the workers depend on the various constructs of Quality of Work Life. Banking Organizations in India have risen to the occasion as they have initiated numerous initiatives for the enhancement of Quality of Work Life for its employees which has resulted in improved operational performances on part of the employees.

Conclusion

Banking scenario has changed rapidly since 1990s. The decade of 90s has witnessed a sea change in the way banking is done in India. The financial sector now operates in a more competitive environment than before and intermediates relatively large volume of international financial flows. In the wake of greater financial deregulation and global financial integration, the biggest challenge before the regulators is of avoiding instability in the financial system. Competition is going to be tough and with financial liberalization under the WTO, banks in India will have to benchmark themselves against the best in the world. For a strong and resilient banking and financial system, therefore, banks need to go beyond peripheral issues and tackle significant issues like improvements in profitability, efficiency and technology, while achieving economies of scale through consolidation and exploring available cost-effective solutions.

Public Sector Banks need to fundamentally strengthen institutional skill levels especially in sales and marketing, service operations and risk management. Old private sector banks also have the need to fundamentally strengthen skill levels. However, even more imperative is their need to examine their participation in the Indian banking sector and their ability to remain independent in the light of the discontinuities in the sector. New private banks could reach the next level of their growth in the Indian banking sector by continuing to innovate and develop differentiated business models to profitably serve segments like the rural/low income and affluent/ HNI segments; actively adopting acquisitions as a means to grow and reaching the next level of performance in their service platforms. Attracting, developing

and retaining more leadership capacity would be the key to achieving this and would pose the biggest challenge. Foreign banks committed to making a play in India will need to adopt alternative approaches to win the “race for the customer” and build a value-creating customer franchise in advance of regulations potentially opening up post 2009. At the same time, they should stay in the game for potential acquisition opportunities as and when they appear in the near term. Maintaining a fundamentally long-term value-creation mindset will be their greatest challenge. The extent to which Indian policy makers and bank managements develop and execute such a clear and complementary agenda to tackle emerging discontinuities will lay the foundations for a high-performing sector in 2010.

The core function of HRD in the banking industry is to facilitate performance improvement, measured not only in terms of financial indicators of operational efficiency but also in terms of the quality of financial services provided. Factors like skills, attitudes and knowledge of the human capital play a crucial role in determining the competitiveness of the financial sector. The quality of human resources indicates the ability of banks to deliver value to customers. Capital and technology are replicable but not the human capital which needs to be valued as a highly valuable resource for achieving that competitive edge. The primary emphasis needs to be on integrating human resource management strategies with the business strategy. HRM strategies include managing change, creating commitment, achieving flexibility and improving teamwork. The other processes representing the overt aspects of HRM, viz. recruitment, placement, performance management are complementary. The core function of HRD in the banking industry is to facilitate performance improvement, measured not only in terms of financial indicators of operational efficiency but also in terms of the quality of financial services provided. Factors like skills, attitudes and knowledge of the human capital play a crucial role in determining the competitiveness of the financial sector. The quality of human resources indicates the ability of banks to deliver value to customers. Capital and technology are replicable but not the human capital which needs to be valued as a highly valuable resource for achieving that competitive edge. The primary emphasis needs to be on integrating human resource management strategies with the business strategy. HRM strategies include managing change, creating commitment, achieving flexibility and improving teamwork. The other processes representing the overt aspects of HRM, viz. recruitment, placement, performance management are complementary. Thus it can be concluded that there has been widespread and dynamic changes in the Indian Banking Sector. Human Resource occupies an important and pivotal place in the overall banking system. Employee motivation and job satisfaction are two vital components which has tremendous influence on the human performances and approach. A well developed Quality of Work Life design or constructs will help in the creation and development of human capital and these human capitals which will perform in an effective and efficient manner in the contemporary dynamic business environment.

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Technical Session IV **Talent Management in Globalised Scenario**

ABSTRACTS

Talent Management in Globalised Scenario — A study of Hospital Administration in Iraq/ Neurosurgical Hospital

ABDULRIDHA L. JASSIM AND ABDUL AZIZ ANSARI*

Cost analysis and its measuring within hospitals departments represent a necessary phase in their scientific progression. Nowadays health care organizations are struggling to measure and manage their costs. Cost of a patient s' hospitalization is consist of total units cost of services used by patient in each department.

Talent Management: A Tool of Human Capital Management

ABHINAV PATEL AND POOJA ABHINAV PATEL**

Companies that engage in talent management or human capital management are strategic and deliberate in how they source, attract, select, train, develop, retain, promote, and move employees through the organization. Research done on the value of such systems implemented within companies consistently uncovers benefits in these critical economic areas: revenue, customer satisfaction, quality, productivity, cost, cycle time, and market capitalization.

Employee Attrition in Call Centers: Causes & Strategies for Curbing Attrition

AJAY WAGH AND PRANITA SONAR***

In this era of globalization Business Process Outsourcing has become a critical agenda for many multinationals. BPOs entered the Indian Territory in the early 1990s and since then Indian economy has progressed substantially. Call centers are the fastest growing segments in ITES/BPO (Information Technology Enabled Services/ Business Process Outsourcing) sectors. India is a unanimous choice across the globe due to the availability of a large amount of cheap but skilled labour.

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Employee Retention- A Talent Management Practices in Globalize Scenario

AKHIL Y. RAMTEKE AND ASHISH D. BORIKAR*

Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial for the organization as well as the employee. Companies with high employee turnover rates are losing valuable resources in addition to money.

The Emerging Talent Management for the Global Manufacturing Industries

AMIT REHAPADE**

People are the last weapon of competitive advantage in the global market today. No matter our industry, company, or nationality, there is a battle-ready competitor somewhere who is busy thinking how to beat you. Products can be quickly duplicated and services cheaply emulated – but innovation, execution, and knowledge cannot. The collective talent of an organization is its prime source of its ability to effectively compete and win.

Talent Management in Globalised Scenario

AMRIT PAL SINGH AND PARAMANANDA SARMA***

During the economic downturn, companies were able to downsize by getting rid of redundant work force and dead wood. They also restructured the employee compensation (mostly by decreasing) to stave off financial losses. Only those employees were retained who proved their worth.

Talent Management and Business Performance in Indian Service Sector

ANSHU LILA****

Modern theories of economic growth, like that of Romer, Lucas, Jones and Manuelli, emphasize human capital in their explanation of growth. Romer (1986) states that, “in the long run growth model, knowledge is an input in the production system that has an increasing marginal productivity.” The new approach to knowledge based economy and network society gave impulse to focus more on production factors that are intangible like information and knowledge etc.

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Human Capital Management: The Key For Talent Management In Globalised Scenario

ANSHUJA TIWARI*

In the current environment of knowledge economy and business scenario of globalization, privatization and liberalization, a company's market value is less dependant on tangible assets, but relies heavily upon its intangible resources such as brands, technology and most important that is Human capital. Human resource management reflects an organization's strategy regarding people, profit, and overall effectiveness.

Talent Management in Life Insurance Corporation of India

ANUJ AGRAWAL, FURQUAN UDDIN AND SIRAZUDDIN QUERAISHI**

In the case of life Insurance companies where products are of intangible nature i.e. promise to the policyholders.. We can assume how much a talented person is needed to sell the product. The present paper explores the business strategy & Talent management practices in LIC of India. Management of talent is defined in the paper as the consequent result of courage, collaboration, compassion, control and credibility of the organization.

Global Talent Management for Sustainable Development

ANUJ AGRAWAL, FURQUAN UDDIN AND SIRAZUDDIN QUERAISHI***

To determine how leading companies develop and sustain strong talent management. This research investigates talent management process, and best practices in multinational companies. However the results suggested that competitive advantage depend upon internal alignment of various elements of a companies and embeddedness in the value.

Examining Talent Management Using Corporate Governance Proxy Measure in Banking Sector: A Case Study of SBI

ARCHANA KUMARI****

The present paper measures talent management using corporate governance as a proxy measure and examines its impact on business performance in a public sector

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bank that is State Bank of India. The quarterly reports of State Bank of India from 2006-07 to 2009-10 financial periods are examined with respect to boardroom characteristics and ownership structure. In addition to this audit and nomination committees for all the financial years are also examined to know the extent of corporate governance practices.

Talent Management Strategies & Innovation

ARCHANA PISE AND SHITAL VYAS*

The purpose of this paper is to investigate talent management and its relationship to levels of employee engagement using a different technology research design. Talent management involves individual and organizational development in response to a changing and complex operating environment.

Talent Management

ARCHANA V. WANKHEDE AND CHANDRABHAN BHOYAR**

During the agricultural age, the economy was based on land, a truly physical and very tangible asset. The industrial age followed with a manufacturing-driven economy. Higher business performance was derived through the most effective use of factories and distribution networks.

Talent Management in Global Scenario

ARYA J. PRABHUDESAI***

Talent represents a critical driver of operating results, and the associated labour costs represent one of the largest components of operating expense of many companies. Effective talent management is a fundamental prerequisite to achieving these goals. This paper highlights the inevitable role played by Talent Management in today's global scenario, as the environment has never been more complex.

Indian Rural Talent: It can be Wealth of Country, Company and Communities

ASHISH J. DAVE****

Most of the organisation efforts to attract employees but they are not trying to retaining and developing their talent. A talent management system must be worked into the national strategy and implemented in daily processes throughout the country

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as a whole. The business strategy must include responsibilities for line managers to develop the skills of their immediate subordinates.

India's March Towards a Knowledge Economy : Crucial Milestones of Talent Management

ASHOK KUMAR PRASAD AND MOHAN THAKUR*

The quality of workforce constitutes the most fundamental pillar of knowledge economy. Par excellence believes in hiring individuals who are actively involved in co-curricular activities so the educational and training accomplishments are the best surrogates of hiring the talented workforce. Building an effective employer brand is also increasingly essentials to make talent management effective.

Global Talent Management-Challenges and Opportunities in the context of International Human Resource Management

ASHOK KUMAR RATH AND BRAJA BANDHU PADHIAR**

In addition to several external conditions, most organizations are also facing several global challenges including those related to: talent flow; the managing of two generations of employees, viz., older or matured workers and younger workers; and a shortage of needed competencies.

Talent Management: An Emerging Perspective

ASHVIN KUMAR H. SOLANKI***

This article presents an overview that a talent management is helpful to each and every organization and each and every one of us.

Talent Management: An Aid to HR Management

ATAUR RAHMAN FAROOQI, HIRA ANWAR AND ASLAM KHAN****

Talent management is a set of activities that attracts, retains, motivates and develops the need of talented personnel that an organization needs now and near future. The primary goal of any human resource department is to take the correct decisions about their employees and further to upgrade the previously taken decisions.

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Next-Generation Talent Management

AVINASH HEDAHO AND PANKAJ NIMBALKAR*

In the organizational context, people's knowledge, skills, and relationships are an the biggest asset and main source of competitive advantage. As the importance of people to the bottom line grows, the rules for managing people are dramatically changing. demographic, economic, technological, and sociopolitical phenomena are driving the most drastic workforce changes in decades, creating a workforce that's more diverse, mobile, informed, and in demand than ever before.

Talent Management Issues in Foundry Industries in India in Globalized Scenario – A Case Study of Heavy Engineering Corporation Limited, Ranchi

B.B. LAL, AND DEEPAK DUBEY**

Talent Management refers to the process of attracting and retaining profitable employees, as it is increasingly more competitive between firms and is of strategic importance. The 'war for Talent' has tremendously intensified in the post globalization era.

Moving Towards Knowledge Process Outsourcing – Role of Talent Management

B.K. MOHANTY***

India has to grow with a GDP growth rate of around 10% if it has to make a transition from a developing economy to a developed economy and alleviate poverty. This requires a sustained uplift in the skills and capabilities of our workforce as well as building higher trends of productivity and employability. In an increasingly interconnected world outstanding talent must be bench marked against the best globally to deliver world class excellence consistently.

Comparitive Analysis of Interpersonal Trust and Organizational Trust Between Teaching Staff of Christ University, Bangalore and Mysore University, Mysore While Attracting and Retaining the Best Talent

BALU L****

The objective of this paper is to observe the interpersonal trust and organizational trust of Christ University and Mysore University in Karnataka and the impact on talent management (acquisition and retention). Suggestions and recommendations

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are based on the questionnaire which incorporates the feelings of all the respondents towards interpersonal trust and organizational trust.

Work-Life Balance Program- A strategic weapon to Retain and manage High-Quality Work Force (The Talent)

BHUVANA VENKATRAMAN, MONIKA SHARMA AND ANITA PRAVIN AGARWAL*

More than a decade has passed since businesses started to implement work/life-balance-friendly policies, but only a few firms are claiming success. If top managers of an organization don't support work/life programs, they are likely to fail. It is rated by many studies that it is the managers and they make work/life options and factors those motivate the employees.

The CEO's Role in Talent Management: Challenges and Strategies

BRIJESH H JOSHI AND S.N. JAISWAL**

The management of a company's pool of talent is too important to be left to the human resources (HR) department alone and has become the responsibility of the top executive. This is the main finding of a study by the Economist Intelligence Unit in co-operation with Development Dimensions International (DDI). The study consists of interviews with 20 corporate leaders. All 20 corporate leaders interviewed for the study said that talent management is their responsibility.

Talent Management in Academic Institutions: An Empirical Study

CHIMUN KUMAR NATH***

Hiring and retaining faculty is a challenge in the field of academic institutions offering professional courses. One important factor is shortage of appropriate candidates and at the same time, institutions have failed to attract talented candidates. This study examines the homogeneity of academic jobs and candidates as a tool to manage the talents. Surveys were conducted with both parties. The results show that institutions and candidates are not homogenous.

Post Recession Challenges of Talent Management

C. GOWTHAMI AND M. RAMESH BABU****

Recessions cause more, not less churn and it provides different dynamics for companies in the war for talent. The smart companies recognize and are already

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implementing smart strategies to take advantage of those dynamics. This paper attempts to know the key to retain talent lies in HR policies and practices, talent during the recession period and Talent Retention Factors.

Importance of Talent Management: An Overview

CHANDRA SHEKHAR RAVI, NAVEEN KUMAR MISHRA, NIRANJAN KUMAR NIRAJ AND KAMAL KANT MANDAL*

TM involves individual and organisational development in response to a changing & complex operating environment as well as it includes the creation and maintenance of supportive, people oriented organisation culture. It is also known as Human Capital Management (HCM), Human Resource Management System (HRMS), Human Resource Information System (HRIS) and HR Modules also.

Talent Management

D.K. VERMA, K.B. SHARMA AND J.S. MUJRAL**

Talent management is increasingly becoming a critical part of the corporate business management strategy for most organizations. Talent Management is a never-ending process, that manages the start point of a new employee to the end point when termination (of either party) occurs, namely attracting, developing, and retaining talent. An expanded definition of talent management is a more comprehensive approach of trying to build those competencies.

Challenges of Talent Management in Current Scenario

D.M. KHANDARE AND MOHAMMAD ASLAM MOHAMMAD HUSSAIN***

Current employee performance within a specific job has always been a standard evaluation measurement tool of the profitability of an employee. However, talent management also seeks to focus on an employee's potential, meaning an employee's future performance, if given the proper development of skills and increased responsibility.

Talent Management in Globalised Scenario

DHARMENDRA A. PATEL****

Talent management has never been more of an immediate concern than it is right now. But in the rush to fill a perceived talent management void, organisation must

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be careful not to rush in to implementing initiative or programs that are more about taking action than about implementing a well crafted solution. Careful planning ,cuminating in sound talent strategy that is tightly connected to the organisation's overall business strategies.

Talent Management in Globalized Scenario

DHARMENDRA KUMAR TIWARY*

Talent management implies recognizing a person's inherent skills, traits, personality and offering him a matching job. Every person has a unique talent that suits a particular job profile and another position will cause discomfort. It is the job of the Management, particularly the HR Department, to place candidates with prudence and caution.

Talent Management in Globalised Scenario

DILIP BELGAONKAR**

Talent Management Review reports on the changing dimensions of the modern labour market and outlines some of the key challenges that businesses must overcome if they are to retain their top talent. Few will argue that recruiting and retaining the best talent is one of the greatest challenges facing any company in today's competitive, global marketplace. Since McKinsey coined the expression 'the war for talent' the term 'talent management' has enjoyed a meteoric rise in popularity among human-resource (HR) professionals around the world.

SMEs and Global Talent Management Some Issues in Indian Context

ELANGBAM NIXON SINGH AND G.P. PRASAIN***

The present paper tries to study talent management in small and medium-sized enterprises (SMEs). As per the latest 4th Census with reference year 2006-07, there were about 261 lakhs SMEs providing employment to about 595 lachs persons in India. The talent-management challenges a company which also faces changes over time. The paper comes up with some general principles that are important for all SMEs, principles that really stand at the heart of talent management.

Talent Management for Indian Banking Sector

GANESH KATHAR AND SEEMA DHAGE****

Banks have an excellent pool of competent personnel in all the cadres. Such personnel need to be identified, nurtured and motivated through a systematic organizational

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plan to enable them to accept challenging roles early in the career. Suitable changes in the promotion policies should take care of aspirations of such extra ordinary and talented manpower. Banks will also have to pay increasing attention to education and training.

Talent Management in a Globalized Scenario

GEETHA RANI V. AND G. RAJU*

A case study of talent management at HSBC is highlighted. Moreover, this paper gives an idea about the framework of Global Talent Management in MNEs. Talent management is defined as 'a conscious, deliberate approach undertaken to attract, develop and retain people with the aptitude and abilities to meet current and future organizational needs'.

Talent Management: the Value of Workforce Planning

GIRISH KATKAR**

This paper illustrates how workforce planning is making crucial factor in the overall development of the organization. The paper also explains the benefits, consideration of workforce management and how it is tied together to manage the talent in effective and efficient way for the organizational development.

The Global Urge for Talent Management

GITANJALI DEY AND GYANENDRA TRIPATHI***

This paper tries to show how to achieve a sustainable competitive advantage in companies, through talented people using talent management strategies. Here is included the theoretical framework where the researcher explains the understanding of talent management. The main objective of the study is to elaborate the current status of talent workforce employed in various organizations across the globe, highlighting the sectors majorly struggling with talent crunch.

Talent Management in the Globalised Scenario and Its Challenges with Special Glance at the Cultural Factors

GOUR GOPAL BANIK****

One of the greatest challenges that organizations are facing in the modern talent-hungry market-place is to successfully attract, assess, train and retain talented

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employees. Talent management (TM) brings together a number of important human resources (HR) and management initiatives. It is often referred to as Management of Human Capital or Talent Management

How to Build Human Resources for Micro-Finance Industry? Issues and Concerns

GUNJAN SINGH, SONAL PATHAK AND SWATI SRIVASTAVA*

The growth that this sector has witnessed is likely to sustain for quite some time. As quality of services in the micro-finance industry depends on person-to-contact, it is human resource intensive. Therefore, with this rapid growth of the sector, availability of human resources will play a critical role for growth of this industry.

Talent Management – The Need of the Hour

H.K. SAHU, D.B. SAHU AND L.D. SAHOO**

The changed global scenario makes it imperative for the organization to build competence in the form of superior intellectual capital. It is agreed by many CEOs of big companies that it is human resource – a talented one – that can provide them competitiveness in the long run. The talent has to be spotted, carefully nurtured and most importantly preserved.

Talent Management Through Training and Development Programmes

H.Y. KAMBLE AND P.K. KULKARNI***

Technology has enabled banks to work smart and fast. It would not be out of place, however, to state that most of the changes in the landscape of financial sector discussed above would be technology driven. In the ultimate analysis, successful institutions will be those which continue to leverage the technology in re-engineering processes and delivery modes and offering state-of-the-art products and services providing complete financial solutions for different types of customers and meet the customer demands.

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Talent Management: Reincarnation of the Lost Tradition

HARIOM J. PUNIYANI*

Talent Management may be considered as one of the modern management techniques but however we have forgotten that the roots of TM which lie in our sacred epics. If one remembers in the Ramayana, when it came to cross the sea to reach Lanka, it was Nal & Neel who were selected by Lord Ram who had an USP (Unique Sales Proposition) that "whatever stones they will throw in the water, will float and will never sink". The talent of these two were identified and utilized at the correct point of time.

An Overview of Talent Management

HITESH S. VIRAMGAMI, HASMUKH B. PATEL AND KETAN C. MODI**

The vivacious nature of global business is putting an ever-increasing pressure on companies to be constantly on the lookout for incomparable talent in a market where demand far exceeds supply. Given the current focus on the linkage between talent and an organization's business challenges and strategies, effective strategy execution requires sufficient numbers of the right people with the right skills and knowledge, in the right roles.

Frustration Among BPO Employees: An Empirical Study

HERALD MONIS***

This paper is based on an empirical study of ten ITES-BPO firms operating in India, ranked among the top 100 by the International Association of Outsourcing Professionals (IAOP) for the year 2009. The data was collected using both qualitative and quantitative methods from 406 employees, constituting 1% of the population under study. The present study finds that a majority of 75.60 per cent of the respondents "agree" that there is a sense of frustration among the BPO employees.

Talent Management Strategies in Globalised Scenario

I.P. TRIPATHI, A. P. SHUKLA AND J.P. GAUTAM****

There is a close linkage between talent management and organisational business strategy and challenges. The inter relation between business strategy and talent management has a great importance. Human resource is the key capital for the organisation through this competencies and intellectual energy. Business force such as increasing turnover, globalisation of market and human resource deployment, motivation and retention of key talent.

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Talent Management: In Globalised Scenario

I.P. TRIPATHI, MANISH KUMAR SHUKLA AND SATISH KUMAR GAUTAM*

Talent management involves individuals and organizational development. It includes the creation and maintenance of supportive, people oriented organization culture. As we know the talented people will produce superior results. Talent management is a strategic issue in the global scenario. This management is the right combination of intelligence, emotion, knowledge, skills, and motivation for talented personality.

Talent Management Strategies and Technology to Build a Great Workforce: A Study

JAGANNATH B. KUKKUDI AND GOUDAPPA MALIPATIL**

The management should be innovative and proactive to win the war of talent. With the next-generation predictive modeling systems, talent management and workforce planning can be transformed from reactive administrative functions to proactive systems capable of accurately forecasting talent demand right to the individual job. Attracting and nurturing talent has become the single most dominant force.

A Study of Human Resource Management In Haryana Tourism Corporation

JAI PAL SHARMA, D.S. KAUSHIK AND P.K. AGGARWAL***

Tourism has emerged as a central pillar of the service economy, and it can uniquely help society respond to global challenges, if its growth is managed wisely. The dynamic past and projected growth of the tourism sector, its broad direct and indirect impact across all economies, particularly those of developing states, make it a well-suited development tool.

Application of Knowledge Management in the Banking Industry

JASVEEN KAUR****

To survive, compete and grow in the world of cut-throat competition in the 21st century, knowledge has emerged as the most critical competence for any business.

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KM has become vital to gain competitive advantage for all industries and of all sizes, for development and integration of knowledge base and talent of existing workers with new workers to meet challenges in the globalized scenario.

Emerging Trends and Challenges of Talent Management in Human Resource Management

JAYANT JOSHI AND PRASANNA KHADKIKAR*

Talent management implies recognizing a person's inherent skills, traits and personality, and offering him/her a matching job. Attracting and nurturing talent becomes the single most dominant force in business today. In the present scenario it is an urgent need to focus on managing human talents and to retain it is an important task.

Talent Management in the Globalised Scenario: An Overview

JITA BHATTACHARYYA**

Organisations which consciously decide to focus on Talent Management do make it a matter of practice to undertake a strategic analysis of their current HR processes so as to ensure the adoption of a coordinated, performance-oriented approach. Some of the factors which have accentuated the need for Talent Management are globalization and increased competition. The challenges before Talent Management include finding new talent and retaining the existing talent. Finding new talent becomes difficult due to demographic reasons and shortage of required competencies.

Talent Management in Globalised Scenario

JUGALKISHOR SOMANI***

Talent management implies dealing with challenges and availing the opportunities, remembering that now world expects more than ever before: more quality, more features, more benefits, more variety, more flexibility, more value and more service.

Talent Management for Twenty-First Century

K. HARISH REDDY****

Despite the great sums of money companies dedicate to talent management systems; many still struggle to fill key positions--limiting their potential for growth in the process. Virtually all the human resource executives in the authors' 2005 survey of

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40 companies around the world said that their pipeline of high-potential employees was insufficient to fill strategic management roles.

Talent Management: A Strategic Human Resource Challenge

K. NEELIMA, K. NARENDAR AND M. SATYAVATHI*

The recent trends in HRM include Employer's Brand, Competency Mapping, Business Process Outsourcing, HR Balance Score Card, HR Matrix, Dual Career Groups, Knowledge Management, Virtual Organization structures and HRM, Learning Organizations, Right Sizing, Emotional Intelligence, and Talent Management. The companies have recognized the importance of the about strategies to gain the strategic advantage.

Managing Global Talent Challenges Through Global Talent Management

K. PRAMOD GONCHKAR**

Emerging market economies have the demographics to help them out. A big chunk of their population is in the employable stage and in the consuming stage right now and in the immediate future. Densely populated as these emerging market economies are, they are often able to find a market for their products and services right on their home turf. The opposite is true of developed economies. Demographics cannot help them out.

A Study of Employee Retention Strategies and Organizational Effectiveness

K. RAMACHANDRA AND LAKSHMI. T.***

The knowledge, skills and abilities of the organist ions are in the minds of the people whose contribution is the determining factor for the survival and bottom line of the organization. People are many in number but quality of people retention is the tramcard for organizational vitality and vigor. This paper traces out the modus operandi of retaining the people with essence.

Talent Management in Globalised Scenario

K.K. MISHRA AND ARTI SHARMA****

Academics are also showing a strong interest as evidenced by their work in the new area referred to as "global talent management". In this article we review that academic work and attempt to organize that literature by creating an integrative framework

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for understanding and advancing further research in global talent management. To guide this research our framework highlights several selected challenges in global talent management, and several drivers of those challenges. Many of the most pressing global challenges facing global firms today are directly related to human capital challenges. Academics are also showing a strong interest as evidenced by their work in the new area referred to as “global talent management”.

Employee Attrition Analytics

K.V. PADMAJA*

This paper is an attempt made to find out the underlying factors that influence attrition in BPO industry. This paper also aims to draw on the recent HR trend of referring to the employee as an “internal customer” and therefore assumes that manpower attrition is similar to customer switching problems in case of products.

Latent Talents - A Study on Talent Management in Global Scenario

K.V. RAMANA MURTHY AND VANISREE TALLURI**

Work force talents are linked to operational results as the results of the organisation are dependent to a marked extent on several talents such as skill, tactfulness, competencies etc. The focus of the study is on the identification of talents required for different sectors. It can be concluded that talent management is an emerging issue which requires the attention of the higher learning institutions in India.

Talent Management in Business Process Outsourcing Industry: The Issue of Retention

KAKALI MAHANTA AND P. BEZBORAH***

The changes in the economy, marketplace and competitive landscape are prompting the business houses to change the direction or the way of managing it. To maintain its competitive position, the business houses consider “People” as the important aspect. The collective talent of an organization is its prime source of ability to effectively compete and win in the global environment. In today’s economy, competition is global, capital is abundant, and products are developed quickly and even can be duplicated within a short period of time.

Talent Management: Driving Forces and Emerging Challenges

KALLINATH PATIL AND SANTOSH SINGH BAI****

In the new day context companies cannot generate profits without ideas, skills and talent of knowledge workers and companies have to bet on people but not on

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technologies certainly not on capital. To survive in the knowledge based economy over the long run, organizations must become focused and be capable of managing employees as their most critical resources hence workers now require more education and skills than ever before, appositions have become more knowledge based and information intensive.

Role of HRD with Special Reference to Talent Management in 21st Century

KAMINI KUMARI, H.K. SINGH AND ALOK KUMAR JAIN*

The organization benefits from: Increased productivity and capability, a better linkage between individuals' efforts and business goals; commitment of valued employees; skills, Employees benefit from: Higher motivation and commitment; career development; increased knowledge about and contribution to company goals; sustained motivation and job satisfaction. The present paper discusses the role of HRD in Talent Management.

A Call for Talent Management in AIR INDIA, Mumbai Division

KANCHAN S. FULMALI**

Air India is not going to have any job cuts. Certainly an aviation crisis will affect the growth plans, it will affect the future employment opportunities which would have come the way of Air India in case the aviation industry was in a much better financial health. It seems the virtue of the fact that Air India is a Government carrier and not a private player has come to the rescue of its employees.

Study of the Impact of Selected HRM Practices on Employee's Intention to Leave

KARUNESH SAXENA AND PANKAJ TIWARI***

The present paper is focused at examining the impact of selected traditional as well as innovative HRM practices on employee's intention to leave in insurance companies. For this purpose 90 insurance executives have been surveyed. The data has been collected using HRM practices and EITL questionnaire. SPSS software has been used in order to analyze the data collected. Correlation has been found between these traditional and innovative HRM practices and the employee's intention to leave.

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HR Actions for Dealing with Global Talent Management in Globalised Scenario

KESHAV SHYAM, RISHIKESH DUBEY AND ARVIND KUMAR PANDEY*

Global talent challenges include managing a firm to ensure to ensure just the right amount of talent, at the right place, at the right price, and at the right time when at times there may be shortages of talent and at other times surpluses of talent.

Talent Management: New Challenges in The 21st Century

KHYATI VORA**

Talent management is difficult to define because it's a complex undertaking that operates within the strategic human resourcing task generally. It requires HR professionals and their clients to understand how they define talent, who they regard as 'the talented' and what their typical background might be. It also requires thinking about whether such recruits should be seen as particularly gifted.

Impact of Talent Management on Customer Loyalty

KOMAL NAGAR AND TEJESHWAR SINGH***

Talent Management has indeed become an important business issue because the knowledge and talents of workforces represent a singular competitive advantage (Pizam, 2006). Baum (2008) comments that 'talent management is an organisational mindset that seeks to assure that the supply of talent is available to align the right people with the right jobs at the right time, based on strategic business objectives'. This view is endorsed by Foss (1997) who presents Talent Management as 'both a philosophy and a practice.

Talent Management : A New Horizon in Globalised Educational System

KRUPA N. SHAH****

Educational institutions should develop, as the demand is no longer only knowledge based but application based. Modern concepts and strategies should be implemented, for each is building block of differentiated capabilities, performance acceleration, leadership development and talent culture.

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Talent Management in Gandhian Philosophy

L. SINGH*

The management of talented human resources has emerged as a very promising discipline since eighties. This concept of talent management, now globally recognised in corporate sector, is the process of improving the quality and efficiency of the employees as an important member of corporate family. and became familiar with their deep-rooted motivation of country's freedom.

Talent Management in Globalised Scenario

L.B. GOUDAGERI**

Talent management involves individual and organizational development in response to a changing and complex operating environment. It includes the creation and maintenance of a supportive, people oriented organization culture.

Talent Development in Management – A Study of Career Planning Among Management Students

LAKHWINDER SINGH KANG AND HARPREET SIDHU***

An individual's choice of career is likely to be influenced by several factors and the career planning and development of an individual passes through many phases. Lack of awareness among the students about various career choices as well as the requirements of different careers are likely to be the reasons for choosing a career option which is not suitable for the individual and thus resulting into poor talent available in the job market.

Assessment of Training Needs: A Case Study of two Companies

LALI RAJAN AND VIJAY MEND****

The existing employees will benefit, for their career advancement and promotion and also to keep abreast of the latest developments in the job operations. Effective training is an invaluable investment in the human resources of an organization. Training needs exist at three levels; individual needs, occupational needs and organizational needs. It aligns the employee mindset and equips them to face the various technological and other environmental changes.

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Talent Management is Globalised Scenario

LALAT KESHARI PANI*

In the context of the modern globalised world, the search for the latent-potential in an individual is a primary quest for any organization whatsoever, be it, academic portals or business houses or stock exchange booths. Since the scenario exposed to the global frontier is extremely volatile, it seems increasingly difficult to assess the 'latent-potent' in a person who concerns himself with a defined workplace. Talent is best defined by William Walsh as the 'cross-fertilisation' between the man and the moment.

Talent Management in Indian Public Sector Banks

M. KRISHNA MURTHY AND M. MUNIRAJU**

In the post liberalization era, public sector banks in India are under severe pressure to change the way in which they do business. This paper concludes by suggesting how to cope up the challenges, by implementing sound HR practices, holistic package and other non-monetary incentives to attract and retain talented human resources for taking the organization forward to the next decade.

Talent Management in India : Opportunities & Challenges

M.N. SONDGE AND D.Y. CHALAK***

India occupied 2.4% of world's area covering 17% of world's population, but ranked in 6th position in education access to the people against 80% in USA & 52% in England. As many countries face the severe problem in selecting skilled & talented people, they have shortage of competent people. The young nation like India having over 50% population below the age 25 years, have tremendous opportunities in this circumstances.

Talent management - Emerging Trends in HRM

M.P. SURI GANESH, S. TARAKESWARA RAO AND G. TULASI RAO****

The management should be innovative and proactive to win the war of talent. With the next-generation predictive modeling systems, talent management and workforce planning can be transformed from reactive administrative functions to proactive

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systems capable of accurately forecasting talent demand right to the individual job. Attracting and nurturing talent has become the single most dominant force. Today attracting brains is more difficult than foreign direct investment. However, talent is what will make India enduringly competitive.

Talent Stress and Talent Management for Competitive Advantage in Globalised Scenario

MAHESH CHANDRA PRASAD*

The aim of this paper is to provide some understanding on the issues involved regarding technology change and also its effects on the socio-economic aspects of Talent Management.

Talent Management in Post Recession: An Opportunity of Challenges

MAHESH PRASAD RAI, PAWAN KUMAR PODDAR AND DEEPAK KUMAR AGARWAL**

Analysts, across the world are reporting that recession is over. As the economy turns around, high performers expect to move back up the ladder whether it's at their current company or someone else's. Companies that have fired employees in the past are already feeling the pinch, as they do not have enough bandwidth to execute. The law of demand and supply mercilessly applies to human resources, also.

Talent Management: A Case Study of KPO Industry In India

MAMTA CHOUDHARY***

This paper focuses on knowledge competency – an important factor of management. This paper also aims to analyze how and why outsourcing has started. An explicit distinction has been made between Business Process Outsourcing (BPO) and Knowledge Process Outsourcing (KPO). The findings indicate that, after its success in information technology, outsourcing started moving up the knowledge continuum to tasks that involve expertise and judgment, as opposed to routine tasks.

Talent Management: Mantra of Improving Organizational Performance

MANOJ KUMAR CHOUBEY****

Talent management implies recognizing a person's inherent skills, traits, personality and offering him a matching job. Every person has a unique talent that suits a

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particular job profile and any other position will cause discomfort. In recent decades, interest in talent management has continued to grow amongst consultants, practitioners and academics.

Talent Management is Development of Man

MD. REYAZUDDIN*

Talent management has spawned a global talent based organization transforming the world into a single homogenous market. Human Resource Management is the epicentre of such profound transformation. As it is drawn into greater prominence, it can create greater impact. Human Resource management should tap into the innovative pulse of the nation and build networks and communication to ensure competence. This paper attempts to give a comprehensive overview of educational aspect for talent management.

Talent Management in Gloabalised Scenario

MEENA GOPLANI**

The business strategy must include responsibilities for line managers to develop the skills of their immediate subordinates. Divisions within the company should be openly sharing information with other departments in order for employees to gain knowledge of the overall organizational objectives. For global manufacturers today, in the current economic climate, meeting financial objectives may require short term retrenchment, growth in new markets, a constant stream of innovative products and services, and ever-higher levels of operational excellence.

Talent Management – A Talent

MOHAN JADHAV AND VILAS JOSHI***

The global competition in business is putting pressure on companies to be constantly on the lookout for remarkable talent in a market. Global competition requires sufficient numbers of the right people with the right skills and knowledge, in the right roles. The paper refers to the diversified angles of meaning of the concept of talent management. This paper also deals with the effective functions of organization to manage the talent effectively.

Emerging Trends of Talent Management in Globalised HRM

MOHAN S. RODE AND H.R. BHELONDE****

Talent management is a professional term that gained popularity in the late 1990s. It refers to the process of developing and fostering new workers through on boarding,

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developing and keeping current workers and attracting highly skilled workers at other companies to come work for your company. Companies that are engaged in talent management (human capital management) are strategic and deliberate in how they source, attract, select, train, develop, promote, and move employees through the organization.

Integrated Talent Management for Strategic Framework

MURLIDHAR LAMBAT AND SANJAY TEKADE*

An integrated approach is ideal for the forward-thinking organization expanding its talent management scope or for an organization exploring talent management for the first time. Real-time integration that optimizes all aspects of talent management can best be achieved with a solution from the same vendor that provides the core HR system.

Managing Talent in a Flat World

N.D. MATHUR**

Friedman emphasizes on important flatteners turning this world into flat world. Outsourcing, insourcing, off shoring, work flow softwares, new age creativity, new age communication, informing, uploading, supply chain management and electronic steroids have been considered as important flatteners contributing in giving shape to the new flat world economy.

Issues and Strategies for Talent Management in Indian Insurance Industry

N.K. GUPTA AND RAVI KUMAR GUPTA***

India is facing a talent crunch today and one of the most highlighted sector-victim of the present times is the insurance industry. Talent management is the single biggest challenge faced by any high-growth industry, and, if the industry like insurance is growing at 25-30 per cent annum, there is the additional problem of getting good quality people in large numbers.

Towards Successful Event Management

NARENDER KUMAR****

Today, special events range from the Olympics to a community street party, to the Super League, to the visit by an overseas celebrity to launch a new entertainment

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complex. This paper is designed to help all event planners, administrators and volunteers - no matter what the size or scope of the event – to plan and execute events to the highest level.

Emergence of Emotional Intelligence – A Tool of Talent Management

NARENDRA SINGH AND SUBHASH CHAND DAVAR*

Research suggests that most large organizations are currently underutilizing their managerial and professional talent, and are failing to understand the kind of support people need to perform at their best. The present research endeavors to reveal how an organization can use Emotional Intelligence (EI) in managing its talent to get best out of them. The concept of EI that was introduced in 1990's is gradually replacing the IQ in predicting a person's success.

Indian Talent In Globalised Era: A Triadic Perspective

NEETU ANDOTRA, POOJA AND RACHITA SAMBYAL**

Skills of the human resources have become an important factor to address global competitiveness both at the organizational and national level. Shortage of critical skill is a global phenomena .In India massive shift in employment from secondary & primary sectors to service sector and trends towards globalization, it has become critical to develop technical skills, supervisory skills, interpersonal skills and general business skills to sustaining global competition.

Knowledge Management and Its Impact on HRM

(An Analysis of Public and Private Sector Enterprises)

NEETU PATHAK***

Knowledge management is the discipline that promotes an integrated approach to identifying, capturing, retrieving, sharing, and evaluating an enterprise's information assets. These information assets may include databases, documents, policies, and procedures, tacit expertise and experience resident in individual workers. The analysis shows that positive relation indicates that training increases the industry and business knowledge of the employee as well as the experiences and the impact of training on knowledge in public sector is more effective as comparison to private enterprises.

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Ethnic Talent Management

NEHA WASON AND SOMYA PANDIT*

“Talent Management is dynamically managing the returns on human resource investments by exploiting the coupled uncertainties involved in who, what and when decisions.” But is this resource a new issue to be dealt in present scenario? No, from the very beginning of the civilization human resource is contributing to the manufacturing of need satisfying products, either physically or mentally and we have a treasure of tricks to tackle this tricky resource.

Indian Philosophy of Talent Management

NIDHI GUPTA**

In general term talent is defined as a person’s ability- his or her intrinsic skills of thought, logic and performance, to have employ information in suitable combination of aptitude, experience and character. It also includes one’s ability to learn new skills and grow to higher levels of performance. A great guru or corporate professional should be able to quickly spot talent in a subordinate or disciple-and then enable to grow the same to superior levels as per needs of a situation.

Talent Management In Globalized Scenario

NIKITA J. SRIVASTAVA AND ANN P. AYNICKAL***

In a competitive marketplace, talent management is a primary driver for organizational success. Offering enormous business value, talent management is complex and continually evolving. Influenced by external factors such as the economy, global expansion and mergers and acquisitions, critical success factors for effective talent management include alignment with strategic goals and active participation.

Talent Management In The Globalised Environment

NITA NERURKAR****

Mr. Tony Blair, the former British Prime Minister had said talent is 21st century’s wealth. People are born with talent and everywhere it is in chains. If we fail to develop the nation will fail. This is the political view of the situation. The stress is on talent to develop knowledge economy that signifies a world of smart people, in smart jobs, doing smart things, in a smart way for smart money open to all rather than a few.

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Talent Management-A Ladder of Success

NITIN GHORPADE AND S.R. DALVI*

This article examines the imperatives of talent management, the key driver fuelling the trend towards it, and strategies to be adopted to make talent management very effective. Employees waltz in at work ,take a seat at their respective desks that are nestled in a shimmering sleek and 'made-of-glass' cubicles and get ready for their daily grind.

Talent Management : Need of Today's Global Economy

O.P. GUPTA**

One of the imperatives of the knowledge economy is that the entire value chain—including employees, suppliers, customers, partners and distribution networks—is incorporated into talent management. An integrated talent management framework strengthens business opportunities and relationships across the extended enterprise by quickly integrating new customers, partners and suppliers to ensure rapid, real-time knowledge transfer.

Talent Management in the Globalized Economy

OM PRAKASH SINGH, SAURABH SEN AND RUCHI LALWANI***

The concept of talent management was born out of this climate of fear about company performance and sustainability. Thus, we can say that talent management is a strategic approach to managing people (human capital). A talent management system must be worked into the business strategy and implemented in daily processes throughout the company as a whole.

Nurturing Talent in a Closely Coupled Gloablized Organization

P.C. BADALIA, GOURAV MUNAL AND SOURABH MUNAL****

In a globalized scenario, Talent is the most important – and expensive – asset. It is what differentiates a firm from its competitors. Payroll and benefits can constitute over two-thirds of operating costs, so how well one utilizes and manages ones workforce is critical to the success of an organization. Talent management refers to the process of developing and integrating new workers, developing and retaining current workers, and attracting highly skilled workers to work for a company.

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Talent Management and its Role in Creating High Performance Work System: A Study of Oil and Gas Industry in India

P.C. BAHUGUNA AND P. KUMARI*

Oil and Gas being the most important source of energy is considered the life line of any economy. Today the sector is at cross roads. On one hand the demand for oil and gas is constantly increasing and on the other hand there are certain issues (such as green house gas emission and climate change, pricing, security of supply and constantly increasing budgets of exploration and production) that are pressing the industry severely. But high on the list are the work force related issues.

Talent Management: A STUDY

P.C. MOHANTY**

To increase the talent the population should be of intelligent, educated, technically qualified and most know the update happenings on the surrounding. The entire can be reflected from the use of modern technology and Medias like newspaper TV programs, telephones, computers, internets etc. In this regards our countries position can be well marked and accordingly we can claim our status in talent management.

Talent Management in Management Institutions

P.K. SINGH, C.S. YADAV AND SHIVANI GOEL***

Human resources are the most invaluable asset of a country to improve its economy and social development and it all depends on the employability of potential skilled manpower. The present paper is an attempt to understand and suggest possible ways to manage the prevalent talent management systems.

A Study on Nurturing & Managing Talents in Indian Industry and Institute

P.S.P. SWAMY AND G. KRISHNAVENI****

Talents nurturing & management is the hot topic in this competitive business world. This has necessitated the need for talent based HR systems which can provide both structure and discipline, to help bring out best effort in people and

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ultimately best performance for the Organization. Talent based practices are an integral tool for 'Talent Management', shareholders return and value creation. It has been observed that talent based HR Programs returned between 20 – 30% more to shareholder than Companies using traditional methods.

Next Generation Talent Management-Perceptions

P.S.R. MURTHY AND A.P.,G. CHANDRAYYA*

The term "talent management" refers to managing the entire employee lifecycle, from attracting and hiring to promoting and finding a successor upon retirement. It should be integrated with strategic and business plans.

Competency Analyses with Special Reference to Service Sector

PANKAJ KUMAR SINGH AND S.K. SINHA**

Competence is the state or quality of being adequately or well qualified, having the ability to perform a specific role. A person possesses a competence as long as the skills, abilities, and knowledge that constitute that competence are a part of them, enabling the person to perform effective action within a certain workplace environment.

Talent Management in Globalised Scenario

PARMANAND LAL, R. K. SRIVASTAVA AND AMOD PRASAD***

Businesses would no longer run on the old rules, but new out-of-the-box solutions, more comprehensive efforts, innovative thinking, and new skills and competencies would be required to grow and prosper. Needless to say, the demand for both the quantity and the quality of talented employees will grow worldwide. Companies that have fired employees in the past are already feeling the pinch, as they do not have enough bandwidth to execute.

Talent Management In Future

PARUL SINGHAL AND M.L. AGARWAL****

Talent management also known as human capital management refers to the process of developing and integrating new workers, developing and retaining current workers, and attracting highly skilled workers to work for a company. Talent management in this context does not refer to the management of entertainers.

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Talent Management: A Rare Diamond Among Stones

PINAKIN R. SHETH AND KETAKI SHETH*

Talent Management is the need of hour. Road ahead for Talent Managers and aspirants is full with obstacles, hard and strong. "Maha Mantra" for dynamic organisations is to plan strategically their talent resources and to utilize them for long-term survival and growth.

Talent Management in Globalised Scenario

PRABHAT KUMAR SINGH**

Talent management is also known as HCM (Human Capital Management), HRIS (HR Information System) or HRMS (HR Management Systems), and HR Modules. is usually associated with competency – based human resource management practices. The term "talent management" means different things to different organizations. Talent management is a powerful and important trend across HR and L&D.

Trends and Strategies of Talent Management for Sustainability in Global Scenario

PRADIP D. GHORPADE***

This paper deals with the trends of Talent Management and the strategies to be adopted by the organization for the sustainable development in the Global Scenario. The new economy is shaping up to provide organizations an unprecedented level of change driven by a number of factors including a sustained and slightly growing business environment in most sectors, a slow return to marginal job growth, new regulatory and compliance mandates, as well as a renewed focus on innovation and globalization as business growth and competitiveness intensifies.

Talent Management in Globalised Scenario

PRADNYA LANJEWAR AND MAMTA KAMBLE****

The HR department is a very traditional function that is slow to change. Professionals in recruiting are no different: they seem to like their independence and they often loathe working closely with generalists, compensation, or development professionals. A successful talent management process starts with the foundation built by supply chain management, Six Sigma, CRM, and lean manufacturing, and adapts it to HR.

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Managing Talent: Today's Global War-Cry

PRANAB KUMAR BHATTACHARYA*

Talented employees possess knowledge and innovative skills, creative and positive aptitude. They are obviously 'high fliers', brave in taking risks with potential to assume leadership positions. As the economy is on a recovering spree, the H.R. executives around the world, of late, are witnessing a sudden spurt in the demand for talent. These bunches of recruiters today acknowledge that finding, retaining and growing talent counts among their toughest business challenges ever.

Marketing Concepts - A Globalised Scenario with Respevt to Marketing & Banking Services

PRASHANT M. JADHAO**

Marketing, however, covers a wider canvass than these three constituents put together. Marketing is not mere selling but covers wide canvass right from perceiving a desire that is lying dormant in the minds of human beings, designing a suitable product to fulfill the said dormant desire, converting dormant desire into an economic want by launching a product with a well structured market-mix at the targeted market segment/group of consumers.

Influence of Internet and Information Technology on Effective Talent Management

PRAVIN GHOSEKAR***

This paper deals with the influence of Internet and information technology on Talent Management, an one of the facet of human resource management. It observes main novelties and (inevitably coming) changes in areas of staffing, motivating and leading and discusses possible adaptations of organization and business. To discover the mentioned changes and consequences, firstly we try to broadly assert present condition in the field, both globally and in India, and outline promising future trends.

Talent Management: an Economic Revival Tool

PREETHI D. SOUZA, P. PAKKEERAPPA AND PARAMESHWARA****

At present all stakeholders of businesses are striving hard to come back to the main stream and thus the buzz 'Economic Revival'. With this effort to fight recession

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businesses are finding a niche in their operations and approaches. All efforts are been done to sustain tough competition. All fields, be it finance, human resource, marketing or operations are putting their best practices to help businesses revive. One of the HR tool for businesses to survive and have a revival in the economy is 'Talent Management'.

Endowment Management in E-Consumerism

PREMCHAND C., HARI KRISHNAN, N.R.*

The most challenge faced by the business entrepreneur is to make them satisfy. The globalization as a whole has brought an enumerator change in the modern. One among it is e-consumerism which is easier for consumer but the most talent job for the business."e-business", is the proper utilization of information and communication technologies (ICT) in support of all the activities of business. Electronic commerce focuses on the use of ICT to enable the external activities and relationships of the business with individuals, groups and other businesses.

Talent Management – Challenges Faced by SMEs

PRITA D. MALLYA**

Talent Management is gaining currency as organizations realize that in the globalized world of today, people, rather than products and processes, are the source of competitive advantage. As talent management comes to occupy centrestage in global organizations, they face a myriad of challenges. The problem of attracting, retaining and effectively deploying human talent within an organization gets magnified several times in the case of SMEs.

Talent Management in Diverse Economy: Applying Just in Time Principles to be Upto Date

R. NIRMALA AND R. SHANTHIKIRAN***

We give a brief insight into the different popular paradigms of talent management, analyzing their relevance in today's diverse economy, and suggest a possible course of action for the talent crunch faced by many organizations. Age-old paradigm says the role of Human resources function in any organization is "to ensure the availability of right people at the right time, with the right skills".

Recruitment and Retention Strategies in MNCs

R. PANCHALAN AND E.R. VINOD NARAYA****

A study shows that attrition rate is higher in sales, engineering and manufacturing sectors. The attrition rate is higher among the employees with 2 to 5 years of

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experience and between 25-35 years age group. So, like attraction of talent, retention of talent has also become a challenging task. Various factors influence the attraction and retention of talent.

Managing Talent for Competitive Advantage

R. SATYA RAJU*

This study is undertaken in both public and private sectors with the objective of examining talent management practices. A review of literature revealed studies on talent management focused on the issues relating to the importance, development and constraints. The strategies of attracting talent and retention have also been covered in some studies.

The Challenges and Opportunities of Talent Management in Globalised Scenario

R.K. SINGH, DINESH KUMAR AND KRISHNA MURARI MISHRA**

In most companies functions such as recruitment and succession planning, learning and development, performance management, workforce planning, compensation and other HR or training functions have often been isolated in departmental silos. While important individually, these programs are usually a loose potpourri of HR initiatives with little relation to each other.

Talent Management: A Road Map

R. P. DAS, G. K. DESHMUKH AND SANSKRITY JOSEPH***

Business organizations are passing through an era of transformation. Changes brought into business life by competitors, economy or any other external and internal factors may create a major disturbance or upsets in an organization. To nullify the effect of these changes, companies make specific protective and corrective efforts; such efforts are labeled as change management in short.

Talent Management In ITES-BPO Industry

RACHITA SAMBYAL****

Talent management strategies in ITES-BPO industry demands creating agility for sustainability & responding to fast changing global environment and communication

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& collaboration among many parties. Further focus be placed on three broad areas: bridging divides, redefining the term “Co-Worker”, using Web 2.0 technology: now, not futuristic.

Talent Management in Global Scenario for Twenty First Century

RAJENDER KUMAR*

Investing in a comprehensive talent management program aimed not just at recruiting good employees, but also retaining them and continually developing their skills and competencies in alignment with strategic business goals and performance objectives. While organizations recognize the need of implementing talent management, the sheer complexity of developing a talent management strategy and implementing the processes and technologies to support it can be overwhelming.

Problems Of Talent Management In Globalised Scenario

RAJENDRA V. RAVAL, PINAKIN R. SHETH AND CHIRAG V. RAVAL**

“Gujarat seek to drive economic development balanced carefully with social development. The State aspires to benchmark itself with global economic power on more than one attribute, such as Governance, Infrastructure and Human Development. Talent refers to natural power of doing something well, special attitude, high mental ability. The present study has been carried out with a view to ascertain some talent management problems in globalised scenario with special reference to chemical and engineering industrial units in Gujarat.

Transformation of Organisation and Balanced Scorecard

RAJANIKANT VERMA***

Performance indicators can be powerful tool at all type of the organizational levels, for internal evaluation and strategic assessment. Currently much attention is given to strategic measurement systems with the balanced scorecard (BSC) as cost effective approach. The balanced scorecard provides an integrated perspective on goals, targets, and measures of progress.

Talent Management –A way to optimizing Human Capital

RAJPAL SINGH****

The identification of talent is often in the hands of HR department with focus on development and learning in the organization. The challenge for organizations and

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its HR professionals, is to understand how better use can be made of higher-level skills. Organizations have to understand the need of talented people and development.

Talent Management (Human Capital Management): New Possibilities in People Management for Professional Excellence

RAKHI GUPTA AND DR. S.N.P GUPTA*

An organization's workforce-or human capital-is its most valuable asset. In addition to the traditional personnel and human resource management (HRM), there is a need for a new approach to personnel management, which we will call Human Capital Management (HCM). HCM emphasizes an alignment between the individual and the organization and in our view offers the challenge and the key to successful management in the future.

Talent Management: A Need of Hour

RANJIT TEHRA, S.M. SARSARE AND KONDAWAR DEEPAK G.**

In the current cut-throat competition every company want a talent personnel. Gone are the days when a person would join an organisation in his mid – 20s and would work till his retirement in the late – 50s. Today the young professionals hop jobs, especially during the first 4-5 years of their work life. However, it is proved that in the era of technology & knowledge, talent is in the driving seat. One who possesses it dictates, not he who pays for it.This paper deals with certain issues of talent management in the global scenario, importance, challenges & some measures for manage talent.

A Study on The Challenges Faced by Banks in Respect of Talent Management With Special Reference to Public Sector Banks in Thrissur District, Kerala

RENJITHA RAJEEV AND KRISHNAVENI S.***

Talent Management challenges include mergers that consolidate resources, the fluctuating global economy, shorter product life cycles, the constant demand for quick ROI, an aging workforce, and the huge burden of picking the best job candidates from a multitude of applicants.

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Talent Management

RASHNA Z. GIARA*

HR has a pivotal role to play here. Clearly, managing human capital is an ongoing challenge, especially as social, political and economic events take their toll. Strategies must continually be redefined to deliver improved return on investment in human capital. As HR professionals work within their own organizations, they must also cope with good and bad economies, new technology, and the social issues – global, regional and national – affecting their organizations.

Strategic Management of Human Resources and the Challenge of Employee Attrition in Organizations

S. HAREENDRANATH**

In a facilitating environment the world over, private players have emerged in an unprecedented way to establish entrepreneurial ventures. In the struggle to start up, stabilize, sustain, succeed and surge ahead, the establishments should have organizational capability which can provide it the needed competitive edge. Needless to state that organization is people and the quality of organization will depend on the quality of its human resources.

Talent Management Indian Banking Sector

S. UPENDRA SASTRY, A. SIDDA REDDY AND D. SWATHI***

Being an important segment of Service Sector, it has been playing a pivotal role in augmenting the resources in the form of deposits by mobilizing the savings from those having surplus money and channelizing these funds to the needy people. Among different constituents of financial system, banks have been occupying a special place and have been acting as catalytic of socio-economic change.

Creative Employee Retention Strategies in Indian Business Process Outsourcing Industry: The Policy Perspectives

S.C. DAS****

The objective of the paper is to understand the retention strategies adopted by selected Indian BPO companies and to discuss the alternative measures to curtail the attrition without eroding the cost competitiveness. There are various sources

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firm level data for the Indian BPO industry namely CMIE, CRIS, INFAC, Dataquest India, and NASSCOM have been used.

Talent Management

S.N. VYAS, RAJESH DHINGRA AND SURESH DHAKA*

An integrated approach is ideal for the forward-thinking organization expanding its talent management scope or for an organization exploring talent management for the first time. This demand can only be met by a comprehensive solution that effectively manages an organization's talent and the entire Human Capital Management (HCM) lifecycle together.

“Right Person for the Right job” – Is the New Mantra.

Accounting For Human Talent In Accounting Standards

SAGAR R. DAVE, SWATI R. DAVE AND SAURABH C. CHOKSI**

It has been observed that in industries like information technology, pharmaceuticals, etc., intangibles like monetary value of brand equity, innovations and patents, trademarks, etc. increase the value of market capitalization on one hand, but the value of physical assets tends to be low on the other hand. This is because it is very difficult to recognize and incorporate the monetary value of such intangible assets in the balance sheet.

Global Talent Management – the Key to Futuristic Company's Value Creation

SAMIP BARUAH AND P. BEZBORAH***

The study explores different talents required for a futuristic global company to be able to deliver shareholder value at the same time address the 3 Ps, people, planet and profit. The focus of the paper is to study the competencies required in any futuristic FMCG company and establish that the enterprises success depends on the effectiveness of individual's competencies which are divided in Behavioural and Functional Competencies.

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Talent Management In Globalised Scenario

SANDEEP TANDON AND MEENU SURI*

Talent management also referred to as workforce management implies recognising a person's inherent skills, traits, personality and offering him or her suitable job. Every person has a unique talent that suits a particular job profile. It is the job of HR department to place candidate with prudence and caution.

Transformational Leadership as Predictor of Conflict Handling Strategy: An Empirical Study in Indian IT Companies

SANGEETA SAHU AND AVINASH D. PATHARDIKAR**

This study examined the predictive relationship between transformational leadership behaviour patterns and conflict handling strategies adopted by executives. A significant predictive relationship has been found between transformational leadership and different conflict handling strategies. It was hypothesized that transformational leadership affects the different conflict handling strategies.

Talent Management Strategies – A Study of Select Organizations in India

SANJAY KAUSHIK, RAJESH KUMAR JHAMB AND ANU JHAMB***

Talent management involves individual and organizational development in response to a changing and complex operating environment. It includes the creation and maintenance of a supportive, people oriented organization culture. Talent management brings together a number of important human resources (HR) and management initiatives.

Talent Management in New Millennium

SANJIV KUMAR****

Talent management programmes have become paramount important in this era of globalisation. The paper makes an attempt to understand the concept of talent management in present global scenario. Further, paper focuses light on the main obstacles which come in the way of effective implementation of talent management strategies.

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Talent Management in Recession

SANJIVE KUMAR SINGH AND KRISHNAPRASAD*

Managing talent can be a complex issue at best of times. During periods of economic instability and recession it can seem almost impossible. Managers shouldn't forget about talent management in times of crisis however, instead they should take the time to carefully reassess their talent management strategy and ensure they are using their biggest asset-their staff-as effectively as possible. For business and managers, many of whom were not in senior position in 1991, there are contrasting factors to consider.

Talent Management: A Challenge for Organizations

SATISH CHANDRA OJHA, AJAY PS BHADUARIA AND REETU SINGH M.**

When people do jobs that just don't suit their liking, inclination or temperament, the results, or rather the lack of them will be disastrously obvious. Low productivity, dissatisfaction, low morale, absenteeism and other negative behaviour will become typical till the employee is shown the door. Or perhaps, there is another option - Talent Management.

Long-term Corporate performance @ Retention of talent-pool

SHILPA BHATT AND SURESH SAVANI***

The 21st century has begun with an intense global competition. Most of the corporate have exhausted whatever efficiency and cost cutting improvements there were to be extracted from reengineering and downsizing. Moreover, they have even lost their most valuable assets, i.e., their best employees. There is no substitute for talent. Industry and all its virtues are of no avail. Today talent management is vital to delivering business results and maintaining competitive advantage.

A Study on Talent Management of the T.B. Jain Girls High School, Bhavnagar

SHILPA BHATT AND SURESH SAVANI****

Talent management as a planning tool looks very similar to workforce planning, but where HR will experience a real opportunity for contribution to the organization is in the quality of implementation supporting the plan. This papers emphasizes strategic human resource initiatives that can help realize an institution's talent goals and contribute to performance that will build future institutional capacity.

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A Study of Talent Management Practices in Banking Sector

(With Special Reference to SBI & ICICI Bank)

SHIV KUMAR SHARMA AND RAGHVENDRA VIKRAM*

There has been a great increase in the attrition rates of the employees of the banks in 2008-09. Some of the attrition rates actually match the annual revenue growth rates of the bank. This is giving a severe headache to the top management in general and HR department in particular. So, this has added to the functions of the HR department a new function - Talent Management.

Talent Management: A Stimulus for Knowledge Creation and Social Learning in Globalized Scenario

SHIV PRASAD AND HARBHAN SINGH**

“Think Globally, Act Locally” – it became an evident statement of the 21st century’s global market leaders who administer SBU’s from one country and these SBU’s cater products and services around the globe. Globalization- it is an opportunity toward growth and development with lots of dynamic pressure variables. It seems like a tree full of fruits but at height. Organization has to develop themselves to catch the fruit in order to avail opportunities in global marketplace.

Enterprise Talent Management

SHRIKANT PAJANKAR AND D. N. PADOLE***

The onus is on the CEO to define the strategy and then communicate it in terms that have meaning for all the business units and individuals within the bank. Since people execute the strategy of the bank, everyone in the organization should understand how their role contributes to achieving the prescribed objectives. Yet banks fail to achieve their goals when there is a break between the strategy and execution.

Managing Talent to Develop Employee’s Strategic Critical Competencies With Special Reference to Learning.

SHUBRANGSHU BARUAH AND SEEMA S. SINGHA****

The word “Talent” refers to the concept Right man for the Right Job. But in today’s globalized and liberalized market economy, one major challenge for the HR

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manager is – absorbing the identified talent. In this paper an attempt has been made to identify employee's strategic critical competencies and develop a relation between employee's competencies and learning.

Talent Management Challenges and Opportunities

SIDHARTH S. JADHAV AND A.M. CHANDRE*

Talent management is often defined as performance management, incentive compensation, or talent acquisition. Talent management is also often confused with leadership development. Although leadership development is a crucial function of your organization, focusing on it exclusively is a legacy of last century. Our modern service and knowledge economies in the talent age require a broad and holistic view. A high performance business depends on a wide range of talent.

Executive Development Programme: A Way to Develop and Manage Talent

SIMI THOMSON AND G. RAJU**

Recognising the importance of developing managerial talents from time to time, most organisations these days spend lavishly on executive development programmes. This research paper attempts to study the effectiveness of executive development programme in developing and managing talents. The study is being conducted at The Kerala Minerals and Metals Ltd, Kollam based on the responses of 50 executives.

Talent Management

SUREKHA S. YENDIGERI***

Talent management has never been more of an immediate concern than it is right now. But in the rush to fill a perceived talent management void, organizations must be careful not to rush into implementing initiatives or programs that are more about taking action than about implementing a well-crafted solution. Careful planning, culminating in a sound talent strategy that is tightly connected to the organization's overall business strategies and business needs, is required for talent management.

Performance Management System in Mahindra and Mahindra Ltd.

SUSSMITA DAXINI****

The competitive market structure operating within today's society dictates that the survival of any business can only be achieved through the maintenance of

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maximised output and minimized expenses. Being that the direct and indirect costs of employing labor remain one of the highest expenses to any business, it is only feasible that a reliable method of optimizing labor output be implemented at all times.

Talent Management in Globalised Scenario

SYED ALAY MUJTABA, PANKAJ PURUSHOTAM, KAMLESH KUMAR AND DANISH SHABBIR*

Talent Management is the tangible assets of company because it is wealth of company. Talent Management will play a very important role in the competitive world and it would be in the interest of every one that there is a legal framework which is sensitive to the social, cultural and political needs of the country but still provides enough incentives for innovators and the process of innovation.

Managing Talent in the Globalised World- The Biggest Challenge to motivate the internal customers in the Present day corporate

UPENDER SETHI, SUNITA BHARATWAL AND LEENA PAINTER**

Recruiting, selecting, developing and retaining the right talent has become a major part of management, not as a routine matter but as a big challenge due to changed Socio-economic, cross-cultural changes which cannot be resisted. Finding the right talent is the job of prime concern, and the next demanding job is to retain that talent. Before the concept of managing talent, it is vital to acquire the right talent from a right pool. Therefore talent acquisition forms an important aspect in corporate strategic approach in order to attain the competitive advantage.

Talent Management- Need of the Hour

V. SHUNMUGA SUNDARAM***

Talent management has become one of the most pressing topics within HR organizations today. And it's no wonder, given the current economic environment. Under the cloud of a potential recession, the majority of HR professionals are under increasing pressure to cut costs. With this emphasis on belt-tightening, companies are trying to squeeze every last ounce of productivity out of each employee.

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Best Practices For Effective Talent Management

VAISHALI RANE*

Talent Management has become one of the most important buzzwords in Corporate HR and Training today. In this article envisages the Talent Management, its importance for the overall development of the organization. The author Suggests 9 best practices for Effective Talent Management for the overall development of the organization in globalised scenario.

Talent Management in Global Scenario

VAZIR SINGH NEHRA**

The present paper makes an attempt to focus on present global scenario of talent management. It further highlights four keys to successful implementation of talent management strategies. The end of the cold war marked by collapse of the communism, Great Berlin Wall and North South conflicts ushered in a new era, which for a long period remained unnamed and was referred as the post cold war era. It was after a long time that political thinkers and scholars defined the unnamed era as the era of globalisation.

Perceptual Analysis of Knowledge Professionals Towards Knowledge Management

VIJAY SHRIMALI, SUNITA TANWAR AND SHIKHA KHANDELWAL***

The purpose of this paper is to gain a better understanding of the critical factors for the successful application of Knowledge Management (KM). The existing scales are identified and adjusted for application to the specific research field. It is not an exaggeration to suggest that there are teachers, faculty, and administrators at every school, college, and university in the country who are employing information management strategies to improve decision-making.

Talent Management In The Global Scenario

VJAYA JACQUILINE****

In "addition to the external conditions, most organizations are also facing several global challenges including those related to: talent flow; the managing of two generations of employees, viz., older or mature workers and younger workers; and a

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shortage of needed competencies. One major result of these challenges for organizations is that they have to be global and that they have to be systematic in managing their human capital if they wish to have any hope of gaining and sustaining a competitive advantage in the years ahead.

How To Keep Your Star Talent With Special Reference To KRIBCHO Ltd., Surat

VIKAS PANDYA, J.P. MAJMUNDAR AND NINA PAREKH*

The 1990s ended with a call-to arms to fight “the war for talent.” While the war for talent clearly has cooled in the early stages of the 21st century, dampened by economic doldrums and concerns with global security, the real battle to attract, develop, motivate, and retain talent is going to heat up considerably. A looming demographic time bomb will make talent management a top priority for organizations. This paper highlights the importance of Talent management and concludes that talent management is an integral part of the KRIBCHO Ltd, Surat.

Talent Management: Domain of Measuring Human Resources Management

VINOD KHAPNE**

Talent management seeks to focus on an employee’s potential, meaning an employee’s future performance, if given the proper development of skills and increased responsibility. Talent Management is becoming a main domain for measuring the Human Resource. This paper illustrates how Talent Management is posing as the effective Human Resource Management Tool.

Talent Management: A Critical Success Factor

VIPUL B. PATEL AND MAULIK C. PRAJAPATI***

In today’s cut throat competitive and turbulent environment, employee retention is becoming increasingly significant. Employee attrition costs organizations dearly since, high attrition rate not only affects succession planning and employee morale, but also customer satisfaction and sales. Employment of fresh candidates is also costly.

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Talent Management in Globalised Scenario

VIRAL H. KA.PATEL*

“Talent Management” has become one of the most important buzzwords in Corporate HR and Training today. In this article we explain the history, principles, and processes of talent management. The right talent management mindset is underpinned by trained competence in four major areas of leadership and management capability.

Talent Management – Challenges and Opportunities

VIVEK DEOLANKAR, BETTY SIBIL**

Companies that want to grow and prosper their business and processes must focus on the people practices that allow or foster that growth and improvement. The key variables like leadership competencies, experience, interest, knowledge, skills and abilities (KSA's) that motivate people to succeed have been identified and successfully adopted.

Talent Management and Human Resource Development in the Globalized Scenario

VIVEK DEOLANKAR, SUPRIYA KARANDE AND ANIL PARAB***

Managing talent in the global market place presents unique challenges due to cultural differences: culture affects the way people lead others, lead their lives, perceive each other and participate in team environments. This paper depicts the impact of talent management in cities in a globalized scenario.

Talent Management in Globalized Scenario: Education Sector Perspectives- Challenges Ahead

VIVEK DEOLANKAR AND ROSHAN F. PATEL ****

The staffing plans/approach and talent development needs closely align with the stage of globalization of any corporation/ maturity of the global location and skills levels needed for each stage. As educational institutions continue to pursue high

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performance and improved results through TM practices, they are taking a holistic approach to talent management—from attracting and selecting wisely, to retaining and developing leaders, to placing employees in positions of greatest impact.

Future of Talent Management in a Globalised Scenario: Emerging Issues

VIVEK DEOLANKAR AND LATA KRISHNAN*

An effort has been made to analyze the best practices in talent management that is relevant to the current scenario. Through extensive research a number of best practices have been identified that should serve as the foundation for a talent management system. It's important before adopting best practices to understand why they work for some companies

Managing Global Talent: Indian Multinational Corporate HR Approach to Develop Tomorrow's Leaders

Y.V. REDDY AND SUBHASH S. NAIK**

Even with the global economic slowdown of 2008 and 2009, there are continuing challenges in attracting, managing, and retaining talent, especially in the developing regions of the world where economic activity has outpaced the availability of skilled employees. We currently know little of the role of the corporate Human Resource (HR) function in multinational corporations regarding Global Talent Management (GTM).

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Seminar on
Business Education at Cross Roads

Chairperson

Dr. Nikhil M. Zaveri
Director, SGM College of Commerce & Management
Vallabh Vidyanagar
Gujarat

Co-chairperson

Prof. Sandip Bhatt
Deptt. of Business Studies
Sardar Patel University
Vallabh Vidyanagar
Gujarat

Rapporteurs

Prin. Dr. K.B. Rao
Smt. T.J. Patel English Medium Commerce College
Nadiad

Dr. S.A. Chitaman
H.K. College of Commerce
Ahmedabad

Rapporteurs Report

Business Education at Cross Roads

The Seminar Session was chaired by Dr. Nikhil M. Zaveri, Director, SGM College of Commerce & Management, Vallabh Vidyanagar, Gujarat. The Co-chairman was Prof. Sandip Bhatt, Department of Business Studies, Sardar Patel University, Vallabh Vidyanagar, Gujarat. Prof. P.V. Ramana, Chairman, ITM Group of Institutions, Navi Mumbai, Mumbai, in his key note addressed raised important issues on Business Education in India and abroad.

Ninety papers were received in this seminar. The important issues emerged after analysis of all those research papers and deliberation include:

- Challenges before Business Education in India
- Tool for Accelerated Economic Growth in Concurrent Times
- 'Quality of Management Education in India: The Challenges'
- Emerging Dimension of Business Education in the New Millennium
- The Future of Entrepreneurship Education in Business Education
- The Present Scenario: Management Education in India
- Collaborative Learning – A Panacea to Business Education
- Role of Teachers in Environmental School Education Programmers: Issues and Challenges
- Indian Management Education – The Road Ahead
- Business of Business Education – Today and Tomorrow
- Making Business More Meaningful and Useful
- Metro Vision Ahead Towards Business Education
- Adoption of Education in Gujarat
- The Virtue and Value of Business Education

Prof. Sandip Bhatt, co-chairperson put forth his view on Business Education at Cross Roads. Finally, the chairperson, Dr. Nikhil M. Zaveri presented his status paper on seminar subject. He highlighted twelve important issues relating to education. The session concluded successfully with the vote of thanks proposed by Prof. Sandip Bhatt, the co-chairperson of the session.

Entrepreneurship Education to Business Students – The Value of Chain Approach

PRITI MENON AND SHUVASRI DAS

This paper discusses the entrepreneurship education to business students through the value chain approach. It further highlights the challenges of entrepreneurship education in India.

Introduction

Global Education Initiative of World Economic Forum, 2009, states that entrepreneurship is the major driver of innovation and economic growth while entrepreneurship education plays an important role in shaping the attitude, skill and culture of the people. The registration for entrepreneurship education is different for the different economies of the world depending upon their levels of economic development. According to the economic framework of the countries they have been classified as Factor driven; Efficiency driven; Innovation driven.

Factor driven countries are mostly the underdeveloped countries such as many Asian and African countries where the focus is on enhancing the basic requirement of economic development such as stable government, primary health care and education. As the economy develops and turns into efficiency driven, government starts to pay more attention to quality and quantity of entrepreneurship and innovation which increases the national competency advantage. The innovation driven countries are the advanced countries like US, UK, Australia and Canada. Entrepreneurship spirit is already inculcated among the people due to the positive business climate. Thus, college dropouts like Bill Gates and Steve Jobs made big business leaders. Nevertheless the commitment towards entrepreneurship education is still on.

Since India is in the transitional stage from factor driven to efficiency driven, entrepreneurship education is of prime importance to India.

Entrepreneurship Education in India

In the last few decades, there has been an exponential growth in business schools in India. Till 1980, there were only 118 management institutions.

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Today there are approximately 1500 public and private recognised business schools churning out almost one lakh business graduates every year.

However, the quality of all management institutes are not at par. If we look at the government-aided institutions, the accessibility of students is higher compared to the few autonomous institutions like IITs, IIMs. It is because of the differences in intake capacity, selection procedure, fee structure, etc.

Only a few of them such as IITs, IIMs, the top-ranking government B-schools and the XLRI, Jamshedpur, MDI, MICA, Ahmedabad, Gurgaon, produce management graduates who are sought world over. Rest are many of them met only unemployable but also do not have the business acumen to start up their own business.

Most of the business schools lay stress on creating managers rather than fostering entrepreneurship; there are very few exclusive entrepreneurship development training schools. Family businesses are more prevalent, first generation entrepreneurs are very few. Enterprises initiated are only for self-employment and do not create livelihood for others.

Trained Business Students and their Perspective towards Entrepreneurship Education – A Case Study of Vallabh Vidyanagar

A survey was conducted among 500 final year business students at graduate and post graduate levels in various colleges and University in and around Vallabh Vidyanagar with the help of a structured questionnaire. The purpose of the study was to find out the outcome of entrepreneur education from students' perspective.

Table 1: Preferences of students for opting different career options

	Entrepreneurs (%)	Managers (%)
Preferences		
Total	41	59
Male	45	55
Female	33	67
U.G	52	48
PG	32	68
Gestation period		
Total	20	80
Male	03	97
Female	63	37
UG	32	68
PG	10	90
Status		
Total	46	54
Male	42	58
Female	56	44
UG	48	52
PG	45	55

Table 1 reveals that out of the 500 trained business students from various institutes, 41 percent want to be self employed while 59 % would not want to take the risk but prefer being employed as managers. According to the cost benefit analysis students find that being employed is a safer option especially in India where employment opportunities are sparse and entrepreneurial activities not very rewarding.

The gender wise comparison shows that the male students are more inclined towards entrepreneurship (45 percent) compared to female students (33%). On conducting a comparative study of UG and PG students opting for job or self employment, the data reflects that a higher number of UG students would prefer being entrepreneurs. The reason behind this is that most of them have family owned business which they want to carry forward.

Table 2 shows that while 80% of the students want to wait for minimum 2 years to gain experience before starting an enterprise only 20 % want to start their business immediately after completing their studies. Female students are more eager to start their enterprise immediately after the study since they perceive that at an early age the family responsibilities and expectations are lesser and risk taking capacity is higher.

Table 1 indicates that 54% students feel that owning a business more status giving to them, although it entails a risk. While females find managerial role is more status giving male students find entrepreneurship to be more aspiring.

Table 2: Reasons for becoming entrepreneurs

Rank	Reason	%
1	To be a Leader in Business & Industry	41%
2	To do something Unique in Life	32%
3	To help society & create Employment	14%
4	To earn lots of money	13%

Table 2 reveals that the major driving force for the students to become entrepreneurs is the opportunity to become business leaders (41 percent) and to do something unique in life (32 percent). Also some of them think that they want to become entrepreneurs to serve the society. Only 13 percent of the students feel that there are monetary reasons to become an entrepreneur. Therefore they assign least weightage to earning money.

Challenges of Entrepreneurship Education in India

Cultural barriers

Entrepreneurship can develop only in a society in which cultural norms permit variability in the choice of paths of life. Unfortunately, the Indian culture consists of a network of benefits that in many ways run counter to entrepreneurship. For example, Indians believe that being passive and content with the status quo is healthier for the inner soul than striving to improve one's situation. The caste system has impeded class mobility for centuries. People, even today, think that taking up a job is much better than taking a risk and starting a venture.

Difficulties towards Start-ups: Starting a business in India is costly in terms of the time required and the cost involved. While it takes just five days to start a business in the United States and just two days in Australia, in India it takes as long as 89 days. What really hurts is that even in neighbors Pakistan, Nepal, and Bangladesh, it takes just 24, 21, and 35 days respectively to do so. The reason for such delay is bureaucratic—too many rules and regulations, and too much paperwork. On average, it would cost an entrepreneur nearly half of his/her total income (49.5% of the gross national income per capita) to set up a business, which is 100 times more than what is needed to set up a business in the United States. Again poorer cousins Bhutan, Pakistan, and Sri Lanka are better off. Doing business in India is an extremely difficult proposition. The absence of an appropriate entrepreneurial climate, the lack of required infrastructure facilities, and the lack of access to relevant technology hinder rapid industrial development. Most of the time, the Indian entrepreneurs have to tackle electricity, transportation, water, and licensing problems.

Incomplete Entrepreneurship Education: A survey done by the Entrepreneurship Development Institute, India (EDII) in 2003 shows that young people are afraid to start their own business because they are not confident, not capable, and lack knowledge in starting a business. Many people have the opportunity to change jobs or become an entrepreneur if they are properly trained. The students in India are not satisfied with the “hands-on” support of their university in the founding process.

The findings of a survey on business owners in India suggest that management education is not an important driver of entrepreneurial attitudes (Gupta 1992). There is a demand for education programs specifically designed to expand students’ knowledge and experience in entrepreneurship. The contents and teaching methods have to be differentiated between entrepreneurship and traditional business courses.

The Value Chain Approach : The Value Chain represents the sequential approach for strategising entrepreneurship education.

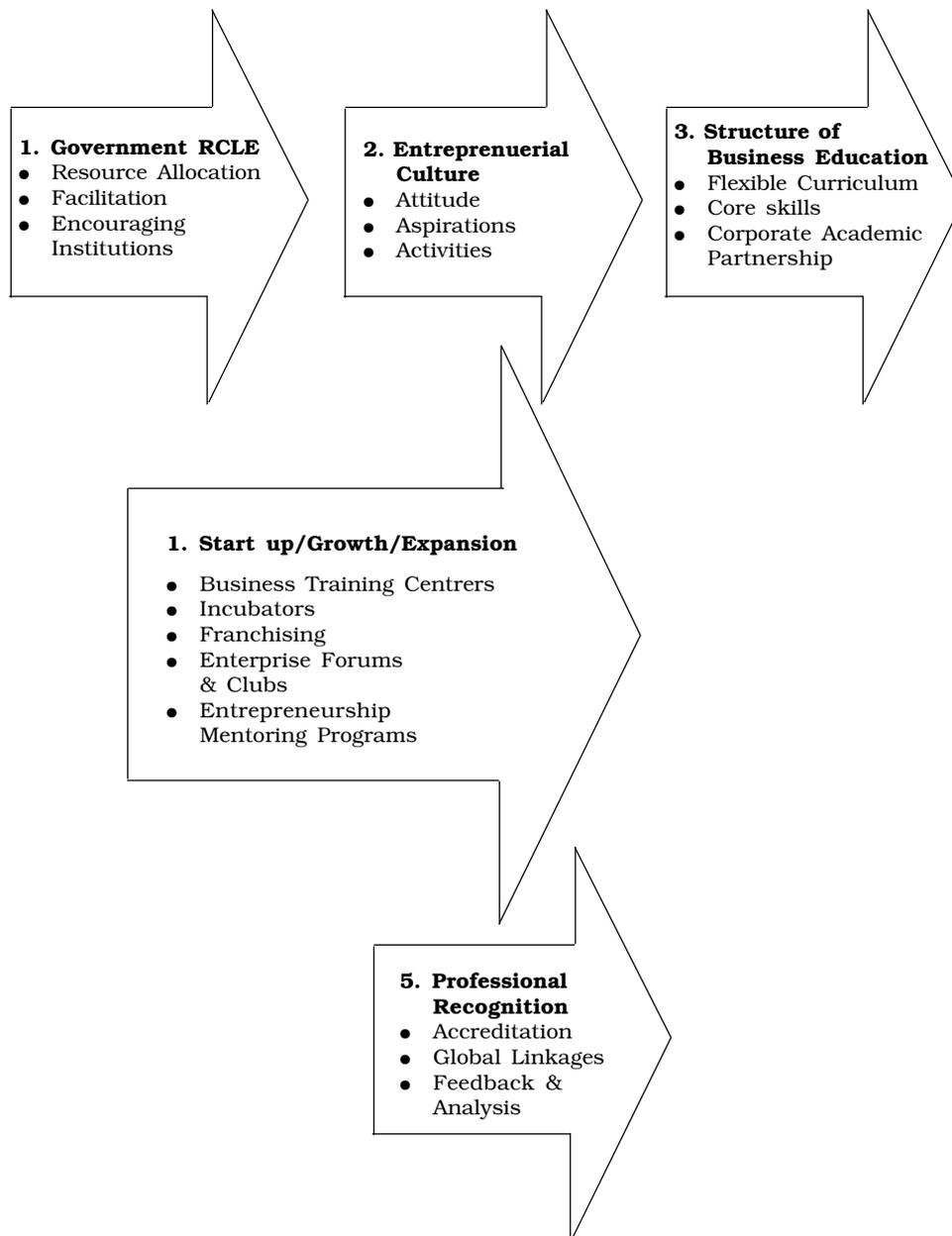
Government Role: The activities of the entire Value chain start from the role of the Government and Business Leaders who need to invest in entrepreneurship educational institutes and support their initiatives. The government financial support for business education is required to compete internationally. Although government should ensure funding it should allow greater autonomy to educational institutes by de-bureaucratising the system.

Entrepreneurial Culture: There is a very important role of entrepreneurship in economic development while business entrepreneur drive and shape innovation, they speed up structural changes in the economy and they introduce the new competition thereby contributing to the productivity. Social entrepreneurs perform a similar function in the social economy, filling gaps in social needs that are left unfilled or poorly addressed by both business and government. Therefore to develop business entrepreneurs or social entrepreneurs the attitude must be developed among the business students of the nation.

Structure of Education: Education in business schools should be imparted

such that the different programs and learning strategies help develop skills that lead to the formation of a new venture. In other words such education and training should impact the entrepreneurial orientation. There needs to strike a proper balance between didactic training and skill. Every learner should be equipped with a set of core skills that can be retuned and amplified to enable adaptation to emerging opportunities in the rapidly changing world. The core skills constitute quantitative and analytical thinking, language,

Figure 1: Value Chain



communication and networking, accessing and managing and imbibing the spirit of competition and innovation. These attributes are essential for employment, entrepreneurship, knowledge and wealth creation.

Start Up/ Growth/Expansion Support

- Business Training Centers:
- Incubators
- Franchising
- Enterprise Forums and Clubs
- Entrepreneur Mentoring Programs
- Professional Recognition
- Accreditations
- Global Linkages
- Corporate Universities
- Feedback and Analysis

Conclusion

There needs to be a Quality Revolution in Entrepreneurship education through the Value Chain Approach where there has to be the highest possible quality at each step of the development process. The Value Chain presents an effective strategy of imparting multidisciplinary business content and experiential approaches along with mentorship and training from the Corporates and Industries during start-ups. Institutes ought to expand and look beyond conventional horizons to what their counterparts in the world are doing. The role and responsibility of the Government, Industry and Educators in a combined manner is vital.

Faculties Feedback: Essential Ingredients in Higher Education Institutions

LAKSHMI T, JAYATHEERTHA A AND THIRUMALA M

There are numerous criteria on which the ingredients are gauged. Feed back given by the faculty members, who were form the largest group of stakeholders, become one of the important ingredients that professionalize the Indian higher education system for quality education. It is on the part of faculty members, the process of feedback needs to be made scientific. This paper is based on a survey that was taken at few reputed colleges at Bangalore. This made faculties not only more forthcoming but made the exercise more objective. It includes recommendations of faculties for different ingredients.

The Higher Education institutions in India are in improving state and the globalization process has forced them to prepare for the competition. The changes that are taking place in the institutional environment have created huge expectations on the part of various stakeholders who are discussing with the faculty members. In the competition environment in which the institution have to survive and grow and the increasing opportunities for institutions to grow enable the institutions to adopt to the changing environment and also to exploit opportunities for growth and development.

Objective of the Study

- To Discuss what measures should be taken while implementing higher education quality.
- To determine the level of satisfaction Learning-Teaching-Assessment area.
- To identify the faculties perception over quality circles.
- To identify the factors supporting for bench marking practices.

Methodology

The research methodology used is based on cluster sampling as the researcher had divided the total population into clusters or groups and there by randomly selected from the group of samples based on convince. The primary data is gathered by direct interaction with the people of the

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organization by the means of questionnaires and verbal discussion. The secondary data sources are the company manuals, previous reports and company websites. The sample institution for the purpose of the study is units, which have linked their for ingredients. Sample is picked up using judgmental sampling effectiveness. The population size is 763 numbers including faculties of commerce and management, Para medical, Engineering College and nursing colleges.

Sampling

Faculty members of various institutions.

Particulars	Commerce & management	Para medical	Engineering	Nursing	Total
Total sample	253	165	315	30	763
No. Of respondent	28	21	39	12	100
% of Respondents	33.16	21.62	41.29	3.93	100

The collected data will be analyzed with the help of statistical tools and techniques. Average Percentage ratios, dispersion, correlation, regression and the like will be utilized for the analysis purpose.

Variables of the Study

- 1) Implementation of policy and strategic guidelines for curriculum development
- 2) Placement Facility
- 3) HR Development technique
- 4) Relations with external people
- 5) Staff Benefits
- 6) Handling of student complaints

Results

Table 1: General areas of improvement

Variable	Mean	Std. Deviation	Z Value	Sig. (2 tailed)
1	2.9232	0.51345	-1.521	0.129
2	0.5129	0.49694	-1.352	0.181
3	3.0301	0.54013	0.555	0.58
4	3.0825	0.425	1.911	0.059
5	0.92	0.30748	13.659	0.001
6	0.7779	0.41786	6.621	0.002

Note: 1) Highly Active 2) Fairly Active 3) Moderately Active 4) Slightly Active
5) Not Active

Table 2: Teaching-learning-assessment

Variable	Mean	Std. Deviation	Z calc	Sig. (2 tailed)
1	0.6393	0.43215	4.143	0
2	0.407	0.47671	1.521	0.179
3	3.2121	0.42121	1.921	0.071
4	3.2323	0.47125	5.519	0.005
5	0.5918	0.49403	-1.84	0.069
6	0.9286	0.25886	16.389	0.001

Note: 1) Strongly agree 2) Disagree 3) Undecided 4) AGREE 5) Strongly agree

Table 3: Quality circle

Variable	Mean	Std. Deviation	Z calc	Sig. (2 tailed)
1	3.2121	0.54054	0.558	0.58
2	3.9121	0.53126	1.911	0.059
3	2.7172	0.52831	-1.512	0.131
4	3.3223	0.42131	0.494	0.063
5	0.9286	0.41311	-1.392	0.169
6	0.9021	0.48672	1.671	0.172

Note: 1) Very Good 2) Good 3) Neutral 4) Bad 5) Very Bad

Table 4: Bench mark practices

Variable	Mean	Std. Deviation	Z calc	Sig. (2 tailed)
1	3.9201	0.30749	6.614	0
2	0.7779	0.41791	4.143	0.001
3	2.4949	0.49681	-1.01	0.121
4	0.5913	0.46376	1.84	0.68
5	2.4175	0.39212	-1.23	0.192
6	0.6939	0.45365	16.389	0.671

Note: 1) Very Good 2) Good 3) Neutral 4) Bad 5) Very Bad

Findings

- Majority of institutions are not introduced NAAC policy fully.
- Majority of institutions are not having proper placement facility.
- HR development techniques in the institutions are good.
- Staff benefits in institutions are very moderate.
- Dealing with student complaints is good.
- Bridge courses are implemented in few institutions only.

- Academic planner and its communication are good.
- The majority of the faculties express that interaction courses and its functions are not good.
- The institution supports for fresh faculties for improvements.
- Budget provisions for research are very low.
- Problem solving technique in the institution is good.
- The necessary infrastructure for QC provided by the top management is neutral.
- Organizing the training facilities on QC for faculties is not good.
- Some of the institutions undertake case studies and research activities pertaining to education management.
- HOD should not voluntarily about the problems of institutions.
- No faculties of the institutions receive the opportunity for communicating with other professionals.
- There is support for higher education.
- Bench marking is good
- Innovative type of training is not good.
- Strategic bench marking in the institutions are neutral.
- Absence of central media facility.

Recommendations

Quality Circles

- Impressing upon the employees /faculties on the need of the launching QC activities to their own benefits, which would eventually improve quality.
- The head of institution must be involved in providing all the support, motivation and necessary infrastructure for QC activities.
- HOD should meet voluntarily to discuss the problems of their respective departments, consider the view of their respective staff and redirect it to top management for decisions.
- To strengthen educational data base for decentralized planning and management.
- Undertake case study and research activities pertaining to educational management for education if and when necessary.

Bench Marking-practices

- Highlight academic and career orientation program to faculties.
- Guidance for entrance examination.
- Method of teaching and learning plans need be prepared.
- Proper training provided for innovative type of teaching.
- Provide library facilities for the faculties for self learning method through books, journals, internet and e-resources.

Conclusion

The emerging changes and challenges in the field of higher education can no longer be dealt within isolation. It is, thus, necessary to adopt strategic approach through proper management functions of various categories of administrative and field functionaries with prior importance to essentials of ingredients. As a result, educators are being challenged to come up with new strategies of instructions, which a deeper insight into how people learn, especially in this digital age. This paper has thrown light on the new ways of learning theories with the integration of all the factors to bring out active learning.

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Attrition Factors among Faculties in Private Management Institutes

HITESH CHELAWAT, MEERA MATHUR AND I.V. TRIVEDI

All the parameters selected for the study are important & critical for solving the faculty attrition problem, yet the parameters could be grouped into five factors. They include incentives, working environment, physical environment, learning opportunities & work-pay balance. Out of these factors, incentives have come out as the most important factor with highest loading. It includes performance appraisal, recognition & appreciation, growth opportunities & incentives for hard work. The second most important factor which is named as Working Environment includes incentive for loyalty & colleague behaviour as the most crucial factors. The loading of various factors explains that by controlling just a few parameters like performance appraisal, salary, incentive for loyalty, role clarity, recognition & appreciation and infrastructural facilities, the problem of faculty attrition could be controlled substantially.

Introduction

Talent Management is the end-to-end process of planning, recruiting, managing, assessing, developing, maintaining & compensating human resources in an organization. It describes the process through which employers of all kinds – firms, government or non-profit organizations – anticipate their human capital needs and set about meeting them. “Getting the right people with the right skills into the right jobs”, is a common definition of talent management, is the basic people management challenge in organizations. Decisions about talent management shape the competencies that organizations have and their ultimate success, and from the perspective of individuals, these decisions determine the path and pace of careers.

The four pillars of Talent Management are: recruitment, performance management, learning management and compensation management.

Farley (2005) gave the process perspective which proposes that talent management includes all processes needed to optimize people within an organization. He believed that the future success of an organization is based on having the right talent & so managing and nurturing talent is part of the routine organizational life. Creelman (2004) gave the cultural perspective according to which talent management is a mindset. Michaels Handfield-

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Jones & Axelrod (2001) suggested that talent is needed for success. This can be clearly seen where every individual is dependent on their talent for success due to the nature of the market in which they operate, and is typical of organizations where there is a free internal labour market, with assignments being allocated according to how well they performed on their last assignment.

Ewell (1991), Cornesky (1991), Chen et al (2006) underpinned the importance of faculty for quality in higher education. Research on academic quality in higher education has been by and large focused on students as customers, their satisfaction or dissatisfaction with the various programs. Faculty satisfaction has been given only a cursory importance. Chen et al (2006) have adapted Importance - Satisfaction model (I-S model) in higher education illustrating quality improvement in terms of satisfaction. Tribus (1995) developed an early model of customer-supplier for higher education. Citing Tribus model (1995), Raouf (2004) has argued that if the quality of the service is to be determined then the beneficiaries have to be clearly defined in terms of their needs and expectations. The model conceptualizes faculty as customer in the education industry, and states that, similar to the concept in business, there are also internal and external customers in education. It is therefore important to highlight faculty satisfaction from the point of view of job satisfaction also.

Faculty is the main resource central to appropriate educational activity. Even though managing faculty satisfaction as talent remains relatively under researched as compared to managing employee satisfaction as talent in business. Shagbemi (1997b) proclaimed faculty satisfaction as an essential pre-requisite for excellence in faculty performance with reference to quality in education. Korey (1995) suggested that research on the quality of higher education had started to consider the job satisfaction of faculty members. Ewell (1991) underpinned faculty satisfaction as a key to quality output in terms of professional commitment of faculty members and how well that is aligned with the overall goals of universities for quality enhancement. Schonberger's (1990) emphasised on internal customer relationship supporting the idea that the faculty may be seen as the customer of the educational manager. Rowley (1996) avowed that it was the manager's task to minimize problems that hinder faculty from performing at their highest levels of ability.

Methodology

The paper is exploratory in nature. The questionnaire survey method has been used to investigate the issues and factors important for faculty and their satisfaction. The objective is to suggest factors to be considered in designing talent management process and in attracting, developing and retaining quality faculties. The questionnaire used was divided in two parts – A & B. The first part included questions relating to the demographic details of the faculties, i.e., age, gender, qualifications, total experience, and current designation. The second part included the fourteen parameters used to explain the expectation of faculties to be rated on a 5-point Likert scale.

After designing the questionnaire, expert opinion was sought & a pilot testing was done with 3 faculties. For the study, young faculties of various management institutions have been selected using convenience sampling. The questionnaires were sent to 40 faculties, out of which 32 responses were received.

The data were reduced using factor analysis. Factor analysis is a method of reducing data complexity by containing the number of variables. The purpose of data reduction is to remove redundant (highly correlated) variables from the data file, perhaps replacing the entire data file with a smaller number of uncorrelated variables. With regard to the factors that are important to faculties and influence them, a total of fourteen variables were subject to factor analysis.

Results

The factor analysis performed on the fourteen parameters of the study yielded the following results:

Table 1 gives the descriptive statistics of mean & standard deviations of all the fourteen parameters selected for the study. Table 2 indicates the amount of variance in each variable that is accounted for. Initial communalities are estimates of the variance in each variable accounted for by all components or factors. Extraction communalities are estimates of the variance in each variable accounted for by the components. The communalities in this table are all high, which indicates that the extracted components represent the variables well.

Table 1: Descriptive statistics

Factors	Mean	Std. Deviation
Teaching load	4.2812	.77186
Management behaviour	4.2812	.63421
Colleague behaviour	4.4688	.71772
Infrastructure facilities	4.1250	.60907
Incentive for hard work	4.0312	.78224
Loyalty incentive	4.0938	.68906
Attrition rate	3.2812	1.05446
Learning opportunity	3.9375	.80071
Role clarity	3.4375	.75935
Administration support	4.3125	.73780
Growth opportunity	4.0000	.71842
Performance appraisal	4.2188	.65915
Recognition and Appreciation	4.5625	.66901
Salary	4.5938	.66524

Table 2: Communalities

Factors	Initial	Extraction
Teaching load	1.000	.786
Management behaviour	1.000	.772
Colleague behaviour	1.000	.786
Infrastructure facilities	1.000	.738
Incentive for hard work	1.000	.776
Loyalty incentive	1.000	.768
Attrition rate	1.000	.545
Learning opportunity	1.000	.652
Role clarity	1.000	.734
Administration support	1.000	.719
Growth opportunity	1.000	.794
Performance appraisal	1.000	.854
Recognition and Appreciation	1.000	.753
Salary	1.000	.839

Extraction Method: Principal component analysis.

KMO Measure of sampling is 0.628 which is in the acceptable range, being more than 0.5; hence factor analysis could be administered further. The result of factor analysis was obtained by Principal Component Analysis and specifying the rotation. Data were analyzed on Eigenvalue 1 and varimax rotation.

In table 3, the Total column gives the eigenvalue, or amount of variance in the original variables accounted for by each component. The % of Variance column gives the ratio, expressed as a percentage of the total variance in all of the variables. The Cumulative % column gives the percentage of variance accounted for by the first components.

Table 3: Total Variance Explained

Component	Total	Initial Eigenvalues	
		% of Variance	Cumulative %
1	4.746	33.899	33.899
2	2.350	16.783	50.682
3	1.291	9.222	59.904
4	1.099	7.853	67.757
5	1.031	7.362	75.119
6	.788	5.630	80.749
7	.618	4.415	85.164
8	.581	4.147	89.311
9	.540	3.854	93.165
10	.324	2.313	95.478
11	.240	1.712	97.190
12	.178	1.272	98.462
13	.149	1.061	99.523
14	.067	.477	100.000

Extraction Method: Principal Component Analysis.

Table 4: Total variance explained

Component	Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	4.746	33.899	33.899
2	2.350	16.783	50.682
3	1.291	9.222	59.904
4	1.099	7.853	67.757
5	1.031	7.362	75.119

Extraction Method: Principal Component Analysis.

Table 4 shows the extracted components. In table 5, the rotation maintains the cumulative percentage of variation explained by the extracted components. The total variables that can be explained with the above factors are more than 75%. The rotated component matrix helps to determine what the components represent. Outcome of factor analyses are evident in Table 6 which shows extraction of five components which are considered important by faculties.

Table 5: Total variance explained

Component	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	2.835	20.250	20.250
2	2.514	17.954	38.205
3	1.904	13.600	51.805
4	1.788	12.769	64.574
5	1.476	10.545	75.119

Extraction Method: Principal Component Analysis.

Table 6: Rotated component matrix

Factors	Component				
	1	2	3	4	5
Teaching load					.671
Management behaviour		.471			
Colleague behaviour		.728			
Infrastructure facilities			.809		
Incentive for hard work	.605				
Loyalty incentive		.853			
Attrition rate		.565			
Learning opportunity				.482	
Role clarity				.815	
Administration support			.603		
Growth opportunity	.680				
Performance appraisal	.897				
Recognition and Appreciation	.814				
Salary					.892

Extraction Method: Principal component analysis.
Rotation Method: Varimax with Kaiser Normalization.

Factor 1: The first component includes Incentive for hard work, Growth opportunity, Performance appraisal and Recognition & Appreciation, as these items have highest loading as shown in the table. Respective loadings of items are .605, .680, .897, and .814. Because of common nature of these items, the researcher has identified these factors as 'Incentives'. Incentives are extrinsic motivators for hard work which also affects attrition of faculties.

Factor 2: Items which have high loading on second component are behaviour of management, behaviour of colleagues, incentive for loyalty and attrition rate. The researcher interprets these factors as 'working environment'. Among the working environment, incentive for loyalty has the highest loading, followed by behaviour of colleagues.

Factor 3: Infrastructural facilities & administration support constitute the third factor. The researcher characterizes these items as 'physical environment'. Infrastructural facilities available within the institution are the backbone of the faculty working.

Factor 4: Role clarity & opportunity for learning comprise the fourth factor. They are termed as 'learning opportunities'. The faculties are more specific about learning opportunities and clarity of role, as an important factor.

Factor 5: It represents salary and teaching load. Thus, it has been termed as 'Work-Pay Balance'. Its variance (10.545) is also the least among all the factors.

The most important of all factors is Incentives since its Eigen value and percentage of variation explained by this factor are 4.746 and 20.25 percent respectively followed by working environment with 2.350 and 17.95 percent respectively. It was evident that incentives and working environment have items that are most important factors. In this study, fourteen variables were established and factor analysis has illustrated five components which are important in recruitment, development and retaining of talent and hence for formulating talent management strategies and processes. Management Institutions need to understand faculty as talent and construct talent management strategies considering relative importance of various factors similar to the practices in corporate. Performance management focus is mainly on facilitating environment. Therefore it is inevitable to understand and create environment across factors important to faculties. In summary, talent management should focus on variables important in performing key jobs and key individuals. It is the faculties and their subject knowledge & teaching skills that are critical in ensuring long term success of an institution.

Conclusion

The study has revealed that all the parameters selected for the study are important & critical for solving the faculty attrition problem, yet the parameters could be grouped into five factors. They include incentives, working environment, physical environment, learning opportunities & work-pay balance. Out of these factors, incentives have come out as the most important factor with highest loading. It includes performance appraisal, recognition & appreciation, growth opportunities & incentives for hard work.

The second most important factor working environment included incentive for loyalty & colleague behaviour as the most crucial factors.

The loading of various factors explains that by controlling just a few parameters like performance appraisal, salary, incentive for loyalty, role clarity, recognition & appreciation and infrastructural facilities, the problem of faculty attrition could be controlled substantially.

Considering faculty as talent and establishing effective talent management practices with focus on development & learning opportunities and performance-based rewards would reduce attrition. A facilitating working environment may positively result in internal growth of faculties, which is also ranked an important factor by them. With effective practices of learning and growth opportunities, quality faculties can be built within the management institutions which would help in building leadership position of the institution. It also helps in achieving internal career growth aligned with the vision and strategies of the institution.

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Seminar on
Business Education at Cross Roads

ABSTRACTS

Business Education: The Game of Marketing Gimmicks

ABHINN BAXI AND R. K AGARWAL*

The main objective of the paper is to study whether the quality education is still alive in Business education or it is available across the road easily. The answer to the above is not very exciting since there are many cases where a B-School was set up in a two room rented premises, with the initial expenses to carry out newspaper advertisements.

Emerging Dimensions of Business Education in the 21st Century

AMRIK SINGH SUDAN, YODHVIR SINGH, ANIL GUPTA AND ANU CHADHA**

In the wake of growing business education, the capacity of Society to provide job to every business graduate is impossible due to inadequate resources. Present paper discusses this issues in detail.

The Virtue and Value of Business Education

ARUN KUMAR PUTTAPALLI AND DR. ISRAEL RAJU VURAM***

As per the present need the faculty who are working in business schools not only concentrating class room lectures but also implement learning through discussion and simulation techniques to sharpen communication skills and develop overall personality.

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Challenges in Business Education: A study of the Indian Context

DHARMENDRA S. MISTRY, SANDIP K. BHATT AND GAUTAM V. MISTRY*

In this article, an attempt to highlight the challenges in Business Education has been made. It not only focuses on the history and growth of Business Education in India but represents some of the vital suggestions that will help the administrators, academicians, students, researchers and the government to improve the quality of Business Education in India also.

Students Placement: A Dire Necessity of Business Schools from Maharashtra

DILIPKUMAR P PATIL AND TUSHAR DAGADE**

The supply of highly skilled personnel in the area of management, marketing & IT will be the prime requirement & the Business School from Maharashtra should provide high quality of education with sufficient intake & adequate infrastructure facilities.

Quality Enhancement in Higher Education

G.V. NAGI REDDY***

Higher education in India has witnessed a rapid growth after independence. India can be proud of having a developed system, which is capable of meeting most of the needs of human resources of the country in all disciplines and professions. The higher education system in India is the second largest educational network consisting of highly heterogeneous types of institutions of varied quality and standards. There is no doubt that higher education has experienced tremendous quantitative growth. However, the quantitative expansion has affected the quality of education.

Conceptualities of Managing the “Institutes of Business Education (IBE)”

H.D. PATIL AND RAMDAS S. WANARE****

The IBE, as it is palpable from the experiences of top Indian B-School has to run as a pattern on an economic system in which the resources of all kind—material, human and technological—are sought to be managed in a manner that brings optimized results in terms of input-output function.

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Business Education at The Crossroads – “Collaboration of Management & Education System”

KAMINI KUMARI AND JAYSHREE TIWARI*

The global financial crisis and its after-effects have exposed the inadequacies of the higher education system in general and MBA education in particular. The financial meltdown and its shockwaves across the world have put a question mark on the purpose and validity of business education. Now an even larger question is being raised – whether the business part can be taught.

An Overview of Business Education at Cross Road

KAMLESH RAJPUT, ABHINAV PATEL AND VIRAL.H.KA.PATEL**

In view of the business education scenario, this article attempts to cover business education in India, the structure of various institutes and curricula offered, agenesis of private initiative and its present status, initiatives taken by the Government to improve the backbone of the country’s business education system and above all a special focus on the BBA, MBA graduates passed out from premier management institutes.

Towards Reforming The Vocational Business Education and Training (VBE&T)

KIRTI GUPTA AND SANTOSH GUPTA***

The Vocational Business education has direct concern to employment. Many MBAs or Management graduates have discrete knowledge of technical practices of the business and vice versa. This situation calls for reforms in the Vocational Business education.

Business Education At Cross Roads: The Paradigm of Management Evolution

KRISHNA CHANDRA DWIVEDI****

This paper has been divided into four parts, the first part is the introduction part, the second part discusses about rebalancing must occur, the third part explained about what led you to identify and study gaps and opportunities in MBA education?, the fourth part discusses about except from *rethinking the MBA: business education at a crossroads*, the fifth part discusses about in the past, deans and business school faculty had a ready response to questions about the value of the MBA degree and the last part is the concluding remarks.

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Challenges before Business Education in India

M.K. SINGH AND SONAL SHARMA*

Business education today is passing through a critical phase with the advent of new economic policy in 1991, the demand for a business education is increasing. It may continue to rise as we enter in the 21st century. In this paper, an attempt is made to assess the present position of business education, challenges before it and how to meet these challenges.

Business Educations at Cross Road for Quality

MAHESH V. SHITOLE AND VIJAYKUMAR S. SHITOLE**

Native Indians and People abroad especially from the developing countries are more and more fascinated towards M.B.A. or management linked academic activities as they have realized the significance of the Business Education courses especially those which are run in the realm of AICTE approved institutions.

Business Education : A New Vision for the Globalised Era

MANAS PANDEY***

Business education has become a mix of economics, book-keeping, accountancy, management and business economics along with its old allies. At present, almost all Universities in the country have the programmes of business, (commerce & management) education at various levels.

Inculcation of Studies of Business Ecology in Budding Managers

MIRZA SHAHAB SHAH, SANJAY KUMAR PATEL AND KRISHNA KUMAR****

To provide a physical shape, traditional business education system should be converted towards environment oriented business education that provides budding managers ecological business education. This article focuses the need of 'Business Ecology' as a subject in Business Education as well as proposed syllabus of Business Ecology and career opportunities available after such educational courses.

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The Future of Entrepreneurship Education (EE) in Business Education

P. PARAMASHIVAIAH, GUNDUPAGI MANJUNATH AND ASHFAQ AHMED*

Employees are no longer relying on company loyalty for job security and many employees changed their company also. Now employees are taking charge by starting their own enterprises. They want to take new risks and opportunities that they believe in their own hands. Industry ready skills, technical skills, academic skills, general employability skills will not make students carrier ready.

Globalisation and its Impact on Higher Education in India

P. SRINIVASULU, D. THIRAPATHAIAH AND M. BABU RAO**

Education is the process that liberates the mind. It is liberation from all forms of darkness and ignorance. Indian education system was well known in the world. Ancient Indian system was mainly concerned with vocational, learning of parental crafts, manual work, physical exercise of yoga, discipline life, truthfulness, self confidence and respect, love for the Nation etc.

Commerce based Vocational Education and Training System in India – Some Issues and Challenges

P. VEERAAIAH, JOHN SILVERA, SUNIL S. DESHAI AND MR. B. D. KHAVANEKAR***

The role of modern technology in the use of efficient delivery systems for the vocational In this paper we covered present status of Vocational Education and Training Programme in India, Dimensions of Vocational Education Programme, Broad Areas of Vocational Education, Business and Commerce based Vocational Education Programme, Present Position of Business and Commerce based Vocational Courses, Issues in Present Vocational Education & Training System and changes required in Vocational Education and Training System.

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“Technological Innovations in Business Education to Meet the Global Standards”

RAVI M.N., LOUIS MANOJ AMBROSE AND SUMAN SHETTY N.*

In current competitive business world, corporates expect new employee to understand how business function in today's global economy, which requires knowledge of basic business processes and technology used to support them. Therefore they expect highly skilled and techno-friendly manpower that is capable of broadening and significantly quickening the pace of the industrial expansion in order to successfully compete and thrive in the global market.

Role of Information Security Curriculum in ever changing Business and Management Education

RAVINDRA D. GHARPURE AND BHARAT MEGHE**

This paper envisage on information security curriculum that evolved from a technology-focused legacy systems course to a current-topics Web commerce course for MBA students with an emphasis on business management issues faced by today's networked organizations. The paper also describes the use of an online component, implemented to enhance student learning in a technology-based environment, which fostered interactivity and discussions among students.

Commerce education for Promotion of employment

S.A. SONEGAONKAR***

Educational institutions in commerce stream are presently engaged in facing the challenges that have never been thought of before. Different forces have been working against present commerce educational system. The need and expectations of our fast changing business world have been dynamic, and now it demands new areas of knowledge and skills.

Business Education at Cross Roads

S.G. HUNDEKAR****

At present the commerce education is suffering from certain hiccups like, mismatch between the expectations of business houses and the course curriculum, multiplicity of courses, use of local language, lack of computer skills, lack of knowledge of recent developments, lack of communicative skills, divorce between theory and practice, undue influence of non-commerce academicians in policy making, etc.

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Indian management education the road ahead

SOM SEKHAR BHATTACHARYYA AND CHRISTO F.V. FERNANDES*

The quality of management curriculum and the effectiveness of the management teaching would determine the progress of India both socially as well as economically for the coming few decades. It will not be an understatement to make that India management education will play a significant role in determining whether or when India will emerge as an economic super power.

Bridging the Gap in Business Education: Need for Change

SURESHRAMANA MAYYA**

Through this paper, an effort is made to probe the reasons for apprehension and the steps to be taken to bridge the gap between societal expectations and output of business schools of Udupi and Dakshina Kannada District.

Curriculum Development for a Management Programme An Overview

T. BHARATH AND G. RAJITHA***

Management education is a dynamic process which is supposed to mould the personality, character and behaviour of a person in a positive direction. It is also expected to help the individuals to acquire knowledge and skills to build a niche for excellence in management in the growing competitive global business world.

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Corporate Dividend Policy in India – Application of Dynamic Partial Adjustment Equation using Extended Instrumental Variable Approach

MANOJ SUBHASH KAMAT AND MANASVI MANOJ KAMAT

This paper aimed to test applicability of dividend stability hypothesis and add to the relatively limited literature on aspects of dividend decision by examining the dynamics of relationship between dividend payouts and a host of other explanatory variables. We model the dynamic panel data using Partial Adjustment Model (PAM) within the framework of Generalized Methods of Moments (GMM) using Instrumental Variable (IV) approach to advance the knowledge of dividend and uncover the macro-economic determinants of dividend along the variability of dividend policy practices in India for a longer time window, 1971-2007.

Introduction

There is a view that dividends significantly affect the value of firm and shareholders' wealth as per Jensen (1986); while there prevails a skeptical view about the 'value added' by dividends, according to Modigliani and Miller (1958) and Miller and Modigliani (1961). Damodaran (2000) truly points, decisions like dividend decisions, investment decisions and financing decisions are crucial and involve tradeoffs, there seems to be little consensus on what should lead us in terms of a 'right' dividend policy.

Review of Literature

Several studies (Smith (1963, 1971), Brittain (1966), Dhrymes and Kurz (1967), Plattner (1969), Hakansson (1969), Long (1978), Chateau (1979), Murray (1981), Penman (1983), Poterba (1986), West (1988), Han *et. al.*, (1989),

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Frankfurter and Lane (1992), Cochrane (1992), Isa (1993), Elston (1994), Christie and Nanda (1994), Lee (1995), Raaballe and Bechmann (2000), Desai *et al.*, (2002), Scott *et al.*, (2003), Elston *et al.*, (2004), Faulkender *et al.*, (2004), Omran and Pointon (2004) for Egypt and Lüders *et al.*, (2004) depict the impact of various factors determining dividend policies.

Of late researchers resort to use PDA is in determining dividends. Some prominent studies that use PDA are those by Frankfurter and Gomg (1993), Lasfer (1996), Benito and Young (2001, 2002), Kang (2001), Pandey (2001), Lee and Xiao (2003), Bebczuk (2003) Benito (2003), Barclay *et al.*, (2003), Baker and Smith (2003), Kumar (2003), De Angello *et al.*, (2004), Benzinho (2004), Omet (2004), Stacescu (2004), Goergen *et al.*, (2004a, 2004b), Chay and Suh (2005), John and Kayazenva (2006), Kowalewski *et al.* (2007), Renneboog and Trojanowski (2007), Gopalan *et al.*, (2006 and 2007), Hedensted and Raaballe (2008), and Andres *et al.*, (2008) among others.

Literature on dividend policies reviewed herein for purpose of present work reinforces the fact that number of studies on dividends in emerging market context is scanty. Given the limited published work in developing countries like India, a need is felt to attempt a comprehensive integration of both, qualitative support to the quantitative findings on dividend policy.

Research Methodology

For the purpose of empirical analysis, the period of study is taken from 1971-2007 and is sourced from the various annual studies based on the annual accounts of selected companies from among the non-government non-financial public and private limited companies and non-government financial and investment companies. This is the largest possible span for which firm level data is currently available for Indian firms. The unpublished private corporate firm level data for the empirical study is requested from the RBI and sourced from the database maintained from its Annual Studies on Company Finances. Banking, insurance and other financial companies as also companies limited by guarantee and associations, organizations functioning not-for-profit or in formative stage and those not operative for more than six months during the year are excluded in the dataset.

The average number of public limited companies for which equity dividend data is available in the full period is 1815 for each year for around four decades, covering around 22 industries, and the numbers of equity dividend related firm level observations are 67,174. For time series and static panel modeling, the entire time frame is divided into 1975-2007, 1975-1992 and 1995-207 denoting the full period, pre-reform and the post-reform periods respectively so as to enable include up to two lag structures. This sub-division of panels enables us to illustrate the effect of economic liberalization on the corporate dividend policy in India.

GMM technique for Dynamic PDA has been used for the estimation of our enormous dividend data. The primary motivation for analyzing Panel Data is to control for unobservable firm heterogeneity. Hsiao (1985) argue that pooling data using appropriate estimation techniques, and grouping

individuals according to certain *a priori* criteria can help overcome this heterogeneity problem. However it is rather difficult to establish exogeneity between the regressors and error term especially in company financial data and therefore the direction of causality between variables might be ambiguous because of the potential endogeneity. Consequently, the contemporaneous data for both dependent variable and its determinants may cause spurious results. In finance literature the endogeneity problem is either largely ignored or corrected for only using fixed effects or control variables approach. We control for this important problem by employing GMM technique to avoid significant bias in estimates.

Dynamic PDA using Extended Instrumental Variable (IV) Technique

Dividend decisions are dynamic by nature and could be modeled as such. PDA allows us to study the dynamic nature of the dividend decisions at the firm level. Dynamic panel-data models can be estimated by the GMM in accordance with Hansen and Singleton (1982), Holtz-Eakin, Newey and Rosen (1988), and Arellano and Bond (1991) to estimate the structural model of dividend. GMM is used when the regression is dynamic and include lagged dependent variables. The use of lagged dependant variables can create a bias of estimates obtained through classical regression analysis because the error term by definition is correlated with the lagged dependent variable. Due to such a correlation the OLS assumptions will be biased as the assumptions of non-spherical error terms are violated. Similarly, if there is a target dividend ratio, then firms should take the appropriate steps to reach this objective. However, the fixed or random effects models may also give biased and inconsistent estimators due to the correlated error term with lagged variable.

The advantage of GMM is that it finds the parameters of interest by maximizing an object function which includes the moment restriction that the above mentioned correlation between the error term and the lagged regressor is zero. The GMM estimator is the value of the parameters that satisfies the sample moment condition. GMM differs from other estimation principles such as least squares, or maximum likelihood, in the objective of the minimization problem as the GMM estimators are defined by choosing the parameters to minimize the criterion function. GMM sets the moment or orthogonality restrictions close to zero. GMM estimators allow controlling for unobserved individual effects which are present in the static model, endogeneity and simultaneity of explanatory variables and its lagged values and also enable the use of lagged dependent variables, Hansen (1982). Firm or individual specific effects are taken care of by first differencing the variables. The use of time dummies for each year in the sample takes care of time effects.

The assumption that instruments Z are exogenous can be expressed as $E(Z_i u_i) = 0$ and the L instruments give us a set of L moments, and can be specified as

$$g_i(\hat{\beta}) = Z_i' \hat{u}_i = Z_i'(y_i - X_i \hat{\beta}) \dots\dots\dots(1)$$

Where, Z_i is $L \times 1$. The exogeneity of the instruments means that are L moment conditions or orthogonality conditions, which will be satisfied at the true value of β : $E[Z_i(\beta)] = 0$. Each of the L moment equation corresponds to a sample moment, and the L sample moments can be written as:

$$\dots\dots\dots(2)$$

The intuition behind GMM is to choose an estimator for β that solves

$g(\beta) = 0$. These GMM estimators allow controlling for unobserved individual effects which is present in the static model, endogeneity and simultaneity of explanatory variables and the use of lagged dependent variables. Firm and individual effects are taken care by first differencing the variables. The use of time dummies for each year takes care of time-effects. In principle, the simultaneity bias in the estimated models can be tackled by the use of instrumental variables. Consistent GMM estimation requires that the instruments used be uncorrelated with the unobservable effects to the function since these effects may be included in the error term. Examples of these effects include attributes of the managers of firms such as ability and motivation, or their attitudes towards taking risk. They might also include time-invariant industry specific effects, which are specific to the industry in which the firm operates. These might involve those structural characteristics such as entry barriers, market conditions and industry wide business risk. While the time dummies take note of the macro economic shocks common to all the firms, these effects are mainly macroeconomic effects such as prices and interest rates (inflation levels and yield curve in our model). Mostly these effects will be captured by the presence of firm specific and time specific dummies.

To deal with variables that may be correlated with the error term, Instrumental Variables (IV) can be used. Application of GMM to econometric models can be considered as an extension of IV estimation method. IV estimation is widely used for models with random regressors (e.g. lagged dependent variable) which exhibit the correlation with model errors. Using IV has the additional advantage of solving problems encountered in static models, mainly the simultaneity bias between the dividend measure and the explanatory variables, and the measurement error issue.

For notational convenience, let X be a combined data matrix of endogenous (dependent) and predetermined (independent or explanatory) variables in the model. b is a K -element vector of unknown parameters. Suppose there are L moment equations,

$$m(X,b) = (m_1(X,b), \dots, m_L(X,b)), \text{ where } L \times K \dots\dots\dots(3)$$

GMM sets the moment or orthogonality restrictions close to zero. The GMM estimator is the value of the parameters that satisfies the sample moment

condition. Corresponding to the moment conditions $E(m(X, b)) = 0$, we write the sample moment equations as follows

$$m(b) = 1/N \sum_{i=1,2,\dots,N} m(X_i, b)' = 0 \quad \dots\dots\dots(4)$$

Assuming p^{th} order auto-covariances, the well-known White-Newey-West estimator of covariance matrix of sample moments is

$$\dots\dots\dots(5)$$

Where, $S_0 = m(\beta)m(\beta)' = 1/N^2 \sum_{i=1,2,\dots,N} m(X_i, \beta)'m_i(X, \beta) \quad \dots\dots\dots(6)$

$$S_j = m(\beta)m_{-j}(\beta)' = 1/N^2 \sum_{i=j+1,2,\dots,N} m(X_i, \beta)'m(X_{i-j}, \beta) \text{ and } j = 1, \dots, p < N. \quad \dots\dots(7)$$

Given a positive definite symmetric weighting matrix W , the goal is to minimize the quadratic function:

$$Q(b) = m(b)'W m(b) \quad \dots\dots\dots(8)$$

Optimally, W is chosen to be the inverse of the consistent estimator of asymptotic covariance matrix of $m(b)$. That is,

$$W=W(b)=[\text{Var}(m(b))]^{-1} \quad \dots\dots\dots(9)$$

The GMM estimator b^* of b is obtained from solving the zero gradient conditions:

$$\nabla Q(b^*)/\nabla b = 0. \text{ Let } G(b^*) = \nabla m(b^*)/\nabla b, \text{ which is } L \text{ by } K \text{ matrix of derivatives} \quad \dots\dots\dots(10)$$

The estimated variance-covariance matrix of b^* is

$$\widehat{\text{Var}}(m(\beta)) = S_0 + \sum_{j=1,2,\dots,p} (1 - j/(p+1))(S_j + S_j') \quad \dots\dots\dots(11)$$

The asymptotic efficient estimator b^* is normally distributed with mean b and covariance matrix $\text{Var}(b^*)$.

Thus the intuition behind GMM is to choose an estimator for b that solves

$$\nabla Q(b^*) = 0. \text{ This GMM estimator allow controlling for unobserved individual}$$

effects which is present in the static model, endogeneity and simultaneity of explanatory variables and the use of lagged dependent variables, Hansen (1982). Firm and individual effects are taken care by first differencing the variables while use of time dummies for each year takes care of time-effects. To assess the validity of the assumptions on which the three different estimators are based we consider some specification tests. The test statistic m_2 for the null hypothesis of no second order serial correlation is reported along with the result of two Wald tests; Wald Test1 for the joint significance of the time dummies variables and Wald Test2 for the joint significance for all variables respectively. The m_2 test of second-order serial correlation of the error term checks whether the error term in the differenced model follows a first-order moving average process.

Explanatory Variables and Hypotheses

The definition of the underlying determinants and their nature of relationship hypothesized with the dependent variable, Dividend Payout Ratio (DPR) are

classified into those that vary both across firms and time (X_{it}), and those that vary only over time (Z_t), and are briefly indicated below.

Variables those Vary both Across Firms and Time (X_{it})

i. Earnings (ERNNG): Net earnings after taxes by total assets of the firm surrogates this variable and it is hypothesized that it would be positively related to dividends and negatively with the debt levels.

ii. Firm Size (SIZE): The inclusion of size is regarded as a simple control variable, without a particular sign expectation. Our measure of size is natural logarithm of net sales as logarithmic transformation.

iii. Investment Ratio (INVR): A negative relationship between dividends and investment ratio of the firm is hypothesized. The ratio of fixed and inventory investment along with R&D spending to total capitalization is taken as a measure this variable.

iv. Tangibility of Assets (TNGA): A positive relationship between the variable and dividend payout is hypothesized. We use the ratio of net fixed assets to total assets as a proxy for tangibility of assets.

v. Financial Slack (FSLK): Financial Slack surrogate business risk and is proxied by long term borrowing to total assets. The hypothesized sign of the coefficient of financial slack is negative.

vi. Cost of Borrowings (COBW): This cost is measured as the total interest payments adjusted to corporate tax to percentage of total borrowings of the firm. A negative relationship between cost of borrowings and dividend is hypothesized.

vii. Operating Risk (ORSK): Operating Risk is measured as the standard deviation in the ratio of operating income to total assets of the firm lagged three years. A negative relation between operating risk and dividend is hypothesized.

viii. Corporate Tax Rate (CTAX): This variable is measured as the ratio of the total tax payments to total profits before tax (with negative values truncated to zero). CTAX is regarded as a simple control variable, with no particular sign expectation.

Variables that Vary only over Time (Z_t)

The following two variables are assumed to vary only over time and assumed to have an uniform effect on dividend behaviour of firms. The variables CPID and YLCR capture the effects of inflation and interest rate differential on dividend distribution decisions.

i. Consumer Price Index Deflator (CPID): Consumer price index (inflation) would have a negative relationship with dividend and have a positive relationship with debt if higher inflation increases the wealth transfer to debtors, generated by the tax deductibility of nominal interest payments. A negative relation between inflation and dividend is hypothesized.

ii. Yield Curve of Interest Rates (YLCR): The YLCR variable is measured as the difference between the call/notice money rates and the long term

rates for term greater than 5 years for the fiscal year-end. A negative sign on the yield curve differential variable is hypothesized.

Empirical Model Specifications

The dynamic model for dividend in India using GMM has been specified. The use of dynamic econometric model is attributed to couple of other reasons. Firstly, since the firms cannot offset the adjustment and flotation costs immediately, it is expected that there is a role of the lagged values of both the dependent and independent variables to adjust these costs to determine the optimum dividend payouts. Secondly, a dynamic model is more general than a static model. A firms’ dynamic adjustment of dividend policy decisions make take several years to complete. The significance of explanatory variables can change considerably in the dynamic analysis. Applicability of such a procedure helps to identify broad group of factors influencing dividends, increases robustness pattern, and establishes a degree of generalizability over cross section of industry and time over the period of study.

Based on the above discussions, the preferred panel data model is specified with necessary lag structures (upto two) as

$$DPR = \hat{\alpha} + \hat{\alpha}_1 ERNG + \hat{\alpha}_2 SIZE + \hat{\alpha}_3 INVR + \hat{\alpha}_4 TNGA + \hat{\alpha}_5 FSLK + \hat{\alpha}_6 COBW + \hat{\alpha}_7 ORSK + \hat{\alpha}_8 CTAX + \hat{\alpha}_9 CPID + \hat{\alpha}_{10} YLCR + + + \dots \quad (12)$$

Where, DPR= Dividend Payout Ratio, ERNG= Earnings, SIZE= Size of firms, INVR= Investment Rate, TNGA= Tangibility of Assets, FSLK= Financial Slack, COBW= Cost of Borrowings, ORSK= Operating Risk, CTAX= Corporate Tax Rate, CPID= Consumer Price Inflation Deflator and YLCR= Yield Curve Interest Rate. The $\hat{\alpha}$ is the Intercept term, and $\hat{\alpha}$ is the Error term.

It is expected that

$$\hat{\alpha}_1 > 0, \hat{\alpha}_2 = ?, \hat{\alpha}_3 < 0, \hat{\alpha}_4 > 0, \hat{\alpha}_5 < 0, \hat{\alpha}_6 < 0, \hat{\alpha}_7 < 0, \hat{\alpha}_8 = ?, \hat{\alpha}_9 < 0, \text{ and } \hat{\alpha}_{10} < 0 \dots \quad (13)$$

Results and Interpretations

The summary statistics and the correlation coefficients of the regression variables used for the estimation of DPR are presented in table 1 and 2. The correlation matrix of the independent variables used in the dividend determination model rules out the possibility of serial correlation between the explanatory variables.

The results of estimation of the dividend distribution equation in the panel data form for all three periods; the pre-reform period, the post reform period, and the full period are presented in table 3. The results broadly suggest that firm, institutional and macro-economic factors combine to affect dividend distribution decisions. In the results, m2 test under the null of no serial correlation is accepted and the Wald 1 and 2 tests of the joint significance of regressors are tolerant. The time dummies are jointly significant suggesting that the aggregate time varying factors exerts a significant influence on the dividend distributions of the firm.

Table1: Descriptive statistics of the variables used in the panel data

Statistics	DPR	ERNG	SIZE	INVR	TNGA	FSLK	COBW	ORSK	CTAX
1971-1992									
Mean	0.32	0.04	10.69	1.02	0.40	0.405	0.08	3.44	0.24
Median	0.12	0.04	10.80	1.01	0.38	0.390	0.07	0.04	0.12
S.Dev	9.03	0.58	1.93	12.10	0.42	0.466	0.28	388.72	1.81
1993-2007									
Mean	0.11	0.03	12.54	1.21	0.42	0.408	0.07	6.00	0.17
Median	0.03	0.03	12.66	0.90	0.40	0.380	0.08	0.03	0.03
S.Dev	12.26	0.28	1.85	13.94	0.22	0.399	0.70	715.19	1.98
1971-2007									
Mean	0.25	0.04	11.33	1.09	0.41	0.406	0.08	4.33	0.21
Median	0.09	0.03	11.43	0.97	0.39	0.390	0.07	0.03	0.08
S.Dev	10.26	0.50	2.10	12.77	0.36	0.444	0.47	525.08	1.87

Notes: a. b. The abbreviation S.Dev. denote Standard Deviation.

Source: Unpublished firm-level data requested from RBI

Table 2: Correlation coefficients of the variables used in the panel data

Variables	DIV	ERNG	SIZE	INVR	TNGA	FSLK	COBW	ORSK
1971-1992								
DPR	1.000							
ERNG	0.000	1.000						
SIZE	0.010	0.030	1.000					
INVR	0.000	0.000	0.020	1.000				
TNGA	0.000	0.780	-0.070	-0.010	1.000			
FSLK	-0.010	0.070	0.030	-0.030	0.270	1.000		
COBW	0.000	0.000	0.000	0.000	0.000	0.000	1.000	
ORSK	-0.020	0.000	0.010	0.000	0.000	0.000	0.000	1.000
CTAX	-0.050	0.000	0.000	0.000	0.000	0.000	-0.490	0.000
1993-2007								
DPR	1.000							
ERNG	0.000	1.000						
SIZE	0.000	0.090	1.000					
INVR	-0.020	-0.020	-0.020	1.000				
TNGA	0.000	-0.040	-0.010	0.020	1.000			
FSLK	0.000	-0.360	-0.030	0.010	0.170	1.000		
COBW	0.000	-0.010	0.000	0.000	0.010	0.000	1.000	
ORSK	0.000	0.000	0.010	0.000	0.010	0.000	0.000	1.000
CTAX	0.080	0.000	0.010	0.000	0.000	0.000	-0.360	0.000
1971-2007								
DPR	1.000							
ERNG	0.000	1.000						
SIZE	0.000	0.030	1.000					
INVR	-0.010	0.000	0.010	1.000				
TNGA	0.000	0.690	-0.040	0.000	1.000			
FSLK	-0.010	-0.010	0.010	-0.020	0.250	1.000		
COBW	0.000	0.000	-0.010	0.000	0.000	0.000	1.000	
ORSK	0.000	0.000	0.010	0.000	0.000	0.000	0.000	1.000
CTAX	0.020	0.000	-0.010	0.000	0.000	0.000	-0.380	0.000

Source: Same as in Table 1.

Table 4: Dynamic Panel based Dividend Model using GMM Estimates on the Determinants of Corporate Dividends in India for three Periods

Independent Variables	1975-1992		1995-2007		1975-2007	
	Coefficients	Standard Errors	Coefficients	Standard Errors	Coefficients	Standard Errors
ΔDPR_{it-1}	0.683***	0.022	0.3349***	0.02031	0.4011**	0.029
ΔDPR_{it-2}	0.5546	0.5187	0.5957	0.147	0.5562	0.6413
ΔERNG	0.046**	0.001	0.062**	0.000	0.049***	0.00
$\Delta \text{ERNG}_{it-1}$	0.026**	0.000	0.056*	0.016	0.048***	0.014
$\Delta \text{ERNG}_{it-2}$	0.0002	0.0001	0.0012***	0.0003	0.007	0.0126
ΔSIZE	0.017**	0.006	0.010**	0.000	0.012**	0.005
$\Delta \text{SIZE}_{it-1}$	0.009**	0.004	0.015	0.175	0.009	0.046
$\Delta \text{SIZE}_{it-2}$	0.003	0.011	0.005	0.006	0.009	0.011
ΔINVR	-0.011***	0.0031	-0.024***	0.007	-0.015***	0.0007
$\Delta \text{INVR}_{it-1}$	-0.033***	0.009	-0.074***	0.026	-0.0057**	0.0026
$\Delta \text{INVR}_{it-2}$	0.0016	0.0027	-0.0084	0.0163	-0.0001	0.013
ΔTNGA	0.0124	0.0318	0.0131	0.0561	0.0513***	0.0213
$\Delta \text{TNGA}_{it-1}$	0.015	0.006	0.0116	0.211	0.0179	0.114
$\Delta \text{TNGA}_{it-2}$	0.054	0.065	0.069	0.064	0.071	0.067
ΔFSLK	-0.023***	0.018	-0.108***	0.021	-0.015***	0.063
$\Delta \text{FSLK}_{it-1}$	-0.0033	0.0009	-0.0026	0.0005	-0.0039	0.0011
$\Delta \text{FSLK}_{it-2}$	-0.0059	0.0019	-0.0037	0.0012	0.0004	0.0231
ΔCOBWG	-0.0103**	0.0041	-0.004***	0.0065	-0.021***	0.0097

Contd...

Δ COBWG _{<i>it-1</i>}	-0.0148	0.0095	-0.0228*	0.0083	-0.0119	0.0086
Δ COBWG _{<i>it-2</i>}	-0.0073	0.0069	-0.0063	0.0072	-0.0026	0.0071
Δ ORSK	-0.1034**	0.0511	-0.0178**	0.0083	-0.0062**	0.0025
Δ ORSK _{<i>it-1</i>}	-0.0483	0.0504	-0.0088	0.0079	0.0021	0.0019
Δ ORSK _{<i>it-2</i>}	0.0122	0.0484	-0.0088	0.0034	0.0017	0.0272
Δ CTAX	0.00179	0.040	-0.000***	0.0002	-0.0024	0.0269
Δ CTAX _{<i>it-1</i>}	-0.0019	0.022	-0.0011	0.0016	-0.0028	0.029
Δ CTAX _{<i>it-2</i>}	-0.0005	0.011	0.0003	0.00207	0.0010	0.0131
CPII	-0.045	0.004	-0.065	0.006	-0.043**	0.022
YLCR	-0.064	0.02	-0.045	0.0043	-0.032	0.302
Observations	32595		15472		53309	
m ₁ statistics	-6.213		-5.716		-5.221	
m ₂ statistics	0.5263		0.4215		0.3197	
Wald Test 1	339.46		316.72		321.13	
Wald Test 1	116.71		78.14		68.13	
Sargan Test	68.58		36.76		66.71	

Notes: a. The prefix Δ depicts that the concerned variable is in its first difference form. b. *, ** and *** show the 10%, 5% and 1% level of significance respectively. c. Time dummies are included in the model for all three periods. d. m₁ and m₂ statistics are the First and Second order autocorrelation of residuals under standard normal; distribution with the null hypothesis of no serial correlation. e. Wald Test1 and Wald Test2 are, test for joint significance of the estimated coefficients which is asymptotically distributed as Chi-Square under the null of no relationship, and a test for joint significance of the time dummies respectively. f. Sargan test of over identifying restrictions is asymptotically distributed as Chi-Square under the null of instrumental validity.

Source: Same as in Table 1.

The earnings variable has the statistically significant and the largest impact on dividends. The correlation matrix also signifies larger correlations between dividends and earnings in the later periods compared to the former. Interestingly the size variable is found to be highly correlated with earnings indicating that dividends, earnings and size move linearly and positively; further bigger firms earn larger profits and distribute higher dividends. The regression coefficient of the lagged value of the earnings ratio also has a positive sign in the dynamic estimations for all the three periods, which means that the underlying variable has a persistent positive effect on the dividend payouts over time. Our results for this variable corroborates with that of Aivazian *et. al.*, (2001) that show a positive relationship between profitability and the ratio of dividends to total assets for a wide cross-section of emerging markets. Pandey (2001) also suggests that low profitability of Malaysian firms is associated with low dividends. Our findings that large and profitable firms are more willing to pay then the small and less profitable ones are also in tune with that of Forbes and Hatern (1998), Aurebach and Hasset (2002) and DeAngello *et. al.*, (2004).

The size variable is positively related with dividends. Large and established companies find it easy to raise funds from the external sources because of their size and age and thus can formulate a liberal dividend policy. Size can proxy external borrowing costs consistent with the Residual Theory and considering the fact of lower issuing costs of large firms, dividends are positively related to size. Large firms are more closely observed by analysts and should therefore be more capable of issuing informationally more sensitive equity. Accordingly, consistent with the pecking order theory of finance a negative relationship between leverage and size, with larger firms exhibiting increasing preference for equity relative to debt is demonstrated by the correlation matrix in the post-reform periods. Size may also be an important factor, not just as a proxy for agency costs (which can be expected to be higher in larger firms) but also because transaction costs associated with the issue of debt securities are also (negatively) related to firm size as documented, by Smith (1977). A positive size effect suggests that the large firms can support higher dividend payments than the small firms consistent with the findings of Kahle (2002), and Grullon *et. al.*, (2002) that owing to higher firm maturity, large firms has larger information asymmetry surrounding a firm's prospects, stronger cash flows, lower financing costs and higher dividend payouts.

The investment ratio of our RBI sample firms demonstrates the expected negative sign indicating the persistent effect this variable carries on dividend payouts. This means that given the ability to pay, higher investments in fixed assets, inventory and R&D expenditures in the current and prospective years forces the firms to distribute smaller portions of their profits as dividends. The fund accumulated through retained profits in absence of suitable investment opportunities, if remained unutilized or utilized for short-run investments will fetch a very low rate of return. So the discriminate cost of the retained earnings will be higher because it will not minimize the shareholders interest. In such cases it would be desirable to payout high

dividends to shareholders and raise capital when needed. This tendency relates to the general acknowledgement that, the associated agency costs are higher for firms with substantial growth opportunities.

The tangibility (collateralisable asset) variable has the expected positive sign though is statistically significant only in the full-period. The correlation coefficients on the real tangible assets variable and firm size variable are positive and significantly different from zero. This is consistent with the view that there are various costs (agency costs and expected bankruptcy/financial distress costs) are associated with the use of external funds and that these costs may be moderated by size and collateral.

The financial slack variable captured by leverage, in accordance with our assumption displays a negative relation with dividend payouts for all three periods and across all model estimations in accordance with Benito and Young (2001) that higher levels of debt increases the probability of financial distress in future years and are consistent with a greater likelihood of dividend omission and reductions.

For all the three periods the regression coefficients indicating cost of borrowings has the expected negative sign. This variable is also negatively correlated with leverage. The coefficients of the lagged value of this cost are also negative. When the cost of borrowings is high, it is very much essential to reduce the debt levels. There are two alternatives to reduce the debt of a company. A company may reduce its part of debts either by means of creating new obligations to replace old one or by retained earnings, Srivastav (1984). But owing to the fact that further debt creation to replace the old debts involves flotation costs, could hamper the liquidity position and profitability position of the company. So it is required to adopt that a larger portion of earnings will have to be retained for the retirement of the debts. Thus the requirements to debt maturity also influence the formulation of dividend policy and retention of earnings of a company and restrict the freedom of the corporate management.

The coefficients of the operating risk variable carry the expected negative sign and are statistically significant from zero for all the periods. In the dynamic models however this variable does not demonstrate its stickiness. Our results follow the predictions according to the pecking order model of financing which suggests an inverse relationship between dividends and the volatility of the firm's cash flows.

The coefficient of effective corporate tax is negatively associated with dividends for all the periods; however it is statistically significant only in the post-liberalization period in India and neither for the whole period and the pre-reform period respectively. As the tax rate increases, the profit after tax available for distribution contracts thus high taxation is said to be the cause of the lowering the earnings of the company and consequently, their rates of dividend. The coefficient on the tax variable is insignificant also the lagged values fail to exert any influence, suggesting that we have been unable to detect a role for the tax system in determining corporate dividends.

The consumer price inflation index indicator and the differential in yield curve interest rates maintain their expected signs. The insignificance of the inverse relation of inflation deflator with dividends suggests that general goods price inflation has played little independent part in the trend towards increase in leverage and correspondingly on dividends over the sample period as hypothesized.

The second macro-economic variable assumed to vary only over time; the yield curve interest rate demonstrates the expected negative sign and adds significant explanatory power to our models. A negative sign is suggestive that the bank-oriented economies would experience difficulties to restructure their financing arrangements in such a manner as to reduce their debt dependence.

Dividend Stability in India

Based on the Lintner (1956) model we formalize corporate dividend behaviour as a partial adjustment model. For any year t , the target level of dividends, for firm i , is related to current earnings, E_{it} current earnings, E_{it} by a desired payout ratio r_i

$$\dots\dots\dots(14)$$

In any given year the firm will only partially adjust to the target dividend level. Hence, we have

$$D_{it} - D_{i,t-1} = a_i + c_i(D_{it}^* - D_{i,t-1}) + u_{it} \dots\dots\dots(15)$$

where a_i is a constant; c_i is the speed-of-adjustment coefficient, with $0 < c_i < 1$; and $D_{it} - D_{i,t-1} = \Delta D_{it}$ is the actual change in the dividend and is the desired change in the dividend.

If $a_i = 0$ and $c_i = 1$, the actual changes in dividends coincide with the desired changes. Conversely, if $c_i = 0$, no changes in dividends towards the desired level are undertaken since the actual change at time t is the same as the one observed in the previous time period. The hypothesis that firms gradually adjust dividends in response to changes in earnings and thus apply dividend smoothing implies that the speed-of-adjustment coefficient c_i is within the range $0 < c_i < 1$. Furthermore, a positive a_i represents the management's resistance to reduce dividends.

The adjustment process equation (15) can be written as

$$D_{it} = a_i + c_i D_{it}^* + (1 - c_i) D_{i,t-1} + u_{it} \dots\dots\dots(16)$$

Now substitution of equation (14) into (16) gives

$$D_{it} = a_i + c_i r_i E_{it}^* + (1 - c_i) D_{i,t-1} + u_{it} \dots\dots\dots(17)$$

One obtains the following empirically testable equation

$$D_{it} = a_i + b_i E_{it}^* + (1 - c_i) D_{i,t-1} + u_{it} \dots\dots\dots(18)$$

with $r_i = b_i / c_i$ being the payout ratio and c_i the speed of adjustment coefficient

The proposition of the Lintner model suggests that managers change dividends primarily in response to unanticipated and non-transitory changes in their firm's earnings, and they have reasonably well-defined policies in terms of the speed with which they adjust dividends towards a long-run target payout ratio. The estimation procedures based demonstrates the lag dividend coefficients (DPR_{t-1}), the size of the speed of adjustment coefficient (i.e., $1-\hat{\alpha}$) and the implicit target payout ratio (i.e., $\hat{\alpha} / (1-\hat{\alpha})$). In the estimated dynamic model using GMM, the coefficients for the lagged DPR are positive and statistically significant for all the periods robustly indicating that the dynamics implied by the model are not rejected. The higher coefficients and the associated t -statistics of lagged dividend variable imply the greater importance of past dividend in deciding the dividend payment. Put simply, the past values of dividends have been an important determinant of dividend policy prior to the reform era, in the post-reform period, and also for the entire period under study in spirit of the recent study by Guttman *et. al.* (2007).

The coefficient value of past dividends for the entire period 1971-2007 is around 0.40 that is relatively low compared to the developed markets. Considerably in the post-reform periods compared to the former, coefficients of lagged dividend in GMM (in-Sys) model decrease significantly (from 0.68 to 0.33), indicating that our sample firms have highly unstable dividend policies during the post-reform periods. When the Lintner speed of adjustment factor is closer to +1, this means that companies do not smooth dividends. The estimated speed of adjustment factor ($1-0.37$) for the post reform period is 0.67, compared with 0.32 in the former periods. Thus broadly it can be inferred that the tendency to smoothen dividends have considerably decreased during the post 1993 years, and the firms have developed a general likening to relatively retain their earnings, unlike the past. The desired (target) payout ratio is given by the ratio of estimated coefficients on earnings and the estimated adjustment parameter. In the post-reform period, Indian firms target a smaller ratio compared to the pre-reform periods, indicating a general averseness in dividend payments in the later periods. Finally, the current earnings coefficient is positive and significant for all periods indicating that any change in current earnings is reasonably reflected in cash dividends. Across all the periods, the implicit target payout ratios are significantly lower then the observed values.

Overall, there is strong and robust evidence that management of Indian companies always consider past dividend a more important benchmark for deciding the current dividend payment. Further, the dividend decisions for Indian RBI firms are not based on long term target dividend payout ratios and management of Indian companies always consider past dividend a more important benchmark for deciding the current dividend payment. Indian firms frequently change their dividend payments with changes in earnings, and dividend smoothing is of a lower order.

Conclusion

Past year's dividend payout levels has a positive influence on the current year's dividend payouts since the lagged dividend variable has a positive and a significant coefficient and confirms the dividend stability hypothesis. Bigger firms earn larger profits and distribute higher dividends and this underlying variable has a persistent positive effect on the dividend payouts over time. The size variable is significant in all the three periods and exerts a positive relationship with earnings; the coefficient of the lagged value of size is also positive and statistically significant for the pre-liberalization period in India. We find that given the ability to pay, the firms with higher investments in fixed assets, inventory and R&D expenditures in the current and prospective years forces the firms to distribute smaller portions of their profits as dividends. The tangibility (collateralisable asset) variable has the expected positive sign consistent with the view that agency costs and expected bankruptcy/financial distress costs associated with the use of external funds may be moderated by size and collateral. The coefficients of the operating risk variable carry the expected negative sign following the predictions according to the pecking order model of financing for India but corporate tax is found to be negatively related with dividends. The regression coefficients for all other hypothesized variables depict the correct signs.

The dynamic panel model suggests a partial role for the macro-economic variables over different periods for sample. The consumer price index indicator and the differential in yield curve interest rates maintain their expected negative signs. The insignificance of the inverse relation of inflation variable with dividends suggests that general goods price inflation has played little independent part in the trend towards increase in leverage and correspondingly on dividends over the sample period.

It is found that the tendency to smoothen dividends have considerably decreased during the post-reform years and the firms have developed a general liking to relatively retain their earnings, unlike the past and this tendency of decreasing dividend in recent years is in tandem with the observation by Fama and French (2001) for the U.S. Across all the periods, the implicit target payout ratios are lower than the observed values. The high adjustment factors together with low payout ratios indicate that the firms frequently change their dividend payments with changes in earnings, and dividend smoothing is of a lower order. This causes more variability in dividend payments of the Indian companies.

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Price Changes, Trading Volume, Open Interest and Volatility: A Multivariate Cointegration and VECM for S&P CNX Nifty Futures Market in India

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In this paper the causal nexus between futures return, trading volume, open interest and volatility for S&P CNX Nifty futures markets were analyzed for the period from January 1, 2002 to September 30, 2009. In view of the priority given to dynamic relationship in conducting this study, the Johansen-Juselius Multivariate Cointegration and Vector Error Correction Model (VECM) were used for our empirical evidence. Our result reveals, that the causal linkage of return are influenced by all the other variables, whereas the ECTs coefficients are negative and significant in the long-run but their values are too high to be in equilibrium.

Introduction

The simultaneous relation between price movements, trading volume and open interest on financial markets has long attracted the attention of many financial economists. Our initial analysis centers on the volume and price change relative are positively related to each other and it was first documented by Ying (1966). Similarly, Karpoff (1987) seminal paper summarizes the importance of this research area by presenting the following argument. First, the returns or trading volume relation provides insight into the structure of financial markets. Second, the returns or trading volume relation is important for event studies that use a combination of stock returns and trading volume data to draw inferences. Third, the returns or trading volume relation is critical to the debate over the empirical distribution of speculative prices.

A considerable amount of empirical research has been directed towards examining the relationship between futures market variables. In particular, the focus of attention has been on the existence of Cointegration relationship between future return, trading volume, open interest and volatility for S&P CNX Nifty futures markets. Additionally, this paper also investigates the speed of equilibrium between the multivariate variables and forecast the innovation to shocks and relies on the rate of information arrival in futures

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market. However, the results from index futures markets will be quite interesting for several reasons. First, price movements can only capture the impact of good news or bad news and explains the average change in investor's expectations. Second, trading volume has the specialty of reflecting the cumulative response of investors. Third, open interest can prove useful information towards the end of each day market moves. Finally, volatility is a measure used to assess the trading strategies to exploit risk movements.

Literature Review

There are a large number of studies in the literature on the price-volume relationship. Clark (1973) offers an explanation for the existence of positive price volatility and trading volume relationship. The Mixture of Distribution Hypothesis (MDH) is based on the assumption that both price changes and volume have a joint probability distribution. He argues that, price change and trading volume should be positively correlated because they jointly depend on a common underlying variable, which is normally interpreted as the random flow of information to the market. This means that both price changes and trading volume simultaneously respond to the new information and they are contemporaneously correlated. Additional evidence in support of the MDH is also provided by Epps and Epps (1976) who suggest that the change in the logarithm of price can be viewed as following a mixture of distributions, with transaction volume being the mixing variable.

The Sequential Information Flow (SIF) hypothesis proposed by Copeland (1976) and discussed further in Jennings et al (1981) assumes that information is disseminated in the market sequentially and randomly. Therefore, informed trades who obtain the information first take positions and adjust their portfolios accordingly, which results in shifts in supply and demand and a series of transitory equilibrium. Once the information is fully absorbed by all traders, informed and uninformed, then equilibrium is restored. This sequential dissemination of information initiates transactions at different price levels during the day, the number of which increases with the rate of information flow to the market. Consequently, both trading volume and movement in prices increase as the rate of arrival of information to the market increases which implies the existence of a positive relationship between the two variables.

Recent studies have also examined the price-volatility relationship in a dynamic framework using GARCH type models where trading volume is used as a proxy for the rate of information flow to the market to explain market volatility. For instance, Lamoureux and Lastrapes (1990) examine the relationship between return volatility and information flow for other markets Martikainen et. al (1994) and Pyun et. al (2000). Chen et.al (2001) report the persistence in volatility is not eliminated when lagged or contemporaneous trading volume level is incorporated into the GARCH model, a result contradicting the findings of Lamoureux and Lastrapes (1990). Miyakoshi (2002) finds the inclusion of trading volume variable in both ARCH and exponential GARCH eliminate the ARCH/GARCH effect for individual stocks listed on the Tokyo stock Exchange and their price index.

An overwhelming number of studies have examined both theoretical and empirically, to test the causal nexus between future return, trading volume and open interest. Rangunathan and Pecker (1997) focus on the relationship between volume and price variability for the Australian futures market and explore positive relationship between volume and volatility by documenting asymmetric volatility response to unexpected shocks in trading volume by using the model developed by Bessembinder and Seguin (1993). Positive unexpected shocks to trading volume were found to induce an average increase in volatility at 76 per cent, while negative unexpected shocks to trading volume induce a smaller response in volatility. Daigler and Wiley (1999) examine the volume-volatility relation in futures markets for Chicago Board of Trade for four types of traders. Bessembinder & Seguin (1992) reported that active futures markets enhance the liquidity and depth of equity markets. In contrast, the results obtained here provide low cost of futures trading attracts additional informed traders, and support for the alternate theory that futures trading leads to price destabilization. Toshiaki Watanabe (2001) examine the relation between price volatility, trading volume and open interest for Nikkei 225 stock index futures and evidenced the relation between price volatility; volume and open interest may vary with the regulation.

Pati and Kumar (2006) tested the maturity, volume effects and volatility dynamics for Indian futures market and suggested that time-to-maturity is not a strong determinant for futures price volatility, but rate of information arrival proxies by volume and open interest are the important sources of volatility. Srinivasan, Malabika and Murugesan (2009) evidence that the return volatility is influenced by both expected and unexpected trading volume and open interest respectively, they conclude that unexpected volume and open interest are more likely to have a greater impact on volatility than the expected trading volume and open interest.

Research Methodology

The data used are settlement prices, trading volume, open interest and volatility for S&P CNX Nifty futures traded in National Stock exchange (NSE). The database used for the sample period of the study covers from January 2002 to September 2009. The analysis for testing the relationship between futures market variables were retrieved from the website of NSE with detailed contract specifications. One of the major reasons for considering S&P CNX Nifty futures was due to the diversification of 50 liquid stocks of the economy. During this study period, trading on derivatives segment takes place on all days of the week except Saturdays and Sundays as holiday declared by the exchange in advance and the securities trade from 09: 55 hrs to 15: 30 hrs. Nearby futures contracts are selected for this study, because they are the most actively traded futures contracts within their own classification. The closing price indices were converted to daily compounded return by taking the log difference as $R_t = \log (P_t / P_{t-1})$, where P_t represents the value of index at time t . As far as, trading volume and open interest is concerned, the study applied logarithmic procedure on these variables to account for non-stationary in the series.

The daily volatility of index futures returns are estimated by the model developed by Schwert (1990) and Schwert

$$\sigma^2 = \sqrt{\pi / 2} |R_t - \mu|$$

Where, R_t is the return for selected index futures contracts calculates as described above and μ is mean of the series.

Cao and Tsay (1992) also point out that $\hat{\sigma}_t = \sqrt{\pi/2} |R_t - \mu|$ is an unbiased estimator for the standard deviation

Johansen Multivariate Cointegration Test

In order to estimate the VECM, we first consider whether each series is integrated of the same order, to do this we consider the standard Augmented Dickey Fuller (ADF) test. Assuming that each series contains a single unit root, and thus each series is integrated of order one, the potential for co movement between series exists, suggesting the existence of a long-run relationship amongst these variables.

To investigate the long-run relationship between stock return, trading volume and volatility as a system of equations, we employed the Johansen multivariate cointegration test. The relationship among the variables is based on the following models;

$$\Delta X_t = \Gamma_1 \Delta X_{t-1} + \Gamma_2 \Delta X_{t-2} + \dots + \Gamma_{k-1} \Delta X_{t+1} + \Pi X_{t-k} + \mu + \Phi D_t + \varepsilon_t \tag{1}$$

Where, $\Pi = -I + \Pi_1 + \Pi_2 + \dots + \Pi_k$ for $I = 1, 2, k-1;$

$\Pi = -I + \Pi_1 + \Pi_2 + \dots + \Pi_k$ I is an identity matrix

The matrix \tilde{A}_t comprises the short-term adjustment parameters, and matrix \tilde{I} contains the long-term equilibrium relationship information between the X variables. The \tilde{I} could be decomposed into the product of two n by r matrix \hat{a} and $\hat{\alpha}$ so that $\tilde{I} = \hat{\alpha} \hat{a}$ where the \hat{a} matrix contains r cointegration vectors and $\hat{\alpha}$ represents the speed of adjustment parameters Johansen (1988).

Johansen developed two likelihood ratio tests for testing the number of Cointegration vectors (r): the trace and the maximum Eigen value test. The trace statistics tests the null hypothesis of $r = 0$ against the alternative that $r > 0$. The maximum Eigen value statistics test the null hypothesis that the number of Cointegrating vectors is r against the specific alternative of $r = 1$ Cointegrating vectors.

Vector Error Correction Models

Utilizing the Cointegrating vector obtained from Johansen procedure, the short run vector auto regression in the error correction model (VECM) can be expressed as follows:

$$\Delta R_t = \alpha_0 + \sum_{i=1}^p \alpha_{1i} \Delta R_{t-1} + \sum_{i=1}^p \alpha_{2i} \Delta T_{t-1} + \sum_{i=1}^p \alpha_{3i} \Delta O_{t-1} + \sum_{i=1}^p \alpha_{4i} \Delta V_{t-1} + \alpha ECT_{t-1} + u_{1t} \tag{2}$$

$$\Delta Tr_t = \beta_0 + \sum_{i=1}^p \beta_{1i} \Delta R_{t-1} + \sum_{i=1}^p \beta_{2i} \Delta Tr_{t-1} + \sum_{i=1}^p \beta_{3i} \Delta Op_{t-1} + \sum_{i=1}^p \beta_{4i} \Delta Vo_{t-1} + \beta ECT_{t-1} + u_{2t} \quad (3)$$

$$\Delta Op_t = \psi_0 + \sum_{i=1}^p \psi_{1i} \Delta R_{t-1} + \sum_{i=1}^p \psi_{2i} \Delta Tr_{t-1} + \sum_{i=1}^p \psi_{3i} \Delta Op_{t-1} + \sum_{i=1}^p \psi_{4i} \Delta Vo_{t-1} + \psi ECT_{t-1} + u_{3t} \quad (4)$$

$$\Delta Vo_t = \xi_0 + \sum_{i=1}^p \xi_{1i} \Delta R_{t-1} + \sum_{i=1}^p \xi_{2i} \Delta Tr_{t-1} + \sum_{i=1}^p \xi_{3i} \Delta Op_{t-1} + \sum_{i=1}^p \xi_{4i} \Delta Vo_{t-1} + \xi ECT_{t-1} + u_{4t} \quad (5)$$

Where, the lagged difference terms are being determined by minimum number of residuals free from autocorrelation. This could be tested in standard way such as Akaike Information Criterion (AIC) or Schwartz Bayesian Criterion (SIC). Return movements can only capture the impact of “news” on the average change in investor’s expectations, trading volumes reflect the cumulative response of investors, open interest is a total number of contracts that are not closed at the end of a particular day and volatility is a measure used to assess the trading strategies to exploit risk movements and it is described as the “rate and magnitude of changes in prices”. $\hat{\alpha}_0$, $\hat{\alpha}_0$, $\hat{\theta}_0$ and $\hat{\iota}_0$ are the constant indicating intercepts, respectively; Δ is a first difference operator; ECT_{t-1} is the error correction term obtained from the Cointegration test that is normalized with respect to each variable; and $\hat{\alpha}_0$, $\hat{\alpha}_0$, $\hat{\theta}_0$ and $\hat{\iota}_0$ are the coefficients that show the speed of adjustment back to long-run equilibrium relationship. In addition u_{1t} , u_{2t} , u_{3t} and u_{4t} are serially uncorrelated random error terms with a zero mean.

The null hypotheses in this paper are $\hat{\alpha}_{2i} = 0$ indicates that trading volume does not cause returns and $\hat{\alpha}_{1i} = 0$ implying returns does not cause trading volume. Even though both t- and F-tests can be used for the statistical inferences regarding the hypotheses because all the variables in equations (2)-(5) are cointegrated of the same order, the standard t-test is used for the inferences regarding individual coefficients in this study.

Results

In order to measure the stationarity of the futures market variables like futures returns, trading volume, open interest and volatility Augmented Dickey Fuller (ADF) unit-root tests was used to measure the z-statistic and compared to the critical value given by MacKinnon (1991) and the results presented in Table: 1. The time series under consideration should be integrated in the same order before we can proceed to Cointegration analysis and causality test. Table: 1 shows the results of stationarity test at level and first difference. From the result, it is found that the null hypothesis of non stationary at level for all the time series failed to be rejected. Notwithstanding the above, all null hypotheses are rejected for every test at first difference. The results clearly indicate that all variables are stationary at I(1).

Table 1: Augmented Dickey fuller test

Particulars	Level		First differences	
	Intercept	Trend & Intercept	Intercept	Trend & Intercept
Return	-1.37378	-1.36529	-32.77378*	-32.76529*
Trading Volume	-1.56389	-1.56521	-28.56389*	-28.56521*
Open Interest	-0.01332	-0.01320	-26.01332*	-26.01320*
Volatility	-1.23162	-1.22325	-32.23162*	-32.22325*

Note: t-value in the level accepts the null hypothesis of unit root whereas the t-values in the first difference reject the hypothesis at 1 per cent level of significance. Thus, the table shows that all the variables have the same single unit roots, I(1).

Johansen Multivariate Cointegration Test

The cointegration test, which was the precondition for estimating VECM, was performed under the assumption that there are linear trends in the data, so the model allows the non-stationary relationships in the model. From the results in Table: 2, It is concluded that there exists three significant Cointegrating vector. So, it can be concluded that these four variables are bound together by long-run equilibrium relationship. The number of cointegrating vectors found in Table: 2 results in a corresponding number of residual series, and hence error-correction terms (ECTs), which can be embodied as exogenous variables appearing in their lagged-levels as part of the vector error-correction model (VECM), Table: 3.

Table: 2 Results of johansen cointegration test

Null Hypothesis	Alternative Hypothesis	$\hat{\epsilon}_{\text{trace}}$ Test	
		95 per cent C.V	$\hat{\epsilon}_{\text{trace}}$ Statistics
r = 0	r > 0	47.8561	749.8426*
r = 1	r > 1	29.7970	289.4407*
r = 2	r > 2	15.4947	93.7091*
r = 3	r > 3	3.8418	3.8256

Null Hypothesis	Alternative Hypothesis	$\hat{\epsilon}_{\text{trace}}$ Test	
		95 per cent C.V	$\hat{\epsilon}_{\text{trace}}$ Statistics
r = 0	r = 0	27.5843	460.4019*
r = 1	r = 1	21.1316	195.7315*
r = 2	r = 2	14.2640	89.8835*
r = 3	r = 3	3.8414	3.8256

Note: denotes the number of Cointegrating vectors and the 95 per cent confidential level of the trace and maximum eigenvalue statistics. * denotes significance at 1 per cent significant level.

Vector Error Correction Model

The results of Vector Error Correction model can be applied next to Cointegrated series and the results are reported in Table: 3. All the futures market variables are significant in the short-run, but the variables like trading volume and open interest which is statistically exogenous in the long-run. The statistically significant coefficients associated with ECT provide evidence of an error correction mechanism that drives the variables back to their long-run relationship, which shows the econometrical exogeneity of the ECT series.

Neither the ECT nor the short-term channels of Granger-causality is temporarily active. Although the error-correction term is insignificant in trading volume and open interest equations, each variable is influenced by significant short-run causal influences from variables. Here we can visually discern the Granger causal linkage patterns of return are influenced by all the other variables, whereas the ECTs coefficients are negative and significant in the long-run but their values are too high to be in equilibrium. We conclude that, any deviation from the equilibrium Cointegrating relationships, as measured by the ECTs, is mainly caused by changes in returns and volatility, i.e. unidirectional causality exist between trading volume and open interest with return and volatility bears the brunt of short-run adjustment to long-run equilibrium.

Conclusion

The evidence of Cointegration relationship between the variables, suggest the existence of long run stable relationship between future market variables. This gives the implication that even though there is a momentary dispersal from the long-run, the power of endogenous variables will promote the relationship back to long-run equilibrium. The Vector Error Correction Model (VECM) provides valuable implication on the direction and flow of relationship between future market variables. In the view of the feedback effect, the determination of futures market variables in the short-run and the linkage pattern of return are influenced by all the other variables, whereas the ECTs coefficients are negative and significant in the long-run but their values are too high to be in equilibrium. We conclude that, any deviation from the equilibrium Cointegrating relationships, as measured by the ECTs, is mainly caused by changes in returns and volatility i.e. unidirectional causality exist between trading volume and open interest variables. This study concludes that information based upon trading volume and open interest are not the key determining factors for futures price volatility, but the rate of information arrival proxies like trading volume, open interest and volatility are the important sources for measuring the fluctuations in future returns.

The study suggests that the fluctuations in future return are mainly due to macroeconomic variables and influence in global factors, which will mainly determine the future price movements. But, there is no link between the individual variables like open interest and volatility, whereas trading volume was the variable having meager impact on open interest and volatility. Two of the market participants interested in the results are hedgers and

Table 3: Results of multivariate vector error correction models for futures market variables

Dependent Variables	Return	Trading Volume	Open Interest	Volatility
ECM	-1.0028 (-18.021) ^a	1.3587 (1.657)	0.9961 (1.472)	-0.5080 (-11.190) ^a
Returns _{t-1}	0.0429 (0.852)	-2.6312 (-3.544) ^a	-1.1029 (-1.800)	0.3438 (8.363) [*]
Returns _{t-2}	0.0125 (0.287)	-1.7616 (-2.751) ^b	-1.1732 (-2.220) ^b	0.2135 (6.022) ^a
Returns _{t-3}	0.0322 (0.930)	-1.5058 (-2.948) ^a	-0.7243 (-1.718)	0.1160 (4.100) ^a
Returns _{t-4}	0.0302 (1.257)	-1.0892 (-3.071) ^a	-0.7917 (-2.705) ^a	0.0298 (1.518)
Trading Volume _{t-1}	-0.0027 (-1.709)	-0.5779 (-24.382) ^a	-0.0506 (-2.592) ^b	-0.0003 (-0.301)
Trading Volume _{t-2}	-0.0020 (-1.136)	-0.4453 (-16.878) ^a	-0.0357 (-1.643)	0.0004 (0.331)
Trading Volume _{t-3}	0.0002 (0.120)	-0.2913 (-11.105) ^a	0.0192 (0.888)	0.0024 (1.672)
Trading Volume _{t-4}	-0.0025 (-1.595)	-0.1769 (-7.635) ^a	-0.0313 (-1.641)	0.0012 (0.934)
Open Interest _{t-1}	-0.0007 (-0.370)	0.0333 (1.183)	-0.1200 (-5.167) ^a	0.0031 (2.015) ^b
Open Interest _{t-2}	0.0001(0.070)	0.1558 (5.567) ^a	-0.1316(-5.700) ^a	-0.0010 (-0.700)
Open Interest _{t-3}	-0.0014 (-0.774)	0.1185 (4.189) ^a	-0.1437 (-6.157) ^a	0.0008 (0.518)
Open Interest _{t-4}	-0.0019 (-1.025)	0.0692 (2.432) ^b	-0.0984 (-4.190) ^a	0.0009 (0.593)
Volatility _{t-1}	0.3152 (10.645) ^a	1.6539 (3.791) ^a	-0.6129 (-1.702)	-0.6854 (-28.372) ^a
Volatility _{t-2}	0.2376 (7.074) ^a	0.5523 (1.116)	-0.3948 (-0.967)	-0.5422 (-19.783) ^a
Volatility _{t-3}	0.1615(4.904) ^a	0.8720 (1.797)	-0.3442 (-0.859)	-0.4009 (-14.920) ^a
Volatility _{t-4}	0.0915(3.384) ^a	0.7403 (1.857)	-0.1735 (-0.527)	-0.1813 (-8.214) ^a
C	2.4405 (0.055)	0.0048 (0.755)	0.0026 (0.503)	-1.9105 (-0.053)
R – Squared	0.4826	0.3782	0.0623	0.4399
F – Statistics	104.7783	43.2927	7.4703	88.1983

Note: All variables are in the first differences with the exceptional of lagged error correction term ECT generated from Johansen's Cointegration test. a and b represent at 1 per cent and 5 per cent level of significance.

speculators. Hedgers enters the futures market to offset the risk of substantial loss in the future, while speculators take positions based on their expectation of the movements of that contract. Since, open interest does not hold in the Indian futures market, the investors should not base their investment decision according to open interest. The trading volume is still important in influencing the futures returns, open interest and volatility in futures markets. In conclusion, the empirical results show that, financial development significantly causes growth in the short-run, and in the long-run. There is a bi-directional causal relationship exist between futures market variables in the short-run and unidirectional causality running from trading volume and open interest with return and volatility bears the brunt of short-run adjustment to long-run equilibrium.

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Determinants of Share Repurchase Announcement Returns: An Indian Evidence

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The cumulative abnormal return (CAR) of buyback offers in India is found to be positively related with the method of buyback and negatively with size, cash flow, leverage and management control variable. The returns are higher for buyback announcements of small firms with lower cash, lower debt and lower managerial stake announcing smaller quantities of buyback. The contradictory evidence might be due to stock market apprehensions relating to the real motives for the employment of buyback offer.

Introduction

Dividends have an element of stability. A firm has to pay a stable dividend. Buybacks, on the other hand, are designed to the extent of cash flow available. Dividends generate a clientele, but not buybacks. Current dividends generate future expectations and non-payment negatively influences market prices. Share repurchases do not carry future expectations. Unlike a dividend, there is no expectation that the distribution will recur on a regular basis (Dittmar, 2000). As a result, in US, the repurchases have grown from \$2 billion in 1980 to \$ 232 billion in 2004 (Rau and Stouraitis, 2006). Grullon and Michaely (2002) report expenditures on share repurchases relative to total earnings increasing from 4.8% in 1980 to 41.8% in 2000 for US companies. Companies based in Europe are also showing keen interest in announcing repurchases. Australia, Japan, China, Singapore, Taiwan, etc., companies too are announcing repurchases. The empirical research in US and other countries document the signalling power of share repurchase announcements. On an average, the reported Cumulative Average Return (CAR) in US is 2.5% to 3% (Vermaelen, 1981; Dann, 1981; Comment and Jarrell, 1991, Ikenberry et al. 1995). Do all buyback programmes have uniform CARs? The signalling power and CAR could vary across buyback announcements. Some announcements have greater signalling effect than others. In other words, returns in buyback announcements have their own determinants. The variation in CAR level among buyback announcements can be explained by these determinants.

Determinants of Announcement Returns

Empirical evidence in US identifies the following variables influencing the CAR involved in repurchase announcement include: Size of the firm; Market

to book value ratio (MTB ratio); Leverage ratio; Cash flow; Control or insiders' shareholding; Percent of shares sought; Buyback method; Number of repurchase announcements.

Size of the firm: DeAngelo et al., (2004) report a concentration of earnings among a small number of large firms. Fama and French (2001) find that dividend payers are much larger than non-payers. This implies that, *ceteris paribus*, small firms are more likely to buyback shares and the magnitude of repurchase programmes (i.e., the ratio of the announced repurchase value to the market value of equity shares) is likely to be higher among small firms than among large firms (Wang and Johnson, 2005). Grullon and Michaely (2004) find that dividend-paying firm are much larger and more profitable than firms that both pay dividends and repurchase and firms that only repurchase.

Several empirical works find a negative relation between firm size and the announcement returns of the repurchase programme (Stephens and Weisbach, 1998; Grullon and Michaely, 2002, 2004; Chan et al. 2004). Ikenberry et al. (1995) find that the announcement period return is related to size deciles and they suggested that size could be a proxy for information asymmetries. Zhang (2002) finds highly significant difference between small and large firms. Similarly, Padgett and Wang (2007) find that small firms in UK earning 0.4% higher announcement returns than large firms over 5-day event period.

Market value of equity to book value ratio (MTB ratio): Ikenberry et al. (1995) argue that firms announcing repurchases with lower MTB ratios are more likely to be undervalued. Zhang (2002) too finds similar results for Japanese sample. The CARs for longer window (-1; +5) only were significantly different between high and low MTB groups than CARs for (-1, +2) period. Padgett and Wang (2007) find, for UK sample, a contrary result compared to Ikenberry et al. (1995). The low-MTB firms generated an average 5-day 2.88% higher announcement return than high-MTB firms. Skeltorp (2004) finds a significant difference between value and glamour stocks for Norwegian companies. He finds value stocks experiencing a stronger price impact than growth stocks.

Leverage Ratio: Debt can also influence a firm's payment decision. High debt levels can proxy for financial distress (Kahle, 2002). Firms with higher debt levels are less likely to distribute cash. Bagwell and Shoven (1988) show that highly levered firms are less likely to repurchase. Kahle (2002) also conclude that larger levels of debt result in lower repurchases. Huh and Park (2007) expect highly levered firms to repurchase less and payout less dividend as they would be paying higher interest rate on their loans. A similar view has been held by Masulis (1980) and Vermaelen (1981) for low-levered firms. A low-levered firm will have higher repurchasing activity and CAR and vice-versa.

Cash flow: Firms repurchase their shares to mitigate the potential over-investment by management (Jensen, 1986). Kahle (2002), Li and McNally (2007) and Isagawa (2002) find the amount of repurchases increasing with

the increase in free cash flow and a positive relation between the amount of free cash flow and announcement returns. Grullon and Michaely (2002) find evidence that repurchasing firms reduce their current level of capital expenditure and R & D expenses and the market reaction to be stronger among those firms that are more likely to overinvest.

Insiders' shareholding: Vermaelen (1981) discovers that abnormal returns increase in the amount of shares held by management as well as in the announced portion of outstanding equity to be repurchased. McNally (1999) finds a relation between announcement return and insider shareholding. A manager with a higher stake in the firm will be more inclined to correct market undervaluation than a manager with little stake or no stake. Comment and Jarrell (1991) find that the price increase from buyback announcements is greater when insider wealth is at stake. They report an excess return of 12% for at-risk offers compared to 5% for no-risk offers.

Percentage of shares sought: A higher CAR for higher quantity intended and vice versa, *ceteris paribus*. Comment and Jarrell (1991) find announced percentage targets associated with higher abnormal announcement period returns, suggesting that the repurchase target indicates the quality of management information. Ikenberry et al. (1995) find similarly. The abnormal return difference between announcements of more than 10% of outstanding shares and announcements of less than 2.5% is almost 2%. Zhang (2002) finds a relation between size of offer and announcement returns. The returns surrounding the announcement period (-1; +2) and (1; +5) are much higher for the high percentage portfolio. The difference between high and low percentage portfolios was 3.4% and 2.83% for the (-1; +2) and (-1; +5) periods respectively. Rees (1996) and Hjelmstad et al. (2006) find a positive relationship between the proportion of equity repurchased and abnormal return on the announcement day for UK companies.

Padgett and Wang (2007), analysing announcement returns for UK companies, find a significant relationship between percentage of shares sought and CAR. Stephens and Weisbach (1998) and Ikenberry et al. (2000) show that the announcement day abnormal return is more correlated with actual quantities purchased than announced repurchase magnitude. Ikenberry et al. (2000) first group experienced significant abnormal return in the announcement year but not in the two years subsequent to the announcement year.

Buyback Method: Comment and Jarrell (1991) and Persons (1994) argue that the signal associated with FPTs is stronger than that associated with other forms of repurchase. Zhang (2002) finds a contrasting result. The CAR for FPTs in Japan was lower than the OMRs.

Number of repurchase announcements: Jagannathan and Stephens (2003) find for 3,598 OMRs in US that infrequent repurchases are greeted much more favourably than frequent repurchases. Skeltorp (2004) also finds similar results for Norwegian companies. Grullon and Michaely (2002) for US and Li and McNally (2007) for Canadian buybacks find similarly. Li and McNally (2007) document a return of 0.93%, significant at 5%, for new announcements and for repeat announcements 0.53%.

Mohanty (2002) finds an announcement day CAR of 3.86% for 12 sample announcements; Kaur and Singh (2003) 1.5% for 77 announcements and Gupta (2006) 11.82% for 46 announcements. Mishra (2005) concludes that buyback gains in India are only temporary and the market falls to pre-offer level after 3 months. Hyderabad (2009) documents 2.77% announcement day return and an overall CAR of 7.24% for 70 buyback announcements for the period 1999 to 2007 for 41-day event window. Sectoral analysis of excess returns in buyback announcements was carried out by Hyderabad (2008) and the author finds that sector-wise hotels and resorts, health care, etc., generate greater announcement returns than pharma, garments and engineering sectors.

Massa et al. (2007) study mimicking in repurchases and find that firms which mimic repurchase announcements of other firms in the same industry will have lower announcement return and CAR.

Research Methodology

The study computes announcement returns using the market model approach. According to market model, the abnormal returns on a given trading day, t , are calculated as:

$$AR_{i,t} = R_{i,t} - \hat{\alpha}_i - \hat{\beta}_i R_{m,t}$$

Where $AR_{i,t}$ is the abnormal return on security i for day t and $R_{i,t}$ is the return on security i for day t and $R_{m,t}$ is a proxy measure of the return on the market portfolio. $\hat{\alpha}_i$ and $\hat{\beta}_i$ are intercept and slope respectively and are estimated using the following equation:

The study employs BSE – 500 Index as a proxy measure of market portfolio for estimating the values of $R_{m,t}$, $\hat{\alpha}_i$, and $\hat{\beta}_i$ over 200-day estimation period.

The SEBI's Status Report on Buyback for the year ending March 31, 2008 is used for collecting the number of announcements. The report includes 148 announcements till March 31, 2008 out of which 28 announcements were advised by the SEBI 'not to proceed ahead for technical reasons' from the sample. The remaining announcements are considered on the basis of (i) Availability of media and / or public announcement date/s (ii) Availability of continuous price data both in event and estimation periods.

As against 148 announcements till March 2008, only 78 announcements fulfil both these conditions and hence the sample size is restricted to 78 announcements. The media and/or public announcement dates are collected from CMIE sources, press reports and websites of equity analysts. The earlier of media or public announcement date is taken as the announcement date. The adjusted daily closing prices are used for computing the event returns,

which are accessed from CMIE Prowess database. The study employs 3-day and 41-day as window periods.

The average abnormal return on day t for all firms is ascertained as shown below:

$$AAR_t = \frac{\sum_{i=1}^n AR_{i,t}}{N}, \text{ where } N \text{ is the number of announcements in the sample.}$$

The daily average abnormal returns are cumulated over the window period for computing the CAR as shown below:

$$CAR = \sum_{t=-d}^d AAR_{i,t}$$

Where $-d$; d represent the event or window period.

The study computes t-test and p-values (non-parametric) to test the null hypothesis that event returns are equal to zero using the following formulae:

$$t = \frac{CAR}{\hat{S}(CAR_t)} = \frac{\overline{CAR_t}}{\sqrt{N} \sum_{t=-1}^n \hat{S}(CAR_t)}$$

$$\text{Where } \overline{CAR_t} = \frac{\sum_{t=-d}^d CAR_t}{N} \text{ and } \hat{S}(CAR_t) = \sqrt{\sum_{t=-d}^d (CAR_t - \overline{CAR})^2}$$

In addition to testing the significance of CAR, the study employs t-test or z-test values for judging the significance of daily average returns in 41-day window period. For this purpose, the study employs the approach used by Gupta (2006; 2008). The standard deviation of abnormal returns for the estimation period (200 days) has been computed. The Standardised Abnormal Returns (SAR) for each company is estimated by dividing abnormal returns of the event period, i.e., -20 to +20 by the standard deviation obtained. For the event day t , the Z-statistic for the AARs on N securities is calculated as:

$$Z_t = \sum_{i=1}^N SAR_{it} / \sqrt{N}$$

Univariate Analysis

CARs for the total sample and for the partitioned sample for 41-day window period and its sub-periods has been shown in Table – 1.

Annexure I presents the overall CAR for 78 announcements. The repurchase announcements in India generate statistically significant overall return of 5.87% for 41-day event period. The positive CAR can be attributed to favourable price movement in pre-announcement than in post-announcement period. The CAR in (+1; +20) sub-period is -1.17% giving an announcement day CAR of 7.04% (5.87% + 1.17%). This evidence for India is against the doctrine of signalling or undervaluation hypothesis. A buyback announcement is made to control the negative trend in market prices. The positive movement in pre-announcement period points out that market has an understanding of impending buyback announcement even before its announcement. The CAR increases by almost 4.43% between -10 to -1 day where as the announcement day effect is only 2.61%. We can attribute the favourable movement in pre-announcement period to listing norms of stock exchanges in India requiring companies to inform the date and agenda of the proposed board meeting a week before the meeting. Or it could point fingers at the wide prevalence of unethical insider trading in corporate India.

Size of repurchases: The study considers four classifications of size of repurchases to identify the nature of relationship between percent of shares sought and CAR, viz., $\leq 10\%$, $>10\%$ but $\leq 15\%$, $>15\%$ but $\leq 20\%$ and $>20\%$ but $\leq 25\%$. The sample includes 52, 15, 5 and 6 announcements in each of the four categories respectively. The CAR is -19.5% for buybacks $>20\%$ but $\leq 25\%$. Our results are contrary to Comment and Jarrell (1991) finding for US repurchases and Zhang (2002) for Japanese buyback announcements. We can reason out this to market fears relating to increased promoters' control over assets and earnings in post-announcement period.

Purchase method: The sample includes 58 OMRs and 20 FPTs. Panel – C shows announcement returns as per method of buyback and our results are similar to US studies. The CAR for OMRs is 5.36% in 41-day window, significant at 1% level and for FPTs it is 7.08%, significant at 1% level. The CAR for FPTs moves appreciably over various sub-periods than CAR for OMRs. However, for both the methods the pre-announcement period generates the entire positive CAR than post-announcement period. The fall in CAR is higher for OMRs in +20 days than FPTs.

Leverage: We classify sample announcements into 40 high-levered and 38 low-levered firms on the basis of median debt value. The average debt level in high-levered firms is 56% of total assets while the same is 23% for the low-levered firms. The minimum and maximum debt levels for high-levered firms are 43% and 73% of total assets respectively and for low-levered firms the levels are 4% and 44% respectively. Panel – D shows results for this variable. The 41-day CAR is higher for low-levered firms (8.22%) than for high-levered firms (3.64%), a result similar to US. Besides this, the low-levered firms yield significant results in all the sub-periods than high-levered firms.

Control: The study classifies total sample into 39 high-control firms and 39 low-control firms. The average insider holding in high-control firms is 61% and low-control firms 35%. The maximum and minimum values in high-control firms are 85% and 50% respectively and for low-control firms are

49% and 15.7% respectively. A perusal of Panel – E shows that the CAR for 39 high-control firms is 4.06% while for 35 low-control firms it is 7.69%, both are significant at 1% level. We reason out this contradictory result to market apprehension on risks attached to higher insider control. An increase in insiders' ownership moves the firm nearer to delisting status.

Size of the firm: The sample includes 32 large sized and 46 small-sized firms classified on the basis of total assets size. A firm with an investment lower than Rs. 500 crore is treated as small and above Rs. 500 crore as big. The average size of total assets of large-firms is Rs. 4,404 crore and small firms it is Rs. 121 crore. The Panel – F shows that the CAR for small firms (7.48%) being higher than for large-sized firms (3.57%), both significant at 1% level. This is in testimony to the general hypothesis that CAR for small-firms being higher than large-firms.

Multiple buybacks: The sample includes 47 first buyback announcements and 31 subsequent buybacks. The CAR for first buybacks is 6.43% and for subsequent buybacks 5.02%, both significant at 1% level. This is similar to what US studies have found. However, the post-announcement performance is negative in subsequent buybacks (-3.16%) and positive in first buybacks (0.15%) indicating that on the announcement date, the subsequent buybacks have higher returns than initial buybacks. The differences in performance also mean different sources of overall CAR; the entire positive CAR for subsequent buybacks is realised in pre-announcement than in post-announcement period. This could also mean greater insider trading in subsequent buybacks than in initial repurchases or greater information asymmetry level.

MTB ratio: The sample includes an equal number of value and glamour firms. The average MTB ratio of high-MTB ratio firms is 2.71 times and it is 0.24 times for value firms. The maximum and minimum values of the ratio in glamour stock firms are 17 times and 0.54 times respectively. The similar values for value stock firms are 0.55 times and 0.02 times. Panel – H shows the returns on the basis of MTB ratio classification. The low-MTB ratio firms generate a return of 2.49%, significant at 1% level, but lower than high-MTB ratio firms' return of 9.61%, a finding in contradiction to general hypothesis.

Cash flow: The sample includes 39 positive cash flow firms and 39 negative cash flow firms. The average cash flow of positive cash flow firms is Rs. 20.01 crore while it is Rs. -8.87 crore for negative cash flow firms. A perusal of Panel – I in Table – 1 show that the CAR for positive cash flows firms (2.89%) is lower than negative cash flow firms (5.96%) indicating signalling effect of the low-cash firms is greater than the high cash flow firms. Further, the market carries no good impression of both groups firms as returns are negative in post-announcement period.

Cross – Sectional Multivariate Analysis

What determines the announcement returns of Indian buybacks? Based on the variables used in univariate analysis, we hypothesize that the CAR of a particular programme is the result of interaction among variables like MTB

ratio, per cent of insider control and shares sought for buyback, method employed, financial policy, cash flow, etc. We develop the following regression model:

$$CAR_{-d;d} = \alpha + \beta_1 control + \beta_2 quantity + \beta_3 MTB + \beta_4 size + \beta_5 leverage + \beta_6 Cash Flow + \beta_7 method + \beta_8 multiple buyback + \varepsilon_{it}$$

Where α is intercept; β are regression coefficients; ε_{it} is statistical error term which equals to zero; control is the percent of shares held by manager or promoting class; quantity is a measure of the per cent of shares sought to be repurchased; MTB is the ratio of market value of equity to book value of equity; size of the firm is measured by the logarithm of total assets employed as shown in the year before buyback announcement; leverage is the ratio of total debt to total assets; cash flow is the amount of cash outstanding at the beginning of the year prior to announcement year; method and multiple are dummy variables. OMR method is equal to '0' while FPT method as 1. On the other hand, first buyback is designated as '0' while subsequent buybacks as '1'.

Table 2: Gives the descriptive statistics of the variables considered in the regression model:

Table 1: Descriptive statistics

	Mean	Std Dev	Variance	Minimum	Maximum
CAR (%)	7.41	27.10	734.64	-70.54	111.90
Size (NL of TAs)	2.42	0.79	0.63	0.90	4.86
MTB Ratio (times)	1.55	2.63	6.91	.02	15.70
Leverage (%)	41.01	19.59	383.62	5.05	73.19
Cash flow (Rs. In cr)	52.06	143.26	20,522.64	-9.25	1,083.74
Control (%)	46.77	16.60	275.64	5.36	84.95
Quantity (%)	7.71	6.92	47.93	.00	25.00
N	78	78	78	78	78

The mean of the quantity sought to be repurchased is 7.71% with .01% and 25% as minimum and maximum values respectively. The average MTB ratio is 1.55 times while the average insider holding in the sample companies is 47%. The sample companies employ on an average 41% debt capital, giving a debt-equity ratio of .67:1 times. The average of natural logarithm of total assets is 2.42 with a standard deviation of 0.79 and variance of 0.63. This vast difference is attributed to the presence of India's large private sector in the sample, viz., the Reliance Industries Limited. There is a greater degree of variance in cash flow position of Indian companies.

We run several regression models. Model – 1 and 2 are for 41-day and 3-day CARs respectively while Models – 3 to 9 are for sub-periods within the 41-day window. We consider -20 to -11; -10 to -6; -5 to -1; -1 to +3; +1 to +5; +1 to +10 and +1 to +20 days as sub-periods within the 41-day window period to better understand the movement of the CAR and its determinants.

Table – 2 gives the results of regression analysis of Model – 1 and Model – 2, for 41-day and 3-day event window:

Table 2: Coefficients for 41-day and 3-day windows

Independent variables	Dependent variables			
	Model-1 (-20;+20)		Model -2 (-1; +1)	
	Coefficients	t-test	Coefficients	t-test
Constant	35.009	2.293	10.478	1.652
Size	-0.294	-0.061	-0.444	-0.224
MTB	-0.036	-0.028	-0.094	-0.178
Leverage	-0.169	-0.965	-0.010	-0.131
Cash flow	-0.018	-0.737	-0.005	-0.532
Control	-0.214	-1.067	-0.091	-1.095
Quantity	-1.133	-2.411	-0.218	-1.119
Method	9.739	1.279	3.459	1.094
Multiple	-6.876	-1.060	-2.079	-0.772
R ²	0.116		0.052	
Adj-R ²	0.013		-0.058	
F-value	1.129		0.472	

A perusal of the Table shows that the CAR in 41-day and 3-day windows has positive relationship with the method of buyback employed and a negative relationship with remaining variables. Studies in US and Japan show a positive coefficient between quantity of shares sought to be purchased and CAR (Zhang, 2002; Comment and Jarrell, 1991). The coefficient in both the windows is negative for quantity indicating that CAR decreases more with the increase in quantity of shares purchased. In other words, small repurchases are more profitable than big repurchases. The univariate analysis yields similar result. The reason for this contrasting result for India may be on account of perceived market fears that incumbent management would be using buybacks to build promoters' stake or thwarting an unfriendly takeover attempts.

Since coefficient is negative for control variable, it can be concluded that firms with lower managerial stake generate greater CAR than higher stake firms. Chan et al. (2006), Vermaelen, (1981) etc., find returns to increase with the increase in manager's stake. Firms with lower MTB announce buybacks to correct market undervaluation. Since coefficient is negative, a higher MTB firm earns lower CAR than lower MTB firm, a finding similar to Ikenberry et al. (1995).

The predicted relationship between size and CAR is negative, i.e., returns to be high in small firms than in large firms. The study finds a negative coefficient of -0.29 and -0.44 in 41-day and 3-day event windows respectively indicating that small firms gain more on account of repurchase announcements than large firms. In other words, an increase in size of the

firm by one percentage point decreases CAR by 0.29% and 0.44% in 41-day and 3-day window respectively.

A low levered firm gains more from buyback announcement than a high levered firm. The model yields a negative coefficient for leverage variable in concurrence with theoretical propositions. Firms resolve agency problems arising out of holding excess cash through repurchases. Therefore, high-cash firms are expected to generate higher CAR than others. As against this conjecture, the study finds a negative coefficient implying that low-cash flow firms generate greater returns than high-cash flow firms. The method of buyback, as a dummy variable, has the highest insignificant positive coefficients in both the windows. Since a value of '0' for OMRs and a value of '1' for FPT are assumed for method of buybacks a positive coefficient for method indicates that the CAR is higher for FPTs than for OMRs.

The study assumes multiple buybacks as a dummy variable and assigned '0' value for first buybacks and '1' for subsequent buybacks. The negative coefficient for the variable in both the window indicates that CAR is higher for first buybacks than for subsequent buybacks, a finding similar to US studies. Our univariate analysis also yields similar results.

Robustness check

How reliable the model employed in the study? The reliability of the regression models employed in any study is checked with the help of absence of multicollinearity and also that of autocorrelation. Multicollinearity is the interrelationship among the independent variables. In other words, it is a measure of the extent of dependence among the variables considered for the study. Several measures are employed to test the extent of multicollinearity among the independent variables. Tolerance and variance inflation factor (VIF), which are built by regressing each independent variable on all the others, are used in addition to correlation matrix. A tolerance of less than 0.20 indicates existence of multicollinearity. A VIF value of above 5 suggests that multicollinearity problem exist. These two aspects were calculated with reference to the variables. Table – 3 gives information relating to tolerance and variance-inflation factor (VIF):

Table 3: Collinearity of independent variables

Variables	Tolerance	VIF
Size	0.650	1.530
MTB	0.834	1.198
Leverage	0.804	1.244
Cash flow	0.750	1.318
Control	0.851	1.175
Quantity	0.889	1.125
Method	0.841	1.190
Multiple	0.922	1.084

We find tolerance values for the independent variables above 0.20 and VIF values not exceeding 5. This indicates lack of multicollinearity among the independent variables. In other words, the independent variables individually or in combination with other independent variables do not exert any influence on any other independent variable. We further check the robustness of our results through the paired comparison of Pearson Correlation of independent variables. Table – 4 indicates the results:

The Pearson correlation coefficient has been less than one in all the independent variables indicating that there is no collinearity among the variables considered by the study. The highest positive coefficient of 0.412 is observed between MTB ratio and leverage and the lowest negative coefficient of -0.354 is between quantity and total assets.

Sub-period analysis

We have run seven additional regression models for the sub-periods of 41-day event window. The sub-period analysis shows the movement of CAR and its determinants. The signalling hypothesis predicts that market movement in pre-announcement period is negative and becomes positive in post-announcement period. The CAR in 41-day is positive in pre-announcement period and negative in post-announcement days contrary to the prediction of signalling hypothesis. How do the independent variables behave and what are their coefficients for sub-periods? The study breaks the 41-day window into seven sub-periods, namely, -20 to -11 days, -10 to -1 days, -5 to -1 days, -1 to +1, -1 to +3 days, +1 to +5 days, +1 to +10 days and +1 to +20 days. Table –6 presents the results of these seven regression models:

The constant has been positive for all the sub-periods barring -20 to -11 and +1 to +10 sub-periods. It is higher in -10 to -1 and -5 to -1 sub-periods indicating that a larger part of CAR comes in the pre-announcement period only. The method of repurchase has positive coefficient in all the sub-periods indicating that CAR is higher in FPTs than OMRs in India even in sub-period also. The MTB ratio, leverage and percent of shares bought variables have negative coefficients in all the sub-periods. A high MTB ratio and high-

Table 4: Pearson correlation

	CAR	Size	MIB	Leverage	Cash flow	Control	Quantity	Method	Multiple
CAR	1.000								
Size	-.059	1.000							
MTB	-.065	.262	1.000						
Leverage	-.124	.404	0.190	1.000					
Cash flow	-.066	.437	.179	.125	1.000				
Control	-.100	-.118	.138	.082	-.180	1.000			
Quantity	-.212	-.102	-.719	-.074	-.006	-.015	1.000		
Method	.058	-.027	-.171	.068	.063	.201	.232	1.000	
Multiple	-.079	.003	-.046	.061	-.116	.101	-.222	-.057	1.000

Table 5: Coefficients for sub-periods

Independent Variables	-20 to -11		-10 to -1		-5 to -1		-1 to +1		-1 to +3		+1 to +5		+1 to +10		+1 to +20	
	Coefficients	t-test														
Constant	-9.218	-1.58	26.998	2.83	15.322	2.27	11.132	1.85	4.847	0.90	1.464	0.34	-3.728	-0.85	3.227	0.47
Size	3.348	1.82	-1.741	-0.58	-1.096	-0.52	-0.418	-0.22	0.602	0.36	-0.787	-0.62	0.881	0.64	1.687	0.78
MTB	-0.114	-0.27	-0.051	-0.06	-0.022	-0.04	-0.051	-0.10	-0.142	-0.33	-0.156	-0.46	0.071	0.19	-0.174	-0.30
Leverage	-0.004	-0.06	-0.153	-0.40	-0.080	-1.03	-0.020	-0.29	-0.037	-0.60	-0.015	-0.31	-0.019	-0.39	-0.113	-1.42
Cash flow	-0.006	-0.62	-0.011	-0.73	-0.004	-0.34	-0.006	-0.65	-0.005	-0.58	0.004	0.59	0.001	0.10	0.000	-0.56
Control	0.049	0.64	-0.218	-1.74	-0.128	-1.44	-0.089	-1.12	0.009	0.13	0.004	0.59	0.001	0.10	0.000	-0.01
Quantity	-0.295	-1.65	-0.196	-0.67	0.159	-0.76	-0.207	-1.12	-0.243	-1.47	-0.056	-0.44	0.001	0.01	-0.411	-1.93
Method	1.303	0.45	5.422	1.14	2.508	0.74	2.920	0.97	2.294	-0.86	-0.422	-0.21	2.260	1.03	4.450	1.29
Multiple	1.922	0.78	-2.092	-0.52	-1.528	-0.53	-2.191	-0.86	-1.876	-0.82	0.866	0.50	1.531	0.82	-2.222	-0.76

levered firm buying higher quantity of shares earns lower returns than a low MTB ratio and low-levered firm buying lower quantities of shares. Size, multiple announcements, cash flow and control have negative coefficients in pre- announcement period and positive coefficients in post-announcement period. A large firm announcing multiple announcements with greater cash flow and insider control generates more positive returns in post-announcement than in pre-announcement period. In other words, small firms realise greater benefits in pre-announcement period while larger firms in post-announcement period. Does it mean managers of small firms in India do more insiders trading than large firms? Do they use information asymmetry to their advantage? A further research is warranted to find answer to these questions.

Conclusion

The results of univariate and cross sectional analysis show clearly that CAR on account of announcement of repurchases would be higher in small-sized and low-levered companies having lower levels of managerial stake announcing a small-sized buyback using the FPT method. These conclusions are contradictory to US studies. Kahle (2002) finds that repurchases are more likely in small firms with low market to book ratios, high free cash flow and low capital expenditures. A large firm does not gain much from the buyback announcements in India. A bigger buyback, in terms of number of shares sought, carries negative signals to the market. A bigger quantity is viewed as an attempt by management to build the insider stake than to distribute the free cash flow.

The cash flow has, surprisingly, a negative coefficient. Buyback is employed as a mechanism to resolve agency problem over the free cash flow existing in the hands of managers. Markets in US have appreciated the declaration of free cash flows by means of repurchases. The contradictory result for India can be interpreted to mean that the market expect firms to deploy cash flow internally rather than using for building promoters stake. It is the general impression in the capital market circles in India that buyback route has been used to pile up promoters stake. We can juxtapose this finding with the percent of shares intended to be bought and insiders' stake in the firm. The Indian markets are little wary for the announcements made by firms with higher insiders' stake and for higher percent of shares sought to be purchased. Vermaelen (1981) holds that the credibility of buyback announcement depends on the extent of managerial wealth at stake. However, firms having greater insider control generate lower announcement returns than firms having lower insiders' stake. Markets could perceive buyback announcement by former firms as an attempt to delist from stock bourses.

Corporate actions should always create shareholders value. Share buyback is no exception to this rule. The announcement should serve the intended purpose of generating additional wealth from the point of non-participating shareholders in the buyback programme. The value addition is possible, if and only if, finance executives do the complete assessment before the buyback. This study would help executives in identifying the determinants

involved in buyback announcement returns. The study yields US-contradictory results. Therefore, mimicking US repurchases or competitive firms in India could destroy the value of companies. As for example, a high cash ratio firm generates higher announcement return in US while the opposite view holds good in India. Massa et al. (2007) has observed rampant mimicking of repurchase announcements in US and finds that a company mimicking repurchase announcement of a competitor would earn a return lower than the original company. An understanding of firm's characteristics would help the financial managers to maximise the returns involved on account of buyback announcement. We feel that a further research is required to identify the existence of mimicking among Indian companies. An analysis of dividend paying behaviour of repurchasing and non-repurchasing firms will also yield useful insights as to how corporate managers' perceive buyback – a value adding proposition or merely a tool to distribute excess and non-operating cash flows among shareholders.

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Annexure I: Univariate Analysis

	-20;+20	-20;-11	-10;-6	-5;-1	-1;+1	-1;+3	+1;+5	+1;+10	+1;+20
Panel-A: For the whole sample (n=78)									
CAR%	5.87	-0.14	2.37	2.06	2.99	2.55	-0.23	-0.55	-1.17
Mean	3.89	0.15	1.61	1.31	2.19	2.25	-0.40	-0.34	-0.76
Median	5.27	0.21	1.82	1.13	2.99	2.56	-0.22	-0.22	-0.88
S.D	2.77	0.20	0.85	0.54	1.54	1.10	0.40	0.51	0.62
t-test	8.99	2.41	4.22	5.34	2.46	4.57	-2.19	-2.09	-5.43
p-value	0.0001	0.0392	0.0135	0.0059	0.1331	0.0103	0.0937	0.0662	0.0001
Panel-B: Size of repurchases - Less than 10% (n=52)									
CAR%	7.41	0.13	2.53	1.58	3.64	3.90	0.46	-0.23	0.18
Mean	4.55	0.65	1.79	0.89	2.39	2.77	0.29	0.39	0.05
Median	6.42	0.72	2.08	0.82	3.25	3.25	0.39	0.43	0.07
S.D	2.99	0.37	0.95	0.55	1.85	1.46	0.42	0.47	0.56
t-test	9.73	5.40	4.23	3.64	2.24	4.25	1.53	2.63	0.36
p-value	0.0001	0.0004	0.0134	0.0220	0.1544	0.0132	0.2008	0.0274	0.7228
Equal or greater than 10% but less than 15%(n=15)									
CAR%	9.48	0.59	1.27	7.17	1.30	-0.74	-3.21	-1.97	-2.16
Mean	5.28	-1.08	0.53	4.44	2.22	1.14	-3.38	-3.23	-2.73
Median	7.66	-0.62	0.34	4.56	1.37	1.30	-3.21	-3.17	-2.71
S.D	4.65	1.52	1.21	2.12	1.53	1.84	1.07	0.90	1.02
t-test	7.26	-2.25	0.99	4.67	2.51	1.39	-7.09	-11.32	-11.93
p-value	0.0001	0.0510	0.3782	0.0095	0.1288	0.2369	0.0021	0.0001	0.0001

Equal or greater than 15% but less than 20% (n=5)									
CAR%	9.57	4.66	4.71	0.37	2.59	3.19	-1.71	-1.83	-3.25
Mean	8.30	1.81	3.16	1.22	2.09	2.44	-0.81	-1.55	-1.95
Median	9.89	1.66	3.40	0.96	2.59	2.70	-0.68	-1.64	-1.86
S.D	4.09	1.67	2.11	1.10	1.60	1.24	0.55	1.03	0.97
t-test	13.01	3.42	3.35	2.47	2.27	4.40	-3.26	-4.75	-8.91
p-value	0.0001	0.0076	0.0286	0.0689	0.1512	0.0117	0.0311	0.0010	0.0001
Equal or greater than 20% but less than 25% (n=6)									
CAR%	-19.50	-8.35	1.77	-5.14	2.00	-1.31	2.50	1.29	-8.59
Mean	-9.05	-2.43	1.38	-2.86	0.52	0.43	1.44	1.53	-1.78
Median	-8.74	-2.56	1.67	-2.19	0.17	0.17	1.82	1.83	-1.52
S.D	5.51	2.99	1.39	1.96	1.35	1.49	1.68	2.67	4.48
t-test	-10.51	-2.55	2.22	-3.27	0.66	0.64	1.92	1.82	-1.78
p-value	0.0001	0.0312	0.0960	0.0308	0.5771	0.5570	0.1273	0.1021	0.0911
Panel-C: Repurchase Method , OMRs (n=58)									
CAR%	5.36	-0.05	2.31	1.95	2.74	2.18	-0.49	-1.08	-1.54
Mean	3.51	0.02	1.33	0.83	2.18	2.11	-0.79	-0.79	-1.15
Median	4.76	-0.02	1.51	0.55	2.75	2.18	-0.50	-0.65	-1.33
S.D	2.61	0.25	0.95	0.81	1.44	1.03	0.44	0.58	0.61
t-test	8.60	0.31	3.09	2.29	2.63	4.58	-3.97	-4.24	-8.47
p-value	0.0001	0.7636	0.0366	0.0839	0.1193	0.0102	0.0165	0.0022	0.0001
FPTs (n=20)									
CAR%	7.08	-0.40	2.43	2.29	3.58	3.55	0.55	1.04	-0.01
Mean	4.79	0.53	2.36	2.64	2.10	2.58	0.77	0.99	0.46
Median	5.80	0.49	2.44	2.31	2.75	3.05	0.80	0.98	0.54
S.D	3.15	0.54	0.59	0.64	1.89	1.50	0.39	0.40	0.77

t-test	9.75	3.07	8.94	9.22	1.93	2.58	4.40	1.78	2.68
p-value	0.0001	0.0134	0.0009	0.0008	0.1934	0.0613	0.0017	0.1088	0.0148
-20;+20	-20;-11	-10;-6	-5;-1	-1;+1	-1;+3	+1;+5	+1;+10	+1;+20	
Panel-D: Debt as % of TA - High (n=40)									
CAR%	3.64	0.43	1.24	1.47	2.38	2.37	-0.97	-0.51	-1.93
Mean	3.11	0.40	0.85	1.49	1.88	1.96	-0.60	-0.44	-0.79
Median	3.64	0.39	0.94	1.48	2.38	2.37	-0.47	-0.47	-0.71
S.D	2.01	0.44	0.52	0.39	1.29	0.94	0.40	0.36	0.55
t-test	9.92	2.88	3.62	8.42	2.52	4.66	-3.35	-3.84	-6.49
p-value	0.0001	0.0182	0.0224	0.0011	0.1279	0.0096	0.0286	0.0040	0.0001
Panel-D: Debt as % of TA - Low (n=38)									
CAR%	8.22	-0.74	3.57	2.67	3.65	2.75	0.54	-0.58	-0.37
Mean	4.71	-0.11	2.41	1.11	2.52	2.57	-0.19	-0.23	-0.72
Median	6.39	-0.13	2.23	0.87	3.50	2.75	0.09	-0.26	-0.68
S.D	3.64	0.55	1.33	1.33	1.83	1.29	0.65	0.86	0.88
t-test	8.29	-0.63	4.04	1.87	2.38	4.42	-0.64	-0.86	-3.64
p-value	0.0001	0.5444	0.0156	0.1348	0.1403	0.0115	0.5570	0.4121	0.0017
Panel-E: Control - High (n=39)									
CAR%	4.06	0.94	1.93	0.66	2.39	2.26	-0.53	-0.74	-1.74
Mean	3.49	1.08	1.39	0.79	1.70	1.78	-0.35	-0.41	-0.96
Median	3.79	1.00	1.82	0.66	2.39	2.26	-0.22	-0.38	-1.04
S.D	1.73	0.34	0.64	0.49	1.27	0.94	0.41	0.55	0.74
t-test	12.87	9.81	4.85	3.56	2.30	4.18	-1.89	-2.39	-5.80
p-value	0.0001	0.0001	0.0083	0.0236	0.1481	0.0139	0.1318	0.0406	0.0001

				Control Low (n=39)							
CAR%	7.69	-1.21	2.81	3.45	3.60	2.85	0.06	-0.36	-0.60		
Mean	4.27	-0.76	1.83	1.82	2.68	2.74	-0.45	-0.26	-0.55		
Median	6.32	-0.81	1.84	1.67	3.60	2.85	-0.23	-0.16	-0.55		
S.D	3.88	0.49	1.09	1.32	1.80	1.28	0.53	0.56	0.62		
t-test	7.06	-4.88	3.72	3.09	2.57	4.77	-1.90	-1.49	-3.99		
p-value	0.0001	0.0009	0.0205	0.0366	0.1239	0.0088	0.1302	0.1704	0.0008		
				Panel-F: Total Assets - Large (n=32)							
CAR%	3.57	1.44	0.88	0.83	1.36	1.10	-1.21	-0.66	-1.45		
Mean	3.01	0.79	0.62	1.03	1.04	1.08	-0.76	-0.75	-0.86		
Median	3.65	0.69	0.77	0.88	1.35	1.18	-0.71	-0.69	-0.79		
S.D	1.49	0.39	0.35	0.26	0.97	0.69	0.28	0.21	0.28		
t-test	12.94	6.51	3.92	8.87	1.84	3.49	-6.02	-11.47	-13.47		
p-value	0.0001	0.0001	0.0172	0.0009	0.2071	0.0251	0.0038	0.0001	0.0001		
				Small (n=46)							
CAR%	7.48	-1.24	3.41	2.91	4.13	3.57	0.45	-0.48	-0.97		
Mean	4.50	-0.29	2.30	1.59	2.99	3.08	0.16	-0.06	-0.69		
Median	6.31	-0.25	2.46	1.32	4.11	3.57	0.24	0.04	-0.80		
S.D	3.72	0.38	1.22	1.08	1.96	1.41	1.03	0.92	0.99		
t-test	7.75	-4.92	4.20	3.10	9.78	4.87	0.35	-0.19	-3.08		
p-value	0.0001	0.0008	0.0137	0.0137	0.0103	0.0082	0.7440	0.8535	0.0062		
				Panel-G: Multiple buybacks - Single Buybacks (n=47)							
CAR%	6.43	-1.92	3.12	2.59	3.71	3.77	0.21	-0.34	0.15		
Mean	3.28	-0.82	1.94	1.72	2.54	2.90	0.50	0.27	-0.19		
Median	4.89	-1.00	2.42	1.75	3.21	3.21	0.51	0.22	-0.14		
S.D	3.22	0.82	1.20	0.60	1.61	1.26	0.52	0.81	0.82		

t-test	6.53	-3.17	3.60	6.42	2.74	5.15	2.13	1.05	-1.07
p-value	0.0001	0.0114	0.0288	0.0030	0.1114	0.0067	0.1002	0.3211	0.2980
-20;+20	-20;-11	-10;-6	-5;-1	-1;+1	-1;+3	+1;+5	+1;+10	+1;+20	
More than one buybacks (n=31)									
CAR%	5.02	2.55	1.24	1.25	1.91	0.73	-0.91	-0.87	-3.16
Mean	4.79	1.63	1.11	0.68	1.65	1.28	-1.77	-1.26	-1.61
Median	5.06	1.71	1.24	0.43	1.91	0.73	-1.98	-0.95	-1.63
S.D	2.28	1.01	0.54	0.55	1.59	1.23	0.69	0.72	0.87
t-test	13.46	5.08	4.60	2.75	1.81	2.31	-5.77	5.57	-8.27
p-value	0.0001	0.0007	0.0100	0.0514	0.2120	0.0820	0.0045	0.0003	0.0001
Panel-H: MTB Ratio- High (n=39)									
CAR%	9.61	1.19	2.69	3.66	3.98	3.03	-0.10	-0.58	-0.99
Mean	6.04	0.26	1.72	2.41	2.98	2.83	-0.38	-0.39	-0.80
Median	8.08	0.19	2.09	2.51	3.82	3.03	-0.10	-0.29	-0.74
S.D	4.06	0.68	1.00	0.89	1.60	1.19	0.82	0.90	0.89
t-test	9.53	1.19	3.85	6.03	3.22	5.34	-1.03	-1.38	-4.04
p-value	0.0001	0.2645	0.0183	0.0038	0.0844	0.0059	0.3612	0.2009	0.007
Low (n=39)									
CAR%	2.49	-1.48	2.04	0.45	2.01	2.08	-0.35	-0.52	-1.34
Mean	1.72	0.05	1.49	0.20	1.41	1.68	-0.42	-0.28	-0.71
Median	2.24	0.04	1.25	0.18	2.01	2.08	-0.41	-0.38	-0.63
S.D	1.62	0.73	0.92	0.41	1.50	1.13	0.05	0.26	0.52
t-test	6.81	0.21	3.64	1.11	1.62	3.33	-17.93	-3.37	-6.11
p-value	0.0001	0.8383	0.0220	0.3292	0.2467	0.0291	0.0001	0.0083	0.0001
Panel-I: Cash Ratio - High Cash Ratio (N = 39)									
CAR%	2.89	-0.28	1.72	0.11	0.77	0.61	0.09	0.05	-0.16

Mean	1.74	-0.04	1.11	0.08	0.58	0.57	-0.36	-0.13	-0.21
Median	2.33	-0.05	1.17	0.07	0.77	0.61	-0.46	-0.02	-0.15
S.D	1.29	0.17	0.56	0.22	0.77	0.54	0.35	0.44	0.36
t-test	8.63	-0.78	4.41	0.76	1.30	2.34	-2.30	-0.96	-2.59
p-value	0.0001	0.4554	0.0116	0.4896	0.3232	0.0794	0.0829	0.3621	0.0180
Low Cash Ratio (N=39)									
CAR%	5.96	0.27	1.30	3.89	4.46	3.91	-0.64	-1.21	-2.01
Mean	4.29	0.39	1.01	2.46	3.23	3.38	-0.07	-0.41	-1.09
Median	5.68	0.45	1.30	2.13	3.87	3.87	0.04	-0.53	-1.30
S.D	3.02	0.27	0.62	0.85	1.65	1.20	0.52	0.58	0.84
t-test	9.10	4.55	3.64	6.49	3.39	6.29	-0.34	-2.23	-5.78
p-value	0.0001	0.0014	0.0220	0.0029	0.0771	0.0033	0.7510	0.0527	0.0001
Tobin's Q Greater than 1(29)									
CAR%	2.56	-0.54	2.50	-0.48	1.49	1.56	0.24	0.09	-0.75
Mean	2.16	0.48	1.86	-0.33	0.95	1.28	0.12	0.31	-0.03
Median	2.46	0.52	1.73	-0.25	1.49	1.56	0.14	0.18	-0.06
S.D	1.32	0.52	0.89	0.33	1.03	0.86	0.19	0.34	-0.06
t-test	10.44	2.93	4.69	-2.23	1.61	3.31	1.39	2.82	-0.25
p-value	0.0001	0.0168	0.0094	0.0896	0.2487	0.0297	0.2369	0.0200	0.8053
Tobin's Q Less than 1 (49)									
CAR%	7.84	0.09	2.29	3.56	3.88	3.15	-0.51	-0.93	-1.41
Mean	4.91	-0.04	1.46	2.28	2.92	2.84	-0.71	-0.72	-1.19
Median	6.69	0.01	1.95	2.08	3.88	3.14	-0.51	-0.73	-1.21
S.D	3.67	0.39	0.92	0.91	1.85	1.35	0.71	0.74	0.81
t-test	8.55	-0.32	3.55	5.57	2.74	4.71	-2.24	-3.07	-6.49
p-value	0.0001	0.7563	0.0238	0.0051	0.1114	0.0092	0.0886	0.0134	0.0001

Note: *, ** and *** indicate significance level at 1%, 5% and 10% respectively

PREM ARUN JAIN & CO.
Chartered Accountants

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AUDITOR'S REPORT

We have audited the annexed statement of accounts of the Indian Journal of Commerce of The Indian Commerce Association for the year ended on 31st March, 2010 with the help of bank statement, record and vouchers produced and information and explanations given to us, and report that the aforesaid statements of account are in agreement with such records subject to our observations as under:

1. The Income and Expenditure Account and Receipt & Payment account are prepared for the period from 1.4.2009 to 31.3.2010.
2. Subscription and interest on FDRs is mainly accounted for on cash basis.

The Association has kept FDRs on cumulative basis on which interest is credited on maturity, hence income by way of interest on FDR will be accounted for on receipt basis. In our opinion FDRs should be kept with interest due on quarterly basis.

Place: Gurgaon
Date: 23rd September, 2010

Arun Jain
B.Com (Hons.) FCA, ACS
M. No. 81455
Partner
PREM ARUN JAIN & CO.
Chartered Accountants

**INDIAN JOURNAL OF COMMERCE
OF INDIAN COMMERCE ASSOCIATION**

BALANCE SHEET AS AT 31.3.2010

	Previous Year (2008-09) Amount Rs.	Current Year (2009-10) Amount Rs.
A. LIABILITIES		
GENERAL FUND		
Balance as per last Balance Sheet	16,35,851	21,79,049
Add: Life Membership	5,50,500	4,78,500
Patrons	40,000	50,000
Add/Less: Surplus/Deficiency for the year	(-) 47,302	1,19,493
	21,79,049	28,27,042
Endowment fund for BBAY	1,00,000	1,00,000
Endowment fund for Res. Awards	---	2,00,000
O/s Sec Assistance/Due to Secy.	4,250	4,100
Due for dispartch etc.		1,121
Due to Nawal		8,825
Total Liabilities	22,83,299	31,41,088
B. ASSETS		
Conference Dues (Incl. Life Member fees, Conf. Fees etc.)	5,99,600	5,24,200
Fixed Deposits – PNB, IGNOU (cum.)	14,00,000	22,00,000
Current Account – PNB, IGNOU	2,83,564	4,16,888
Cash in hand	135	---
Total Assets	22,83,299	31,41,088

Place: New Delhi

Date: 23rd September, 2010

Signed in terms of our
Report of even date

(ARUN JAIN)

B.Com (Hons.) FCA, ACS
Proprietor
Prem Arun Jain & Co.
Chartered Accountants

(R.K. GROVER)

Joint Managing Editor

(NAWAL KISHOR)

Managing Editor

**INDIAN JOURNAL OF COMMERCE
OF INDIAN COMMERCE ASSOCIATION**

**INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD
1-4-2009 to 31-3-2010**

	Previous Year (2008-09) Amount Rs.	Current Year (2009-10) Amount Rs.
A. INCOME		
Subscriptions (Annual)	1,71,800	2,70,000
Conference Fee - Institution	---	25,000
- Delegates	1,76,600	2,00,400
Bank Interest	---	---
Advertisement	10,000	10,000
Total Income	3,58,400	5,05,400
B. EXPENDITURE		
Journal Publication Expenses	2,67,749	2,62,271
Despatch expenses	74,865	1,00,121
Salaries/Honorarium	4,000	7,000
Sundry Expenses (incl. Bank Charges)	9,188	13,415
Medals for Awards	21,800	---
Cont. for ISAMT	25,000	---
Audit fees	3,100	3,100
Total Expenditure	4,05,702	3,85,907
SURPLUS/DEFICIENCY (A-B)	(-) 47,302	1,19,493

Place : New Delhi

Date : 23rd September, 2010

Signed in terms of our
Report of even date

(ARUN JAIN)

B.Com (Hons.) FCA, ACS

Proprietor

Prem Arun Jain & Co.

Chartered Accountants

(R.K. GROVER)

Joint Managing Editor

(NAWAL KISHOR)

Managing Editor

**INDIAN JOURNAL OF COMMERCE
OF INDIAN COMMERCE ASSOCIATION**

**RECEIPT AND PAYMENT ACCOUNT FOR THE PERIOD
1-4-2009 TO 31-3-2010**

	Previous Year (2008-09) Amount Rs.	Current Year (2009-10) Amount Rs.
BALANCE AS PER LAST AUDIT REPORT	17,39,651	16,83,699
RECEIPTS		
Subscriptions to Journal		
Life Membership	2,20,500	3,34,500
Patrons	40,000	50,000
Annual Membership	78,800	1,15,200
Conference fees – Institutions	---	---
– Delegates	---	---
– Dues	---	5,99,600
Interest on FDs	---	---
Advertisement	10,000	10,000
Research Awards Fund		2,00,000
Total Receipts	3,49,300	13,09,300
	20,88,951	29,92,999
PAYMENTS		
Journal Publication Expenses	2,67,749	2,62,271
Despatch Expenses	74,865	99,000
Hon. for Sect. Assistance	4,000	7,000
Sundry expenses (Including Bank Charges)	4,938	355
Audit fees	3,100	3,100
O/s Due of Secretary paid/Sec. Hon.	3,800	4,250
Medals	21,800	---
Cont. for ISAMT	25,000	---
Total Payments	4,05,252	3,75,976
BALANCE AT THE END	16,83,699	26,17,023
	20,88,951	29,92,999

Place : New Delhi

Date 23rd September, 2010

Signed in terms of our
Report of even date

(ARUN JAIN)

B.Com (Hons.) FCA, ACS

Proprietor

Prem Arun Jain & Co.

Chartered Accountants

(R.K. GROVER)

Authorised Signatory

(NAWAL KISHOR)

Managing Editor

SECRETARY'S REPORT 2010

Secretary's Report presented at the 63rd Annual General Body Meeting of the Indian Commerce Association held on October 3, 2010 at Goa University. Goa

Mr President, Past Presidents, Office Bearers, Members of the Executive Committee and the Life Members of the Indian Commerce Association, I extend a very warm and hearty welcome to all of you at this General Body Meeting of the Indian Commerce Association. I have the pleasure to report as under:

The 62nd All India Commerce Conference was organized on October 10-12, 2009 at Maharshi Dayanand Saraswati University, Ajmer. Prof Bhagirath Singh, Vice Chancellor, MDS University, Ajmer was the Conference Secretary. More than 1000 delegates representing all the States of the Country attended the Conference. 62nd All India Commerce Conference was inaugurated by Padam Bhushan Prof V S Vyas, Member Economic Advisory Council to the Prime Minister, Government of India. Padam Bhushan Dr D R Mehta, former Chairman Securities Exchange Board of India was the Guest of Honour at the Inaugural Function that was presided over by Dr B B Taywade, President of Indian Commerce Association. Dr B B Taywade, President, Indian Commerce Association, delivered the Presidential Address on the theme of "Commerce Education – A Road Ahead". Prof H Venkateshwarlu, Executive Vice President, Indian Commerce Association presided over the Valedictory Function of the 62nd All India Commerce Conference on October 12, 2009 where Prof Sukhdev Thorat, Chairman, University Grants Commission, New Delhi, was the Chief Guest and Prof Furquan Qamar, Vice Chancellor, University of Rajasthan, Jaipur was the Guest of Honour.

The 62nd Annual Conference of the ICA was preceded by the organization of a 'Round Table' on the theme of "Commerce Education: Direction in the New Millennium". Prof I V Trivedi from M L Sukhadia University, Udaipur and Past President of ICA was the Chairperson of this Round Table wherein a Road Map desirable for Commerce Education in India in the fast changing environment has been prepared. The ICA will seek the cooperation of the School Education Boards at the State and National levels and more important of the University Grants Commission in putting this Road Map into action.

After the Inaugural Function two Memorial Lectures were organized in the fond memory of Late Prof Om Prakash and Late Prof Manubhai M Shah both Past Presidents of Indian Commerce Association. Late Prof Om Prakash Memorial Lecture was delivered by Prof B P Singh, Past President of the ICA on the theme of "Poverty, Growth and Sustainability: Global Overview". Prof Sandip K Bhatt of the Dept of Commerce, Sardar Patel University, Vallabh Vidyanagar Delivered Late Prof Manubhai M Shah Memorial Lecture on the theme of "A Paradigm Shift of Commerce Education Towards E-Commerce Education".

The Seminar Session of the 62nd All India Commerce Conference was held on October 10, 2009 i.e. in the after noon of the first day of the Conference on the theme of "Global Recession: Opportunities & Challenges". Prof J P Sharma, Dept of Economic Administration and Financial Management, University of Rajasthan, Jaipur was the Chairperson of the Seminar Session which was co-chaired by Dr (Ms) Varsha Thakre of Anna Sahib Gundewar College Nagpur. 176 papers were received in this session out of which 13 select papers were presented in detail.

On the second day of the Conference i.e. on October 11, 2009, four Technical Sessions of the Conference were concurrently held. Technical Session I was on the theme of "International Accounting Standards: India's Preparedness". Prof. K Eresi of Bangalore University, Bangalore was the Chairperson of the Session, and Dr. K B Rao Principal, Smt. T J Patel Commerce College, Nadiad was the co-chairperson of the Session.

Technical Session II was on the theme of "E-governance: Perspectives and Challenges". Prof (Ms.) Prasthantha Athma of Osmania University, Hyderabad was the Chairperson of the Session which was co-chaired by Dr. K Someshwar Rao of Badurka College Hyderabad. 140 papers were received and presented in the session.

Technical Session III was on the theme of "Marketing Innovations & Ethics". This Session was chaired by Prof. (Ms.) Santosh Gupta of University of Jammu and Prof Amod Prasad co-chaired the Session. 150 papers were received in this Session out of which 70 papers were presented.

Technical Session IV was on the theme of "Inclusive Growth: The Road Ahead". Prof. R H Gupta of North Maharashtra University, Jalgaon chaired this Technical Session which was co-chaired by Dr. Sanket Vij of BPS Women Univeristy, Khanpur, Sonapat. 129 papers were received in this Session out of which 69 papers were presented.

All the Technical Sessions were well attended and the delegates presented their research papers. The sessions ended with lively deliberations on the findings of the research papers presented by the delegates.

In the evening of the second day of the Conference a special session was arranged for the presentation of two best papers from each Technical and Seminar Session before the Jury for finalization of the "Best Business Academic of the Year Award". The Jury selected papers for the award of Gold and Silver Medals. The Medals were presented to the first authors of the award winning papers in the Valedictory Session. These award winning papers are:

Gold Medal

- Anshuja Tiwari and Babita Yadav for their paper entitled 'Global Recession: The Impact on Indian Life Insurance Industry'

Silver Medals

1. B F Lyngdoh and A P Pati for their paper entitled 'Financial Inclusion – Women and Inclusive Growth: Empirical Evidence and Future Strategies'
2. Prof. Rajyalakshmi Nittala for her paper entitled 'Acceptance of Incentivised Mobile Advertising Among University Students'
3. Dr. K V Ramana Murthy & Vanishree Talluri for their paper entitled 'Governing Factors of Good Governance – A Specific Study with Reference to e-Governance in Educational Institutions'.
4. Shyam Lal Dev Pandey & Dr. G S Rathore for their paper entitled 'An Analysis of Basic Difference between Indian GAAP with IFRS and Views of Accounting Professional of Feasibility of their convergence'.

It gives me immense pleasure to share with all of my fellow delegates the recognition of the achievements of the three Life Members of the Indian Commerce Association by their respective States during the year 2010. Prof. H Ventakeshwarlu, Executive Vice-President of the ICA has been conferred with the honour of "Best Teacher Award" by the State Government of Andhra Pradesh. Prof. Bharat A Meghe, and Prof. Baba Sahed Sangle have been conferred the honour of "Best Teacher Award" by the State Government of Maharashtra. We are proud of their achievements. It is again a matter of great pleasure and honour to the ICA that Prof. I V Trivedi, Past President of the ICA and Prof. B R Ananthan, former Secretary of the ICA have been appointed as Vice-Chancellors and Dr. Subhash Garg, former Joint Secretary of the ICA has been appointed as Chairperson Rajasthan School Education Board. Prof. (Ms.) Kshama Aggarwal was appointed as SEBI Financial Education Resource Person, 2010. The ICA congratulates all of them and wishes them a great future.

Dear friends, the much-awaited issue of the registration of the ICA in the name of Indian Commerce Association has finally materialized during the year 2010. Indian Commerce Association is now a registered body and has been registered as a Trust. We place on record our appreciation of the sincere efforts made in this regard by Prof S S Mishra, Prof Nawal Kishor and above all Dr Ajay K Singh.

Indian Commerce Association has also added one more feather in its cap by successfully starting All India Commerce and Management Talent Search Examination during 2010. The team led by Prof Bhaghirath Singh, Prof B P Saraswat and Dr Balwinder Singh deserves congratulations for their untiring efforts for the successful organisation of the AICMTSE 2010. This could not have been possible without the active support of various State Coordinators. We place on record the appreciation of excellent work done by the whole team and hope that the AICMTSE will continue in future.

The Indian Commerce Association has very seriously taken up the cause of improving research culture in the discipline of Commerce & Management in the country. The ICA has organized four Workshops of one week duration on the theme of "Analytical Techniques for Research in Commerce &

Management” during the year 2010. The first such workshop was organized in Dalhousie in which 53 participants representing 17 States of India participated. The success of Dalhousie Workshop motivated the ICA to carry on with this venture and subsequently the ICA successfully organized three other Workshops at Gurgaon, Shimla & Jaipur.

The General Body of ICA, in its meeting held at Ajmer, took a decision to add one more session in the subsequent annual conferences of the ICA to showcase empirical researches in the field of Commerce & Management and also decided that two gold medals would be awarded every year in this session which are named as “Manubhai M Shah Memorial Research Gold Medals”. These gold medals have been sponsored by Mr. Anil Shah in the fond memory of his father Late Prof Manubhai M Shah who had been the President of Indian Commerce Association also. Mr. Anil Shah has made one time donation of Rs.2 lakh towards the endowment fund for this Award and the Gold Medals would be given out of the interest income earned from this endowment fund. The ICA acknowledges with thanks the gesture of Mr. Anil Shah.

Dear friends, the membership base of the Indian Commerce Association is continuously surging. We have now more than 3000 Individual Life Members of the ICA. There is a need to make sincere efforts by all the Executive Committee Members to increase the Institutional and Individual Life Membership base of the ICA. The Editorial Board of the Indian Journal of Commerce deserves congratulations for coming up with all the four quarterly issues of the Journal this year too. The current issues of the Journal and some back volumes are available on the website of the ICA (icaindia.info).

It gives me great pleasure to place on record my deep sense of gratitude to the President of the ICA Prof Bhagirath Singh for his able guidance in the smooth conduct of the activities of the Association. I would also like to thank profusely Prof. B P Singh, Prof R P Hooda, Prof S S Mishra, Prof. I V Trivedi, Prof Ramesh Mangal, Prof M B Shukla, Prof P Prurushotham Rao and all other Past Presidents of the ICA for their positive contribution in giving meaningful direction to the activities of the ICA. My thanks are also due to my colleagues Dr. B B Taywade, Immediate Past President, Prof H Venkateshwarlu, Executive Vice President, Prof Nawal Kishor, Managing Editor, Dr. P T Choudhary, Joint Secretary, and all the members of the Executive Committee of the ICA for their active cooperation and support.

Dear friends, I derive my strength from the honourable members of the ICA for which I shall always remain indebted for their continuing support and guidance without which it would not have been possible for me to carry out my responsibilities as Secretary of the Association. My thanks are also due to all of the delegates who have come to Goa in such a large number from the different parts of the country, which has made the 63rd All India Commerce Conference of the Indian Commerce Association a historic milestone event that shall be remembered for all times to come. Before concluding my report, I would like to thank the Chairpersons and Co-chairpersons of the Seminar Session and all the Technical Sessions of the 63rd All India Commerce Conference who have taken lots of pain in reviewing and selecting papers

for presentation in the different sessions of the Conference. I am also thankful to the Jury Members of the Best Business Academic of the Year Award and Prof Manubhai M Shah Memorial Research Gold Medals Award for the valuable services rendered by them. I am also thankful to the Key Note Speakers and the Rapporteurs of the various Sessions for their valuable contribution.

Last but not the least our thanks are also due to Prof B Ramesh, the Conference Secretary and his dedicated team of colleagues and student volunteers for taking so much pain in the successful organization of the 63rd All India Commerce Conference of the Indian Commerce Association. We shall be carrying with us the sweet memories of the Conference hosted by Goa University, Goa.

Wishing you all a very Happy Deepawali and festival season.

GOA
October 03, 2010

RAVINDER VINAYEK
SECRETARY, ICA

**Minutes of the Meeting of the Executive Committee of the
Indian Commerce Association Held on October 2, 2010.**

A meeting of the Executive Committee of the Indian Commerce Association was held on Saturday the 2nd of October 2010 at 6.00 p m at the Conference Hall of the National Institute of Oceanography (NIO) Goa under the Chairmanship of Prof Bhagirath Singh, President, ICA.

The following members were present in the meeting:

1. Prof Bhagirath Singh
2. Dr. B B Taywade
3. Prof P Purushotham Rao
4. Prof B P Singh
5. Prof S S Mishra
6. Prof Ramesh Mangal
7. Prof M Rehman
8. Prof I V Trivedi
9. Prof M B Shukla
10. Prof H Venkateshwarlu
11. Prof Nawal Kishor
12. Dr P T Chowdhary
13. Prof Ms Santosh Gupta
14. Prof M K Singh
15. Dr Balwinder Singh
16. Prof C Ganesh
17. Prof. (Ms) Kshama Agarwal
18. Prof Narender Kumar
19. Prof R R Azad
20. Dr B Raja Rathnam
21. Dr. Aaditya Lunawat
22. Dr (Ms) Prashantha Athma
23. Prof J P Sharma
24. Prof M. Rama Chandra Gowda
25. Prof K Eresi
26. Dr Radhey Shyam Aggarwal
27. Dr. V Appa Rao
28. Dr. Gurucharan Singh
29. Prof B P Saraswat
30. Dr G L Gaur
31. Prof (Ms) Malabika Deo
32. Prof M Akbar Ali Khan

33. Prof Sudipti Banerjea
34. Dr Jitendra K Sharma
35. Prof B Ramesh
36. Dr Nimit Chowdhary
37. Prof Ravinder Vinayek Secretary

The following decisions were taken in the meeting of the Executive Committee of the ICA:

1. **Confirmed** the minutes of the meeting of the Executive Committee of the ICA held on October 1, 2010 at Goa.
2. **Considered and approved** the Secretary's Report for the year 2010 to be presented in the General Body Meeting of the ICA.
RESOLVED to recommend to the General Body of the ICA that Resolution No 9 as approved by the General Body of the ICA on October 12, 2009 at Ajmer which reads as follows "Considered and approved the proposal of the EC of the ICA that Faculty Development Programmes be organized under the banner of the ICA. The FDPS be organized under intimation to the Secretary ICA and the details of the proposed FDPs be put on the Website of the ICA" be suspended and a committee comprising of Prof I V Trivedi, Prof M B Shukla, Dr B B Taywade, all Past Presidents should frame the modalities in which this resolution should be implemented.
3. **Considered and approved** the audited accounts of the ICA for the year 2009-10 and the Managing Editor's Report which is to be presented in the General Body Meeting of the ICA.
RESOLVED to recommend to the General Body of the ICA that the fee charges of the ICA be enhanced as follows

ITEM	EXISTING	PROPOSED
Annual Membership	Rs.300/-	Rs.500/-
Individual Life Membership	Rs.2,000/-	Rs.3,000/-
Institutional Life Membership	Rs.10,000/-	Rs.15,000/-
Delegate Fee	Rs.800/-	Rs.1,500/-
Accompanying Person fee	Rs.800/-	Rs.2,000/-

Further resolved that out of proposed delegate Fee of Rs.1,500/- the share of the ICA will also increase from existing Rs.200/- to Rs.300/-. These proposed membership rates will become effective from January 1, 2011 and in case the existing ICA is absorbed in newly registered ICA then from the date these proposed membership rates are got amended in the registered deed of the ICA.

Further resolved that accompanying person should only be the family member of the delegate.

4. **RESOLVED** to recommend to the General Body of the ICA that AICMTSE 2011 be held on Sunday the 23rd of January 2011. Further resolved that Prof Bhagirath Singh shall be the Convener of the Exam, Dr Balwinder Singh shall be the National Coordinator, and Prof B P Saraswat shall be the Controller of Examinations for this event. Resolved

to place on record the appreciation of the support of the Sapient Group of Institutions Indore for sponsoring this event for the year 2010 and a letter to this effect be sent to the sponsor by the Secretary, ICA. Further resolved that this team can continue to conduct the test by operating same bank account that has been opened at Ajmer for this purpose.

5. **RESOLVED** to recommend to the General Body of the ICA a proposal wherein Mr. Anil Shah S/o Late Prof. Manubhai Shah made an offer to give an initial endowment of Rs 10 lacs to the ICA to introduce some Award parallel to Bhatnagar Award which Indian Science Congress confers. To work out the modalities a committee under the Chairmanship of Prof. B.P.Singh, Past President, ICA is constituted. Other members are Prof. I.V.Trivedi, Prof. M.B.Shukla, and two nominees of Mr Anil Shah, one of those is Prof Sandip Bhatt of Sardar Patel University, Vallabh Vidyanagar. The committee would work out the details of instituting the award, the broad frame work of which has already been discussed.
6. **RESOLVED** to constitute a committee comprising the Office Bearers and the Past Presidents of the ICA to finalise and recommend to the General Body the topics for the Seminar session, four Technical Sessions, and M M Shah Research Gold Medal Session to be held at the time of the 64th Annual conference of the ICA.
7. **RESOLVED** to constitute a committee comprising the Office Bearers and the Past Presidents of the ICA to finalise and recommend to the General Body the names of the Chair persons and Co-chair persons for the Seminar session, four Technical Sessions, and M M Shah Research Gold Medal Session to be held at the time of the 64th Annual conference of the ICA.
8. **RESOLVED** to invite nominations from the General Body of the ICA for ten vacancies for a period of three years (up to the conclusion of 66th Annual Conference of the ICA) in the Executive Committee of the ICA.
9. **RESOLVED** to recommend to the General Body of the ICA that Prof B Ramesh, Conference Secretary and Head & Dean Faculty of Commerce, Goa University be elected as President of the ICA for the next term i.e. upto the conclusion of the 64th Annual Conference of the ICA.
10. **RESOLVED** to recommend to the General Body of the ICA the e-ICA Google Group will not use the name of Indian Commerce Association and the words ICA should be removed from its name.
11. **RESOLVED** that Prof Nawal Kishor, Managing Edidtor Indian Journal of Commerce will submit comprehensive rules making amendments in the existing "Prof Manubhai M Shah Research Gold Medals Award Rules". The same would be put up before the General Body of the ICA for its approval.

The meeting ended with a vote of thanks to the chair.

October 3, 2010
GOA

RAVINDER VINAYEK
Secretary, ICA

**Minutes of the Emergent Meeting of the Executive Committee of the
Indian Commerce Association Held on October 3, 2010**

An Emergent Meeting of the Executive Committee of the Indian Commerce Association was held on Sunday the 3rd of October 2010 at 10.30 a m in the Seminar Hall of the National Institute of Oceanography (NIO) Goa under the Chairmanship of Prof Bhagirath Singh, President, ICA.

The following members were present in the meeting:

1. Prof. Bhagirath Singh
2. Prof. M .B.Shukla
3. Prof. B.P.Singh
4. Prof. I.V.Trivedi
5. Prof. Ramesh Mangal
6. Prof. K. Eresi
7. Dr. Aditya Lunawat
8. Dr. Jitendra Sharma
9. Prof. C. Ganesh
10. Prof. (Ms) Malabika Deo
11. Prof. (Ms) Santosh Gupta
12. Prof. G.P.Prasain
13. Prof. Supditi Banerjea
14. Dr. R.S.Agrawal
15. Dr. Nimit Chaudhari
16. Dr. B P Saraswat
17. Dr. G.L.Gaur
18. Dr. Bharat Meghe
19. Dr. Anant Deshmukh
20. Prof. (Ms) Prashantha Athma
21. Dr. Raja Ratnan
22. Dr. V. Appa Rao
23. Prof. P. Purushotham Rao
24. Prof. N. K. Gupta
25. Prof. H. Venkateshwarlu
26. Prof. M. Rehman
27. Prof. S.S. Mishra
28. Dr. P.T. Chaudhari
29. Dr. Gurucharan Singh
30. Prof Ravinder Vinayek Secretary

The emergent meeting of the Executive Committee of the ICA was convened for the purpose of passing Resolutions for the integration of existing Indian

Commerce Association into the Newly registered Indian Commerce Association.

Considered the following resolutions for putting into motion a legally tenable roadmap for integration of existing ICA into newly registered ICA. The resolutions were moved by Prof S S Mishra, Past President, ICA and Chairman of the Committee that was entrusted the Task of the Registration of the ICA:

- i) Resolved to handover the charge of all the assets including all categories of members along with all the liabilities of Indian Commerce Association as on Oct. 3, 2010 which was established in 1947 to the new Trust in the name and style of "Indian Commerce Association" registered under The Indian Trust Act 1882 (2 of 1882) [vide registration number 714 dated Feb. 16, 2010, book no. 4, vol. no. 622 on pages 95-116 at Sub-Registrar VI A, Delhi, having registered office at 22 – Vaishali, Pitam Pura, Delhi – 110034].
- ii) Resolved to open a bank account in the name of "Indian Commerce Association" in Punjab National Bank, IGNOU Branch, New Delhi, to be operated by Professor Nawal Kishore, Treasurer of Indian Commerce Association.
- iii) Resolved to authorize Dr. Ajay Kumar Singh, Managing Trustee to make all efforts, sign all required documents, and represent Indian Commerce Association (ICA) to get it registered under FCRA and Under Section 12 A and 80 G of the Income Tax Act 1961. Dr. Nawal Kishore will facilitate the collection of information required for the statutory compliance for the said registration.
- iv) Resolved that hereinafter all financial transactions related to ICA shall be accounted for in the consolidated Balance Sheet and Annual Report to be prepared by the Treasurer of the ICA which will include all those transactions which will arise from direct or indirect activities due to collaboration, associations, academic or any other partnerships, and MoUs.
- v) Resolved that the subscription rate for membership shall be as per the subscription rate mentioned in the latest issue of the Journal and not as mentioned in the Trust Deed. The subscription rate will be decided by the EC and approved by the General Body from time to time.
- vi) Resolved to appoint Prem Arun Jain & Co., Chartered Accountants, having office at 'Prem Villa' B-3/19, DLF Qutab Enclave, Phase – I, Gurgaon – 122002, as the Auditor for doing the audit of accounts for the period Feb. 16, 2010 to March 31, 2011.
- vii) Resolved to add dissolution clause and modify subscription clause in the Trust Deed in the form of Rectification Trust Deed the details of which are attached as Annexure I. Professor Shiv Shankar Mishra, Dr. Nawal Kishor, and Dr. Ajay Kumar Singh, were authorized to sign the Rectification of Trust Deed or Modified Trust Deed.
- viii) Resolved to give scholarships to the selected candidates of the All India Commerce and Management Talent Search Examination conducted on August 8, 2010 as per the list attached as Annexure II.

- ix) Resolved to elect Professor B. Ramesh, Head & Dean Faculty of Commerce, Goa University, Goa, as President of the ICA for the next term i.e. upto the conclusion of the 64th Annual Conference of the ICA.

Further resolved that the newly registered TRUST DEED of the Indian Commerce Association be amended to incorporate clauses that in the absence of President of the ICA, the Vice President shall discharge his duties instead of Immediate Past President as provided in the existing Trust Deed, and the Managing Editor shall also not have more than two consecutive terms as is the case with other Office Bearers.

RESOLVED to approve the above stated resolutions and recommend to the General Body of the ICA for its approval.

October 3, 2010

GOA

RAVINDER VINAYEK

SECRETARY, ICA

Indian Commerce Association
Minutes of the Annual General Body Meeting of the
Indian Commerce Association Held on October 3, 2010

The Annual General Body Meeting of the Indian Commerce Association was held on October 3, 2010 at 12.30 p m (immediately after the Valedictory Function) in the Auditorium of the National Institute of Oceanography, Goa under the chairmanship of Prof Bhagirath Singh. President ICA.

The following decisions were made in the General Body Meeting:

1. Considered the minutes of the last meeting of the General Body of the ICA held on October 12, 2009 held at MDS University, Ajmer.
RESOLVED to approve the minutes of the last General Body Meeting of the ICA.
2. Considered the Secretary's Report for the year 2010 as approved by the Executive Committee of the ICA.
RESOLVED to approve the Secretary's Report for the Year 2010.
3. Considered the audited accounts of the ICA for the year 2009-10 and the Managing Editor's Report as approved by the Executive Committee of the ICA.
RESOLVED to approve the audited accounts of the ICA and Managing Editor's Report.
4. Considered the recommendations of the EC of the ICA that the 64th Annual conference of the ICA be organized at Pondicherry University in the year 2011 and Prof (Ms) Malabika Deo Head Dept of Commerce Pondicherry University shall be the Conference Secretary.
RESOLVED that the above proposal of the EC of the ICA is approved.
5. Considered the proposal of the EC of the ICA wherein Mr. Anil Shah S/o Late Prof. Manubhai Shah made an offer to give an initial endowment of Rs 25 lacs to the ICA to introduce some Award parallel to Bhatnagar Award which Indian Science Congress confers. To work out the modalities a committee under the Chairmanship of Prof. B.P.Singh, Past President, ICA is constituted. Other members are Prof. I.V.Trivedi, Prof. M.B.Shukla, and two nominees of Mr Anil Shah which are Prof Ravinder Vinayek, Secretary ICA, and Prof Sandip Bhatt of Sardar Patel University, Vallabh Vidyanagar. The committee would work out the details of instituting the award the broad frame work of which has already been discussed.
RESOLVED to approve the above proposal. **FURTHER RESOLVED** that the modalities finalised by this Committee shall deemed to have been approved by the General Body so that the proposed AWARD is instituted with effect from 64th Conference of the ICA.

6. Considered the following resolutions passed by the EC of the ICA for putting into motion a legally tenable roadmap for integration of existing ICA into newly registered ICA. The resolutions were moved by Prof S S Mishra, Past President, ICA and Chairman of the Committee that was entrusted the Task of the Registration of the ICA:
- i) Resolved to handover the charge of all the assets including all categories of members along with all the liabilities of Indian Commerce Association as on Oct. 3, 2010 which was established in 1947 to the new Trust in the name and style of "Indian Commerce Association" registered under The Indian Trust Act 1882 (2 of 1882) [vide registration number 714 dated Feb. 16, 2010, book no. 4, vol. no. 622 on pages 95-116 at Sub-Registrar VI A, Delhi, having registered office at 22 – Vaishali, Pitam Pura, Delhi – 110034].
 - ii) Resolved to open a bank account in the name of "Indian Commerce Association" in Punjab National Bank, IGNOU Branch, New Delhi, to be operated by Professor Nawal Kishore, Treasurer of Indian Commerce Association.
 - iii) Resolved to authorize Dr. Ajay Kumar Singh, Managing Trustee to make all efforts, sign all required documents, and represent Indian Commerce Association (ICA) to get it registered under FCRA and Under Section 12 A and 80 G of the Income Tax Act 1961. Dr. Nawal Kishore will facilitate the collection of information required for the statutory compliance for the said registration.
 - iv) Resolved that hereinafter all financial transactions related to ICA shall be accounted for in the consolidated Balance Sheet and Annual Report to be prepared by the Treasurer of the ICA which will include all those transactions which will arise from direct or indirect activities due to collaboration, associations, academic or any other partnerships, and MoUs.
 - v) Resolved that the subscription rate for membership shall be as per the subscription rate mentioned in the latest issue of the Journal and not as mentioned in the Trust Deed. The subscription rate will be decided by the EC and approved by the General Body from time to time.
 - vi) Resolved to appoint Prem Arun Jain & Co., Chartered Accountants, having office at 'Prem Villa' B-3/19, DLF Qutab Enclave, Phase-I, Gurgaon – 122002, as the Auditor for doing the audit of accounts for the period Feb. 16, 2010 to March 31, 2011.
 - vii) Resolved to add dissolution clause and modify subscription clause in the Trust Deed in the form of Rectification Trust Deed the details of which are attached as Annexure-I. Professor Shiv Shankar Mishra, Dr. Nawal Kishor, and Dr. Ajay Kumar Singh, were authorized to sign the Rectification of Trust Deed or Modified Trust Deed.
 - viii) Resolved to give scholarships to the selected candidates of the All India Commerce and Management Talent Search Examination conducted on August 8, 2010 as per the list attached as Annexure II.

- ix) Resolved to elect Professor B. Ramesh, Head & Dean Faculty of Commerce, Goa University, Goa, as President of the ICA for the next term i.e. upto the conclusion of the 64th Annual Conference of the ICA.

Further resolved that the newly registered TRUST DEED of the Indian Commerce Association be amended to incorporate clauses that in the absence of President of the ICA, the Vice President shall discharge his duties instead of Immediate Past President as provided in the existing Trust Deed, and the Managing Editor shall also not have more than two consecutive terms as is the case with other Office Bearers.

RESOLVED to approve the above stated resolutions.

7. Considered the recommendations of the EC of the ICA that the fee charges of the ICA be enhanced as follows:

ITEM	EXISTING	PROPOSED
Annual Membership	Rs.300/-	Rs.500/-
Individual Life Membership	Rs.2,000/-	Rs.3,000/-
Institutional Life Membership	Rs.10,000/-	Rs.15,000/-
Delegate Fee	Rs.800/-	Rs.1,500/-
Accompanying Person fee	Rs.800/-	Rs.2,000/-

Further resolved that out of proposed delegate Fee of Rs.1,500/- the share of the ICA will also increase from existing Rs.200/- to Rs.300/-. These proposed membership rates will become effective from January 1, 2011 and in case the existing ICA is absorbed in newly registered ICA then from the date these proposed membership rates are got amended in the registered deed of the ICA.

Further resolved that accompanying person should only be the family member of the delegate.

RESOLVED to approve the above resolution except that Delegate Fee be enhanced to Rs.1,000/ and Accompanying person delegate fee be enhanced to Rs.1,200/. And the share of the ICA from the delegate fee shall remain at Rs.200/.

8. Considered the recommendations of the EC of the ICA that AICMTSE 2011 be held on Sunday the 23rd of January 2011. Further resolved that Prof Bhagirath Singh shall be the Convener of the Exam, Dr Balwinder Singh shall be the National Coordinator, and Prof B P Saraswat shall be the Controller of Examinations for this event. Resolved to place on record the appreciation of the support of the Sapient Group of Institutions Indore for sponsoring this event for the year 2010 and a letter to this effect be sent to the sponsor by the Secretary, ICA.

Further resolved that this team can continue to conduct the test by operating same bank account that has been opened at Ajmer for this purpose.

RESOLVED to approve the above resolution of the EC of the ICA

9. Considered the recommendations of the Executive Committee of the ICA that Resolution No 9 as approved by the General Body of the ICA on October 12, 2009 at Ajmer which reads as follows “Considered and approved the proposal of the EC of the ICA that Faculty Development Programmes be organized under the banner of the ICA. The FDPs be organized under intimation to the Secretary ICA and the details of the proposed FDPs be put on the Website of the ICA” be suspended till the committee constituted by the Executive Committee of the ICA submits its report on the modalities in which this resolution should be implemented and the same is approved by the General Body of the ICA.
RESOLVED that three members Committee is constituted for the purpose comprising of Prof I V Trivedi, Prof M B Shukla, Dr B B Taywade. The Committee should submit the report in time bound manner within one month and efforts be made to restart these FDPs at the earliest.
10. Considered the recommendation of Executive Committee of the ICA that e-ICA Google Group will not use the Name of Indian Commerce Association and the words ICA should be removed from its name.
RESOLVED that the above proposal of the EC of the ICA is turned down.
11. **RESOLVED** to Confer the honour of the Fellow of the Indian Commerce Association to the Chairpersons of the various Sessions of the 63rd All India Commerce Conference and the new members of the EC of the ICA for their contributions made to the ICA in particular and academics in general in terms of the Resolution No 10 of the General Body Meeting of the ICA held on December 28, 2004 at Indore.
The Honour of the Fellow of Indian Commerce Association was conferred upon the following:
- a) Prof B Ramesh
 - b) Prof Sudipti Banerjea
 - c) Dr T Shiware
 - d) Prof Nimit Choudhary
 - e) Prof G P Prasain
 - f) Dr Nikhil Zaveri
 - g) Prof S P Srivastava
 - h) Prof B P Saraswat
 - i) Dr M K Singh
 - j) Prof (Ms) Malabika Deo
 - k) Dr Jitendra K Sharma
 - l) Dr G L Gaur
 - m) Dr Radhey Shyam Aggarwal
11. Considered the recommendations of the EC of the ICA regarding the topics for the Seminar session, four Technical Sessions, and M M Shah Research Gold Medal Session to be held at the time of the 64th Annual conference of the ICA.
RESOLVED that the Committee comprising Office Bearers of the ICA and Past Presidents present in the Conference as constituted by the

EC of the ICA should reconsider some of the Topics in the light of the suggestions given in the General Body and finalise the Topics at the earliest.

12. Considered the recommendations of the EC of the ICA regarding the names of the Chair persons, Co-chair persons for the Seminar session, four Technical Sessions, and M M Shah Research Gold Medal Session to be held at the time of the 64th Annual conference of the ICA.

RESOLVED that the same committee as for item no. 12 will finalise these names keeping into consideration that the Chair persons must have the specialization in the area to which Topic belongs. **FURTHER RESOLVED** that in future the brief Bio Data of the proposed chairpersons mentioning their areas of specialization be invited before the Conference.

13. The nominations to ten vacancies in the Executive Committee of the ICA were invited from the General Body of the ICA.

RESOLVED that the same committee as for item no. 12 will finalise these names considering the regional representation and the other parameters already deliberated by the ICA.

14. Considered the recommendations of the EC of the ICA that the 65th Annual conference of the ICA be organized at K P B Hinduja College of Commerce, Mumbai in the year 2012 and Dr T Shiware, Principal K P B Hinduja College of Commerce shall be the Conference Secretary.

THIS PROPOSAL WAS WITHDRAWN.

15. Considered the recommendations of the EC of the ICA that Prof B Ramesh, Conference Secretary and Head & Dean Faculty of Commerce, Goa University be elected as President of the ICA for the next term i.e. upto the conclusion of the 64th Annual Conference of the ICA.

RESOLVED to approve the recommendation of the EC of the ICA as per the past traditions of the ICA.

16. In any other item following decisions were taken:

- i) Resolved to approve that with effect of the 64th Conference of the ICA the General Body Meeting of the ICA be held on the Second day of the Conference.
- ii) Resolved that the EC of the ICA should constitute Grievance Redressal Cell for the redressal of the grievances of the delegates.
- iii) Resolved that Certificates of Participation in the Award Event should be given to all the short listed papers for BBAY Award/ M M Shah Research Gold Medals.
- iv) Resolved that Prof. Nawal Kishore, Managing Editor, shall submit modifications in the rules of Prof. M M Shah Research Gold Medal Award to the Secretary, ICA. The same shall be placed before the General Body of the ICA for its implementation.

The meeting ended with a vote of thanks to the chair.

64th ALL INDIA COMMERCE CONFERENCE
Annual Conference of
THE INDIAN COMMERCE ASSOCIATION
Pondicherry University, Puducherry-605014
December 13-15, 2011

<i>President</i>	:	Prof. B. Ramesh , Dean, Faculty of Commerce, Goa Univ., Goa.
<i>Immediate Past President</i>	:	Prof. Bhagirath Singh , Former Vice Chancellor, Maharishi Dayanand Saraswati University, Ajmer, Rajasthan.
<i>Conference Secretary</i>	:	Prof. Malbika Deo , Head, Deptt. of Commerce, Pondicherry University, Kalapet, Puducherry-605014 Tel.: 09442140745, 0413-2654694, 0413-2340755
<i>Executive Vice President</i>	:	Prof. H. Venkateswarlu , Principal, University College of Commerce & Management, Osmania University, Hyderabad (AP)
<i>Secretary</i>	:	Prof. Ravinder Vinayek , Dean, Faculty of Commerce, MD University, Rohtak, Haryana.
<i>Joint Secretary</i>	:	Dr. P.T. Choudhary , Head, Deptt. of Commerce M.J. College, Jalgaon, Maharashtra.
<i>Managing Editor</i>	:	Prof. Nawal Kishor , School of Management Studies, IGNOU Maidan Garhi, New Delhi 110068.

Technical Sessions	Chairpersons	Co-Chairpersons
I Accounting & Reporting Practices: Ethical Dimensions	Prof. Ramesh Agadi Chairman, Dept. of Studies in Mgmt. Gulbarga Univ., Gulbarga-585106 (Karnataka) (M) 09342331314 agadiramesh@gmail.com	Dr. (Ms.) Anjana Raju Associate Professor Dept. of Commerce Goa University, Goa (M) 09370566341 rajuanjana@rediffmail.com
II Work Life Balance: Dilemma of Modern Society	Dr. Sachin S. Vernekar Director, Bhartiya Vidyapeeth Univ., Institute of Mgt. & Research, A-4, Paschim Vihar, New Delhi-63 N.D.-63 (M) 09910062961 drssvernekar@yahoo.co.in	Dr. Ran Singh Dhaliwal Associate Professor School of Management Studies, Punjabi University Patiala-147002 (M) 09417139480 ranfateh@gmail.com
III Regulatory Framework of Business: Emerging Scenario	Dr. G.Y. Shitole Prof. & Head, Dept. of Com, SNDT Women's University New Marine Lines, Mumbai-400020 (M) 09322247148 ganapatraos@gmail.com	Dr. Shiv Ram Prasad Head, Dept. of International Business, Acharya Nagarjuna University, Guntur (AP) (M) 09849856589 raminenisieram@yahoo.co.in
IV MGNREGA: Issues & Challenges	Prof. Jayant K. Parida Head & Dean, Faculty of Commerce Utkal Univ., Bhubaneshwar (Orissa) (M) 09437229465 jayantakp@yahoo.co.in	Dr. (Ms) Renu Jatana Associate Professor, Deptt. of Banking & Business Economics, M.L. Sukhadia University Udaipur (Raj.) (M) 09829217313 drrenujatana@gmail.com
Seminar Activity Based Learning in Commerce Education	Prof. H.J. Ghoshroy Director & Dean, IMSAR Maharshi Dayanand University, Rohtak (M) 09896007654 drhjghoshroy@rediffmail.com	Dr. Santosh Kumar Sharma Head, Department of Commerce, GVYT Govt. (PG) College, Durg-491001 (M) 09827108199 sk_sharma_1957@yahoo.co.in
Manubhai M Shah Memorial Research Gold Medals		
<i>Empirical Research in the field of Marketing</i>	Dr. G.V. Bhavani Prasad Chairman, Board of Studies Dept. of Com & Mgmt. Studies, Kakatiya Univ. Warangal (AP) (M) 09848193906 bhavaniprasadgv@gmail.com	Dr. Sanjay Baijal Professor, Dept. of Commerce, DDU Gorakhpur University Gorakhpur-273009 (M) 09415321905 sanbaijal@gmail.com

Technical Session-1

Accounting and Reporting Practices: Ethical Dimensions

The main objective of the session is to provide a dynamic international forum for critical examination of current accounting and reporting practices. Social and ethical questions crop up in different domains of corporate functioning. Ethical deficit in accounting and reporting practices may lead to cooked accounting, related transactions, insider trading, rigging of stock markets, manipulation of financial markets, higher compensation package to the executives, evasion of tax, exploitations of investors, customers, suppliers, employees etc. The process of accounting and reporting which is fair, transparent and honest ensures good corporate governance. Integration of financial markets across the globe, expansion of operations by the companies in more than one country, use of complex financial instruments call for enhancing the levels of accountability, transparency, and fairness in reported data. Mergers and acquisitions have become universal phenomenon and corporate India is not exception to this. Though the number of acquisitions, both cross-border and domestic fronts, are taking place but, unfortunately, the regulatory framework applicable in India for such transactions do not mandate furnishing of true and fair picture to the investors.

The sub-themes may include:

- Ethics in Accounting and Reporting Practices
- Gaps in Indian GAAP
- Indian GAAP vis-a-vis IFRS
- Enhanced Role for Internal Audit for preventions of fraud and unacceptable practices
- Corruption Audit
- Green Accounting
- Social Accounting
- Tax Accounting/Corporate Frauds
- Social and Environmental Accounting
- Recent Trends in Accounting Practices
- Role of Regulatory Bodies
- Whistle Blowing- Corporate Policy & Practices
- Other Related Areas

The topics are only indicative. The contributors may choose their own themes relating to the main theme.

Technical Session-II

Work Life Balance: Dilemma of Modern Society

Work life balancing is continuous and may require planning for the day, for the week, for the month, for the year even. Sometimes the problem of work life balancing may even lead to life time decisions of leaving the job itself. Every person has his / her own priorities, both in work and also in personal

life. There are many occasions when these priorities clash with each other. The modern technology has also given rise to professions which are 24 X7 by nature. The BPO, KPO, Television channels, Railways, Airlines, electricity services, all operate all the time in the year demanding jobs that are being performed at every minute of the day. People who work in such functions would find the work life balance much more harden than others.

Companies have begun to realize how important the work-life balance is to the productivity and creativity of their employees. Research by Kenexa Research Institute in 2007 shows that those employees who were more favorable toward their organization's efforts to support work-life balance also indicated a much lower intent to leave the organization, greater pride in their organization, a willingness to recommend it as a place to work and higher overall job satisfaction.

The Sub themes may include:

- Managing work life balance
- Stress due to work life balance and methods of managing the stress
- Work life balance, compensation, productivity and job satisfaction
- Achievements in life-measured by work or by personal life
- Work life initiative and change
- Work life balance in any sector of the contributors' choice
- Conflict management
- Work life balance in case of working couples
- Problems in family life in 24 x 7 jobs
- Family relationships - the happiness and the stresses
- Society support for work life balance
- Family life pressures and its effects in work output
- Spirituality and stress management
- Parenting problems of working couples

The topics are only indicative. The contributors may choose their own themes relating to the main theme.

Technical Session III **Regulatory Framework of Business: Emerging Scenario**

Indian economy is passing through a large number of challenges and opportunities due to the typical features like liberalization, privatization and globalization. On one side it is called as free economy and on the other side there are larger number of control measures undertaken by the Government. There are various stakeholders in each sector of the economy like customers, members of the society, etc. whose interest is protected by the Government. The economic resources are exploited by the business communities and price balance in response to that is found missing. Hence, there are control measures undertaken by the Government. There are mergers, acquisitions and consolidations at every stage of businesses resulting disequilibrium of economic powers and corporate sectors are lobbying for exploitation of

customers and other stakeholders. Many times the government decisions are not proper to control all the undesirable practices. It does not provide transparency and disclosure of business practices. There are new areas emerging due to the globalization of Indian economy.

The Sub themes may include:

- Insurance - Insurance Regulatory and Development Authority
- Finance – RBI, SEBI, etc.
- Telecommunication - Telecom Regulatory Authority of India
- Taxation - CBDT, Central Board of Excise and Customs
- Corporate Bodies – Registrar of Companies.

The topics are only indicative. The contributors may choose their own themes relating to the main theme.

Technical session – IV MGNREGA – Issues and Challenges

Empty stomachs, unlike empty vessels, rarely make much noise, but when they do, it makes impact. This impact of age 60 years since independence, comes as an imperative intervention in the wake of National Rural Employment Guarantee Act, 2005 (NREGA) Renamed as Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA) came into effect as a result of the legislation ordained on August 25, 2005, and which is being implemented all over India from 1st April 2008. The idea premised on the widely held belief that MGNREGA is foundationally capable of transmuting the rural lives by improving living conditions, increasing sustainable agrarian activities and wholesome economic support. One can reiterate what the Directive Principles in this regard says and how this is being well substantiated in the EGA as the Directive Principles upholds *The State shall in particular direct its policy towards securing that the citizens, men and women equally have the right to an adequate means of livelihood.* The MGNREGA provides a legal guarantee for one hundred days of employment in every financial year to adult members of a rural household willing to do public work, related to unskilled manual work at the statutory minimum wage.

The sub themes may include:

- Comparative Study of Earlier Policies, Achievement and Region / State
- Roles of Union Government, State Government and Local Body
- Execution and Compliance
- NREGA Vs. Livelihood
- Converging Policies, Micro Finance
- Legal Framework
- Political Capitalization Vs. Social Capitalization
- Labour Migration / Economic Upliftment
- Accountability / Evaluation / Follow Up Measures
- Alternative Policies

- Audit, Social, Accounting
- Road Locks And Extension

The topics are only indicative. The contributors may choose their own themes relating to the main theme.

Seminar **Activity- Based Learning in Commerce Education**

The paradigm shifts from traditional chalk-and-talk teaching method to a more innovative teaching style and method in education is the key in transforming the way individuals are prepared to solve complex problems for the 21st century. One of the most valuable things a teacher can do is to help students prepare for lifelong learning. Moreover, higher education is currently undergoing rapid, unprecedented, and accelerating change. Employers and individuals are demanding an increase in the diversity of curricular choice and mix, reflecting increasingly rapid changes in the workplace and in society generally. Much of the rate of change has been driven by exponential advances in information and communications technology over recent decades.

In education, activity based learning encourages student participation, interest, and concept retention. In business, innovation is responsible for the development of new products and services, winning marketing communications programs, reengineered business processes, and successful business strategies. While one's innovative abilities are partially genetic, the expression of creative talent is dependent on several cultural aspects of the work environment that either stimulate or suppress innovative thinking.

Activity-Based Learning (ABL) is an approach to professional education that stresses the use of real-life problems as a stimulus for learning. Therefore nature of professional pedagogy must be decision oriented, enhancing analytical skills, developing team spirit and overall personality development challenge of the new professional environment.

The sub themes may include:

- Issues and Challenges in Professional/Commerce Learning
- Faculty Satisfaction and Education Quality
- Faculty Improvement Methods
- Student Affiliation and Supportiveness
- Modern Pedagogy
- Total Quality Management Practices
- Institutional Culture and Climate
- Project- Based Learning
- Case -Based Learning
- Innovative Practices
- Technological Developments
- Role Playing

The topics are only indicative. The contributors may choose their own themes relating to the main theme.

**Manubhai M. Shah Memorial Research Gold Medals
Empirical Researches in the field of Marketing**

The theme Empirical Researches in the field of Marketing focuses on the recent trends in the Marketing Research studies. The later part of 21st century started finding more contemporary marketing studies such as distribution of cement and various industries, international marketing mostly concentrating on export and import of commodities, measuring advertising effectiveness, promotional strategies, consumer behavior etc. There is a need to focus on the pricing strategies and product development process and product life cycle.

The sub themes may include:

- Supply Chain Management
- Customer Relationship Management
- Brand Loyalty and Brand Equity
- Product Attribute analysis
- Life Style Analysis Research
- Price Sensitivity Analysis
- Market Segmentation Analysis
- Positioning Strategies
- Consumer profiling studies
- Impact of Advertising Strategies
- Media impact studies
- Media Habits and Ad Recall and Recognition Studies
- Store Loyalty and Purchase behavior
- Consumer Decision Making Process
- E Marketing, Internet Marketing and Web Marketing
- E Retailing including internet stores both general and speciality stores and Internet malls
- Consumer behavior relating to shopping on net and their store preferences
- Internet Consumer profiling and the specific aspect such as the time spent on the net vis-à-vis buying
- Internet Advertising
- Economics of Internet Marketing
- M-Marketing
- Price Sensitivity analysis in E Stores
- Customer Experience Management
- Opinion Leadership and its impact on the Customer Behavior
- Services Marketing
- Ethical Marketing
- Green Marketing
- Marketing of Public Systems Programmes
- Supply Chain Management
- Customer Relationship Management

The topics are only indicative. The contributors may choose their own themes relating to the main theme.

Papers may be submitted to the respective technical sessions/seminar chairmen by 31st October 2011.