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A STUDY ON CONSUMER PERCEPTIONS AND EXPECTATIONS FOR TATA NANO

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Abstract

This paper is derived from a larger scale project investigating consumer attitudes towards Tata Nano. It presents focus group results on consumer perceptions, attitudes and behavior in relation to preferring and purchasing the Nano. The paper studies the primary data of 150 respondents across NCR (National Capital Region). To explore the customers' perception of Nano, analysis is done on various variables like price, style, attributes, availability, and factors affecting the Indian customers. A study of the performance of the retailers is also done for fastest sales conversion. Factor analysis and cross tabulation were employed to the dataset. It was found that the three major factors that influence the decision of purchasing the car are price, fuel efficiency and performance of the car. The study also revealed that majority of the respondents like the car because of its style and the reasonable price. It was also found that 70 percent Nano customers already had a car. With the increasing competition amongst automobile companies, the findings can act as a strategic tool to achieve competitive advantage and customer satisfaction.

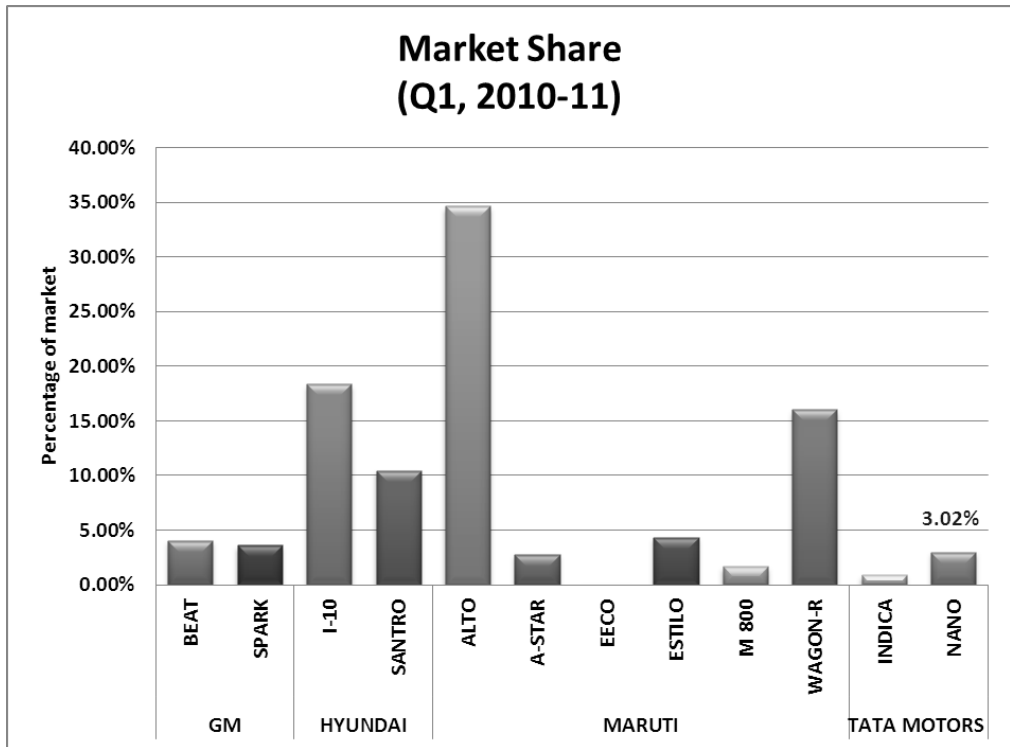
Keywords: customer perception, attributes, automobile companies

Introduction

Tata Motors Limited is India's largest automobile company, with consolidated revenues of 92,519 crores (USD 20 billion) in 2009-10. It is the leader in

commercial vehicles in each segment, and among the top three in passenger vehicles with winning products in the compact, midsize car and utility vehicle segments. Refer to figure 1.

Figure 1 : Market Share of Automobiles companies



Source: Business World May 2010.

Nano has been a mega success in generating public interest. Given its on road price ranging from Rs 1.23 lakh to Rs 1.85 lakh (albeit it being slightly above expectation), the car has robust potential of being a market success. According to Crisil Research estimates, the new price point reduces the cost of ownership of an entry-level car in India by 30 per cent. This will make the car affordable to an additional 14 million families, including a section of the 58 million two-wheeler owners.

“At present, an estimated 27 million people can afford a car while the present

number of car owners is nine million. With the introduction of Nano, the number of potential customers will rise to 41 million,” says Sachin Mathur, Head of Research, Crisil.

“Nano will capture share from the two-wheeler market. If it captures just five per cent of the two-wheeler sales, which is 80 lakhs per year, four lakh units will be the annual sales,” explains Vaishali Jajoo, auto analyst with Angel Broking Ltd. “If it performs well, it can also cannibalise from the small car market (Table 1). Typical Maruti 800 and Alto customers are not looking for power or

performance. They are generally utility-oriented and Nano may fit the bill”, she adds. However, it throws up huge challenges as well. The production constraint which restricts the first year

volume to around 50,000 units means a huge demand-supply gap. “The target group would be typical two-wheeler buyers who traditionally show higher rate of delinquency.

Table 1: Comparison with competitors

Parameters	Tata Nano	Maruti 800	Alto
Engine			
Engine type	2 cylinder in line , 624 cc	3 cylinder inline, 796 cc	3 cylinder inline, 796 cc
	Petrol MPFI BS-III, II	Petrol MPFI BS-III, II	Petrol MPFI BS-III, II
Max Engine Output	35 PS @ 5500 rpm	37 PS @ 5000 rpm	47 ps @ 6200 rpm
Max Torque Output	48 Nm @ 3000 RPM	59 Nm at 2500 rpm	62 Nm @ 3000 rpm
Transmission			
Drive	Rear-wheel drive	Front-wheel drive	Front-wheel drive
Gearbox	4+R-speed manual	4+R-speed manual	4+R-speed manual
Suspension			
Front	McPherson strut (Gas filled) & coil spring	McPherson strut (Gas filled) & coil spring	McPherson Strut with torsion type roll control device
Rear	Coil spring with gas filled shock absorbers	Coil spring with gas filled shock absorbers	Coil spring gas filled shock absorbers with three link rigid axle and isolated trailing arms

Research Objectives

- To study & analyze the general perception and awareness about Tata Nano.
- To discover the factors that influencing the purchasing decision of the car with concern to Nano
- To gather information regarding the expectations from Tata Nano.

Research Design

Research Design used here is of Explorative nature because the

researcher needs to obtain a very specific picture about the perception and preference of Tata Nano. It has been used to get an accurate idea about a specific segment of the market such as level and extent of brand awareness and preferences among consumers.

The sampling method used is a Simple random sampling. Within random sampling, judgment **sampling** methods are used.

Data Collection Method

The data collection method used for the research purpose in this project is the **Questionnaire and the In-depth Interviews** through the questionnaire with the customers. The data for the present study are obtained by the administration of a questionnaire, which contains two parts, the first part contains columns for personal information and the second part contains factor influencing scale as consisted of 22 statements. It was measured on a Likert's 5 point scale ranging from strongly agree, agree, neutral, disagree and strongly disagree. Regression analysis and factor analysis are employed to deduce findings.

Prior to this survey, a **Pilot Survey** was performed to test the probability of the

success of the research work, which was to be performed later during the project. For this, around 10-15 people were questioned. This pilot study was done on a small sample of 10-15 individuals to assess the effectiveness of the research over a short period of time. The inferences drawn were then extrapolated as per the requirements of the research and the larger sample with a longer duration of time was assessed to attain the overall research objective. A total of 150 respondents were surveyed.

Profile of Respondents

The demographic characteristics of the respondents in Table 2 indicate that the majority of respondents belong to the age group of 20 to 30, followed by the age group of 30 to 40.

Table 2 : Demographics Characteristics of Respondents

Demographic Characteristics	Percentage
Age	
Below 20	4%
20-30	61%
30-40	13%
40-50	10%
50 & Above	12%
Income group	
Less than 5 Lakh	92%
5 to 7 lakh	5%
7 to 9 Lakh	2%
9 to 11 Lakh	1%
Line of Work	
Service	39%
Business	28%
Teaching	2%
Student	29%
Defense Service	2%

Keeping in mind the objective of the study, a major share of the sample was chosen from the population with an *Annual family income* of less than 10 lakhs rupees. Only 1% of the respondents belonged to the income group of more than 9 lakhs per annum. A good mix of respondents, from different line of works, was tried to be maintained.

Findings and Analysis

As Nano has brought innovations in the automobile sector all over the world, specific questions were asked about major factor/factors influencing the purchasing of the Nano.

(Table 3A) KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.620
Bartlett's Test of Sphericity		355.823
	Df	190
	Sig.	.000
Approx. Chi-Square		

Hence all these standards indicate that the data is suitable for factor analysis. Principal component analysis is employed for extracting factor. Orthogonal rotation with varimax is applied. The latent root criterion is used for extraction of factors. As per this,

only the factors having Eigen values greater than 1 are considered significant; all the factors with Eigen values less than 1 are considered insignificant and disregarded. For this study there were only 5 factors having Eigen values exceeding 1.

(Table 3B) Total Variance Explained

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Price of the Car	13.622	54.488	54.488	11.043	44.172	44.172
Performance & Maintenance cost	4.190	16.761	71.249	5.397	21.589	65.761
Fuel Efficiency	2.831	11.283	82.531	3.622	14.486	80.247
After Sales Service	1.761	7.044	89.576	2.172	8.688	88.935
Looks & comfort	1.346	5.385	94.960	1.506	6.026	96.800

Extraction Method: Principal Component Analysis

The total variance of the 22 items is found to be 96.800 which is significantly greater than the benchmark variance value, that is, 60%.

Factor I: Price of the Car is the first factor loading four variables mainly relating to cost of the car. All four variables in the factor reflect, “value for money-0.947”, “status of the car-0.845”, “features according to the price of the car-0.957”, resale value-0.912”, etc.

Factor II: Performance & Maintenance cost loading of 5 variables pertains to the maintenance of the car. The Maintenance variables that have high correlation with this factor are the availability of service centres, spare parts, efficiency, etc.

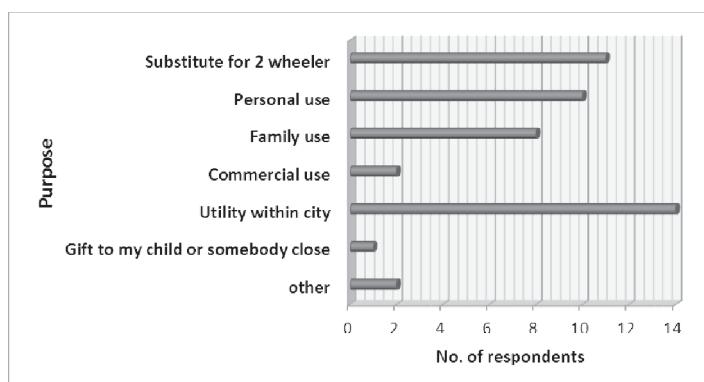
Factor III: Factor 3 is characterized by two variables that reflect fuel efficiency of the car. Three variables related to speed of the car, efficiency of the car in traffics etc.

Factor IV: After Sales Service is the 4th factor reduced using Principal Component Analysis containing 4 items “dealing with customers-0.945”, “Feedback of the customers-0.974”, “Availability of the Stand by Car-0.973” & “Pick and Drop facility-0.922”,

Factor V: Look & comfort is the 5th factor reduced using Principal Component Analysis containing 4 statements “Perception of the reference groups -0.985”, “Style of the Car- 0.977”, “Status of the Purchaser – 0.935” & “Size of the car- 0.845”.

Purpose associated with Nano: In this question respondents were asked to tell the purpose of purchasing the Car. For example, personal use, the low price of Nano that is an advantage over the two-wheelers. Further the analysis is carried on with reference to age group and occupation of respondents that shown in Table 4 and Table 5.

Figure 2: Purpose of purchasing the Nano



It is clear from Figure 2 that the purpose that Tata Nano is most associated with, is for its utility within city. Tata Nano was

chosen by a major share of the population to be of best use as a substitute for a 2 wheeler and for personal use.

Table4: Cross Tabulation of Purpose with Age group

Parameters	Range	Substitute for a 2 wheeler	Personal use	Family use	Commercial	Utility within city	Gift to my child or somebody close	Others	
Age group	Below 20	1	0	0	0	0	0	1	2
	20-30	5	7	3	2	13	0	1	31
	30-40	2	1	3	0	1	0	0	7
	40-50	1	1	1	0	0	1	0	4
	Above 50	2	1	1	0	0	0	0	4
Total		11	10	8	2	14	1	2	48

It is revealed from the above table that maximum people in the age group of **20 to 30 years** consider Nano for its **utility**

within the city. It is only the people in the age group of **30 to 40 years** that sees it as a **family car**.

Table5: Cross tabulation of Line of work with purpose of purchasing Nano

			Substitute for a 2 wheeler	Personal use	Family use	Commercial	Utility within city	Gift to my child or somebody close	Others	
Line of work	Business	F	4	3	2	0	3	0	0	12
		P	36.4%	30.0%	25.0%	.0%	21.4%	.0%	.0%	25.0%
	Service	F	3	4	6	0	5	1	0	19
		P	27.3%	40.0%	75.0%	.0%	35.7%	100.0%	.0%	39.6%
	Defense Services	F	0	1	0	0	0	0	0	1
		P	.0%	10.0%	.0%	.0%	.0%	.0%	.0%	2.1%
	Teaching	F	1	0	0	0	0	0	0	1
		P	9.1%	.0%	.0%	.0%	.0%	.0%	.0%	2.1%
	Student	F	3	2	0	2	6	0	2	15
		P	27.3%	20.0%	.0%	100.0%	42.9%	.0%	100.0%	31.3%

Note: F –Frequency, P-Percentage

The above table depicts that most of the people in business see Nano as a substitute for a 2 wheeler, while people in service, see it more as a Family car and, along with students, find it most suitable for the usability of the car within the city.

Suggestions

This section of the study covers the suggestions given by respondents. Some features that the customers for Nano would appreciate or would like to see in the car are as follows:

- A.C
- Powerful Engine
- CNG
- Good Looking Headlights
- Air bags
- Comfort Features
- Elegant Engine Sound
- A Richer Look on The dashboard
- Twin Viper
- Large Boot Space

The people expecting **Air Conditioner** in the car just exemplify the unawareness about the car. There have been many inputs regarding the noise of the engine and thus an elegant engine sound was also a major suggestion. There also exists concern regarding the security features of the car and thus many also suggested that there could be **air bags** available in the car.

Some accessories

Of all the people willing to consider Nano for their next purchase, the accessories that they would like to decorate their cars with were mainly.

- Music System
- Bluetooth Facility

Some suggestions from the respondents to make the **buying experience better**

- ✓ Address the safety concern
- ✓ Advertisement
- ✓ Better customer dealing
- ✓ Discounts & Accessories
- ✓ Less waiting time
- ✓ Offer Warrantee
- ✓ Provide finance
- ✓ Quick & convenient paper work
- ✓ Quick delivery
- ✓ SMS updates about expected date, web based booking

Other Suggestions

- Extensive **advertising** as a ‘youth car’
- Marketing of the car *not just* as ‘A car for all’ but a special car. The *commoner tag* to the car shadows the *exclusivity* of the car
- Programs to *eliminate misconceptions* about the car and educate people about the utility of the car
- Market the car with emphasis on the ‘*beautiful design*’ of the car, a strategy used by Hyundai to promote Santro.

Results & conclusion

The conclusions derived from the research are that reasons for decreasing enthusiasm for the car have been, Lack of advertisements, thus lack of information, Long waiting time, Bad word of mouth and reports in the market, like ‘*Auto-rickshaw*’. But it has been found that Nano scores high on both of the top two purchase influencers for car buyers – Price & fuel efficiency but in reality the company still isn’t positioned so. This is attributed to *lack of awareness for overcoming this drawback the company has to plan effective promotion campaigns & execute the same so as to widely spread awareness about the car.* And Nano finds a major market with people aging between 20 to 30 years, so, for that Nano may be positioned as a

‘Young Car’ so as to attract this segment But misconceptions exist about Nano not being safe and about it being congested. Although, the customers are using the vehicle are *extremely happy* with the car. The wonderful experiences of the customers can be used as a tool to ‘clear the air’ about Nano by means of customer meets and advertisement of the same. Nano is more popular with the *service class* and the *student* population. The car may be targeted specifically to that segment. Many complaints were recorded for *poor customer dealing* both at dealer and company end, thus resulting in not just dissatisfied customers but also bad word of mouth. Special care could be taken to strengthen people’s confidence in the customer relationship and dealings at TATA MOTORS.

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Impact of Employee Trust on Organizational Commitment and Innovative Behaviour of Employees: An Empirical Study on Public Sector Employees in Bhutan

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Abstract

The paper aims to see empirically, the impact of employee trust on organizational commitment and its three dimensions (affective, normative and continuance commitment). It also intends to see the impact of employee trust on innovative behaviour of employees. Using random sampling method, data were gathered on a standard questionnaire from a total of 90 fulltime employees, working in two public sector organizations in Bhutan. Correlation and multiple regressions were used to analyze the obtained data. Results revealed that employee trust on employer / organization contributes significantly on the development of organizational commitment especially affective and normative commitment. It was also found that trust influences employees' innovative behaviour significantly. The findings imply that the organizations, through policies and practices, should develop and maintain employee trust and use it as a strategy to get organizational benefits - their commitment and their willingness to be innovative in organization which in turn may increase organizational performance.

Keywords: Employee trust, Organizational commitment, Innovative behaviour.

INTRODUCTION

Trust may seem like a vague and intangible notion, but its value in today's economy is decidedly real and concrete (Accenture's High-Performance Business Research, 2011). According to Wyatt (2002), total return to shareholder (TRS) over a three-year period was 186% higher for those companies that had high levels of trust compared to those with low levels of trust. Trust in organization has been shown to influence a variety of subordinates' work attitude and behaviour (Brockner et al., 1997). The concept of trust has got significant importance and has emerged as a prominent area of research in modern business. The importance of trust is only likely to grow in view of continued turbulent workplace environments (Ferres and Travaglione, 2003). Changing pattern of employment relationship characterized by fast changes in business environment has affected employee trust. The Institute of Leadership and Management Index of Leadership Trust (2009), based on a survey of 5,600 workers, report that a third of workers claim that they have little or no trust in senior managers. Trust is strategically significant for the organization's increased productivity. It has been observed that several organizations are not able to develop and /or maintain employees' trust. Because of this several negative consequences arises which may include low commitment and reduced innovative behaviour among

other important organizational consequences. Both organizational commitment (Chughtai and Zafar, 2006) and employees' innovative behaviour (Zhang and Bartol, 2010) have gained significant importance in the present business environment for sustained and high organizational performance.

The issue of trust is a widely researched concept in the American and European context. But trust as a concept by large, is a relatively neglected area of research in Indian sub-continent. The researcher has not found any research showing influence of employee trust on organizational commitment and especially on three dimensions (affective, normative and continuance) of commitment. Moreover, the present researcher has not found any study on this issue in Bhutanese context. Against this background, the present study will investigate empirically, the impact of employee trust on organizational commitment and its three dimensions separately in two public sector organizations in Bhutan. The study will also explore impact of trust on innovative behaviour of employees.

CONCEPTS AND LITERATURE REVIEW

Employee Trust

Trust is particularly important in organizations characterised by uncertainty and change (Currall and Judge, 1995). Trust in organizations is perceived as valuable, attainable, necessary and

destructible, but it lacks a consistent definition (Lewicki et al., 2006). Concept of trust has been defined from different perspectives – behavioural, cognitive, affective, dispositional, normative etc. Lewicki, McAllister and Bies (1998) defined trust as a person's degree of confidence in the words and actions of another. According to Rousseau et al., (1998), trust refers to the psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another. However looking at all the definitions available in the literature, it appears that the concept of workplace trust involves fairness, faith and confidence, expectations, vulnerability, uncertainty, risky situations etc. However this study defines employee trust as a trustor's willingness to rely on trustee's intentions and actions, have positive expectations in uncertain and risky situations. Trust is fundamental to the existence of healthy working relationships. Colquitt, Scott and LePine (2007) in their meta-analysis of 132 trust studies, concluded that trust is a vital component of effective working relationships. Trust-based relationship between subordinates and supervisors plays an important role in acting for the accomplishment of organizational goals in cooperation, increasing efficiency and productivity in the organization as a whole (Brower et al., 2009, Semerciöz et al., 2010,). Low employee trust contributes to further organizational dysfunctions, from increased stress, absenteeism and lower

performance to greater turnover and an unwillingness to behave in ways that contribute positively to organizational functioning.

Organizational trust is shown as an important factor in improvement of organizational commitment and realization of organizational aims. Trust in organization probably affects all activities of the organization. Existence of a climate of trust in an organization keeps employees and management together and enables them to trust each other and act openly. Trust is dynamic in nature and variety of determinants has been identified by researchers. Trust has been found to be a function of several factors such as organizational culture (Christensen and Lagreid 2005), leadership (Bennis, 2002), HR practices like performance appraisal, feedback on performance, empowerment, open communication etc. (Berg, 2005; Chowdhury, 2005; Kickul, Gundry and Posig, 2005). In organizations, trust is normally a two-way street. Employees' trust on employer / organization and employer's trust in employees. The present study focuses on trust from employees' perspective.

Organizational Commitment

Organizational commitment is needed in modern business environment as it leads to high performance and increased productivity. Level of efforts to achieve the organizational goal depends upon the level of commitment of employees. Committed employees strive to work

beyond the call of their duty (Mohapatra and Sharma, 2010). In the present study, Allen and Meyer's (1990) multidimensional approach of organizational commitment is used. According to this approach, organizational commitment consists of affective, normative and continuance commitment. Affective commitment refers to the emotional attachment with the organization based on the match with the organizational values and goals to that of the employee's personal values and goals. It is the most desired form of commitment sought by organizations. Employees with high level of affective commitment possess a strong belief in and acceptance of organizational goal, objectives and values (Mowdey et al., 1979). Normative commitment refers to the sense of obligation and responsibility to remain with the organization. Employees with high normative commitment believe that they ought to continue working for their organization because it the "right and moral" thing to do (Meyer and Allen, 1991; Meyer et al., 2002). Continuance commitment involves a person's bond with an organization based on which it would cost that person to leave the company. Allen and Meyer (1990) proposed that continuance commitment develops on the basis of two factors: (1) number of investments (side-bets) individuals make in their current organization and (2) perceived lack of alternatives.

Trust is related to organizational commitment. On a general level, employee trust directly affects employee's commitment (Ferres, Connell and Travaglione, 2004; Laschinger, Finegan and Shamian, 2001). Trust in management was found to be correlated with commitment (Nyhan, 2000; Ferres et al, 2004; Chughtai and Zafar, 2006). Some researchers have found organizational commitment as an outcome of trust (Tan and Tan, 2000; Colquitt et al., 2007). Employees who have trust in the words and actions of management of the organization will most likely enjoy working in the organization and develop attachment with the organization. When trust level is high, employees are supportive of, or committed to authorities and the institutions. Above evidences indicates that employee trust results in overall organizational commitment. Thus one of the objectives of the study is to find out the influence of employee trust on organizational commitment as a whole. But probably there is no research which indicates influence of employee trust on different dimensions of organizational commitment separately. There is little empirical research evidence for a direct causal relationship between trust and affective commitment (Nyhan and Marlowe, 1997). So under the same objective, the study intends to see how employee trust influences three dimensions of organizational commitment (affective, normative and continuance commitment) separately in the

organizations of the study. In light of this objective and above discussions, it is hypothesized that:

H1: Employee trust on employer would influence positively affective, normative and continuance commitment as well as organizational commitment as a whole.

Innovative Behaviour

In a competitive, uncertain and fast changing business environment, the concept of innovation has gained significant importance by corporate. In fact survival and growth of organization depends much upon the innovation in their business models, systems and processes, functions, structures etc. The scope of innovations range from the development and implementation of new ideas that innovate theories, practices, or products across the whole organization to much smaller-scale ideas that are related to improvements in daily work processes and work designs (Axtel et al., 2000). Innovation is generally considered to be one of the key drivers of organizational success (Schillewaert et al., 2005). Innovation can be source of competitive edge for the organization which partly depends upon the innovative behaviour of employees. Employee is an important source of idea creation, a prerequisite of innovation. This makes obvious that in order to innovate, organization should have innovative employees. Developing the innovative potential of employees is important, as it

is directly related to organizational effectiveness and productivity (Lee, 2008).

Innovative behaviour can be described as an employee's willingness to seek for better ways to improve the level of productivity in an organization (Cho and Lee, 2007). The notion of innovative behavior is the same as that of innovative work behavior (IWB) identified in organizational behavior literature (Janssen 2000; Ramamoorthy et al., 2005). Carmeli, Weisberg and Meitar (2006) described innovative behaviour as a multi-staged process, including recognizing a problem, creating new ideas and solutions for the problem, creating support for the new ideas and solutions for use in the organization. However, in the present study, Cho and Lee's (2007) conceptualization of innovative behaviour is taken.

Employee trust is related to innovative behavior that often accompanies risk-taking behavior (Serva, Fuller and Mayer, 2005). A subordinate's trusts on his/her supervisor increases work performance and contributes to make an extra effort to create value for the organization (Mayer and Gavin, 2005). Chenhall and Smith (2003) in their study suggested that trust in organizations facilitate reaching the goals either individual or organizational, developing innovative strategies and sharing values, beliefs and knowledge and also causes effective communication and participation in problem solving.

Otherwise, subordinates with no trust in their management will not feel encouraged to make any extra effort, assume extra responsibility (Pierce and Gardner, 2004; Mayer and Gavin, 2005), an indication of innovative behaviour. Although analysis of extant literatures on innovative behaviour reveals that there are very few researches available that explain directly the influence of employee trust on employees' innovative behaviour. This is another reason for the present study. Thus another objective of the study is to find out that how employee trust on employer facilitates or influences employees' innovative behaviour in the organizations. Based on this objective and above discussions it is conjectured that –

H2: Employee trust on employer would positively influence employee's innovative behaviour

METHODOLOGY

Sample and Procedures

The target population of this study was full time employees working in the head office of two public sector organizations (a Power Company and a Telecom Company) located in the capital city, Thimphu in Bhutan. Data were collected using a standard questionnaire. There were around 250 people in the office of the power company and around 200 in the telecom company. 100 questionnaires (around 25 percent of the total employees in the office) were distributed among employees of both the organizations in 50–50 ratio. Only 90

employees returned the filled up questionnaire and 10 people could not completed the questionnaire. Thus the present study is based on a total of 90 respondents, taken randomly and from different levels. Respondents were consulted in offices during the working hours with the prior permission from the competent authority in both the organizations. Then they were assured of confidentiality of their responses and were told that their responses shall be used for the research purpose only. The questionnaire was completed in presence of the researcher. Demographic data were also taken from respondents. Approximately 29 years are the average age of respondents which consists of male and female both in the ratio of (approximately 62 and 38 percent). Majority of the respondents (55 per cent) have graduation and above qualification and the remaining are below graduation. All the necessary information regarding the study and ways to respond on questionnaire is shared with all the respondents.

Questionnaire Selection

Survey was undertaken using questionnaire consisting of scales / measures of all three variables of the study. Following scales used in the present study were not adopted rather used in its original form.

Measures

Trust in Organization– Employee trust towards their organization was

measured with 12 - item scale taken from Workplace Trust Survey (WTS) developed by Ferres and Travaglione (2003). The WTS is a 36-item scale for measuring trust from three levels (organizational, immediate manager, co-worker) within an organization. In the present paper, only one level (trust in organization) was used. The measure is aimed at tapping employee trust in their employer / organization. The reliability of the scale (Trust in Organization) is 0.95 (alpha), as found by the developer of the scale. The responses were rated on a 5-point scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Organizational Commitment – Employee commitment was measured through using Organizational Commitment Questionnaire, developed by Allen and Meyer (1996). This scale measures commitment in three areas namely affective, normative and continuance commitment. There are six items for each of the three areas, making 18 - item scale in all. Reliability of the scale was 0.87 for affective, 0.75 for continuance, and 0.79 for normative commitment (alphas), as found by the developer of the scale. The responses were rated on a 5-point scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Innovative Behaviour – In order to measure innovative behaviour of employees, scale used by Ishak (2005) in his research, were used in this study.

He developed the scale adapting from the work of George and Zhou (2001). The scale has 13 items in all. Higher scores indicated a higher degree of innovativeness. Factor loading of the scale ranged from 0.62 to 0.97 and reliability is 0.97 (alpha), as found by the developer of the scale. The responses were rated on a 5-point scale ranging from 1 (strongly disagree) to 5 (strongly agree).

ANALYSIS AND RESULTS

The data were analyzed with the help of Statistical Package for Social Sciences (SPSS, Version 12) and correlation and multiple regression analysis were carried out. Correlation was used to see how all the variables of interest were related to each other. Multiple regressions were applied to ascertain how much employee trust was influencing organizational commitment and its three dimensions as well as innovative behaviour of employees in the organizations.

Results presented in the table -1 clearly reveal that the employee's trust positively but not significantly related to organizational commitment as a whole. But it is significantly and positively related to its two dimensions, affective commitment ($r = .308$) and normative ($r = 0.384$) commitment. Above results also reveal that employee's trust is positively and significantly related to employee's innovative behaviour ($r = .503$).

Table – 1: Mean, Standard Deviation (SD) and correlation coefficient among variables (N= 90)

S. No.	Variables	Mean	S.D.	1	2	3	4	5	6	7	8
1	Gender	1.93	0.492								
2	Age	28.60	2.982	.208(*)							
3	Educational Qualification	1.54	0.500	.089	.070						
4	Employee Trust	3.29	0.367	.045	.108	-.053					
5	Affective Commitment	3.04	0.457	-.025	-.064	.052	.308(*)				
6	Continuance Commitment	3.17	0.557	-.231(*)	-.170	-.032	.052	.182			
7	Normative Commitment	2.95	0.497	-.095	-.119	.036	.384(**)	.870(**)	.301(**)		
8	Organizational Commitment	3.23	0.352	-.111	-.032	.073	.149	.617(**)	.675(**)	.537(**)	
9	Innovative Behaviour	2.94	0.555	-.013	.009	-.065	.503(**)	.080	.135	.097	.197

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

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

Based on the results of the correlation analyses, multiple regression analyses were carried out to determine that how much trust predicts organizational commitment and its three dimensions separately as well as employees' innovative behaviour. The table – 2 (below) reveals that trust predicts affective commitment ($\hat{\alpha} = 0.308$; $p = 0.003$) and normative commitment ($\hat{\alpha} = 0.384$; $p = .000$) positively and significantly. Adjusted R^2 for affective commitment is found to be 0.085, which indicates that around 8 percent variation

can be explained in affective commitment by employee trust. Similarly Adjusted R^2 for normative commitment is found to be 0.137, which indicates that approximately 14 percent variation can be explained in normative commitment by employee trust. F values were found to be significant for both affective ($F = 9.22$, $p = 0.003$) and normative commitment ($F = 15.18$, $p = .000$). Thus, hypothesis 1, which predicted that the employee trust would significantly explain variance in organizational commitment, was partially supported.

Table – 2: Regression analysis of employee trust in relation to organizational commitment and Innovative behaviour (N = 90)

Dependent Variables	Beta	t-value	R ²	Adjusted R ²	F	Level of Significance
Affective Commitment	.308*	3.037	.095	.085	9.221	.003
Continuance Commitment	.052	.489	.003	-.009	.239	.626
Normative Commitment	.384**	3.897	.147	.137	15.185	.000
Organizational Commitment	.149	1.413	.022	.011	1.996	.161
Innovative Behaviour	.503**	2.169	.254	.244	26.489	.000

* Significant at the 0.05 level (2-tailed)

* * Significant at the 0.01 level (2-tailed)

Regression analysis also revealed that employee trust significantly and positively predicts employee's innovative behaviour ($\hat{\alpha} = .503$; $p = .000$). Thus, hypothesis 2, which predicted that employee trust would significantly and positively explain variance in innovative behaviour, was supported.

DISCUSSION

The present study was planned to achieve two objectives – (1) to find out impact of employee trust on organizational commitment and its three dimensions separately and (2) to find out the impact of employee trust on employee's innovative behaviour.

Analysis of the results revealed that trust of employees on employer / organization has positive effect on organizational commitment. More specifically trust influences employee's affective and normative commitment in significant manner. It means that trust play significant role in the development of two dimensions of organizational commitment, i.e. affective and normative commitment which is considered as important for the organization. Employees with affective and normative commitment try to perform at their best. The present finding has some similarity with the findings of Bagraim and Hime (2007) who have reported a statistically significant relationship between

trust and affective commitment. Employees, who believe that employer's actions and intentions are fair and honest towards them, feel that they should also be honest and sincere towards their work and organizational goal. Perception of integrity and honesty of employees towards their employers leads to the development of emotional attachment with the organizational goal, values etc. Even if organizational goals and values do not match with the employees' goal and values, but if employees find the organization to be trusting and honest with respect to employee affairs, probably employees try to adjust their goals and values in line with the organization's, thus leading to the development of affective commitment. Similarly, when employee feels that he/she is treated fairly, his/her knowledge, skills and opinions are valued by organization, information are shared openly etc., the employee also develop a sense of respect towards the organizations, and think that for him/her it is morally binding to show commitment towards the organization.

Another objective of the present research is to find the influence of employee trust on employee's innovative behaviour. Results revealed that employee trust on employer / organization does facilitate innovative behaviour. Innovative behaviour goes beyond the familiar path of what is accepted and concrete and is often associated with complexity and ambiguity (Kriegesmann, Kley and Schwering, 2007). Employees are

unlikely to display innovative behaviour unless they are supported, encouraged to express freely, their work is recognized etc. Further, if an employee makes a mistake when displaying innovative behaviour, it is important that this will not damage their career or reputation otherwise employees will be too concerned about the consequences to think innovatively or creatively (Janssen, 2005). Therefore, the more an organization rewards and supports (in different forms) and listens and trusts on their ability, experience, confidence, shows fairness with employees etc., the more employees believe in their employer, their character, integrity, honesty etc. and in turn employees show more innovativeness. In conclusion, it is pivotal that for an organization to encourage and facilitate innovative behaviour, a culture of trust and support be created where mistakes are considered as a learning curve. Probably organizational/ employer's trust in employees works as a motivating force for showing innovativeness. Employees' trust on employer / organization enables employees to oversee other issues and work for the betterment of organization by doing something different or new than conventional ways.

CONCLUSION

From the above findings and discussions it can be concluded that employee trust in their employer is important for organizational commitment especially for

affective and normative commitment and also to enhance employees' innovativeness. Employee trust towards their employer / organization decides to the greater extent that how employees think and behave in their organization. Employees with trust in their management's actions and intentions, their policies and practices, develop a sense of commitment to their work and organization and also try their best to be innovative in their job which in turn helps to increase overall productivity and efficiency in the organizations.

Implications

This study has made both practical and theoretical contributions. For Human Resource Managers of the organizations, the study provides insight that if organizations or organizational agents attempt to foster trust in their employees through their policies and practices, it will positively affect the effectiveness of human resource practices. It will foster a sense of commitment especially affective and normative commitment among employees. It will also enable employees to be innovative, more willing to come out and share innovative ideas in their work life. Fostering trust in employees should become a managerial imperative as it results in valued organizational outcomes. Organization can use trusting relationship as one of the tools or strategies for developing emotional attachment with their organization and motivating employees to

utilize their innovative potential for the good of the organizations. Theoretically, it enriched the literature of employee trust and some of the consequences from Bhutanese perspective.

LIMITATIONS OF THE STUDY

Interpretation of findings of this study should bear certain limitations in mind. Use of small sample size, one location and only two public sector organizations may affect its ability to generalize on the whole population.. The use of self-reported survey data is another limitation, which may be affected by response biases. The research design in this study was cross sectional which means results reflect the specific point of time. A longitudinal research may give a better understanding of the issue and may highlight stronger associations with commitment and innovative behaviour. Another limitation is that scales used in the present research are not adopted for the present context rather used in its original form as nationality and cultural differences might moderate trust relationships (Banai and Reisel, 1999; Park, Gowan and Hwang, 2002).

SCOPE FOR FUTURE RESEARCH

Limitations identified in this study, provide opportunities for further research. Limitations identified suggest a need to replicate this study with wider sample covering different geographical locations. It is also suggested that the study should cover employees of other public sector

organizations in the country. The author would also like to suggest that the issue be explored in longitudinal research design. It is also suggested that adopted scales should be used for further research. Research based on these recommendations may help to have more useful insights on the issue and it may help in strengthening and / or improving management policies and practices.

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An Empirical Study of Employee Empowerment and Information Sharing in Manufacturing and Service Sector Organizations in Mumbai & Pune

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Abstract

Empowerment is increasingly used in various organizations in a dynamic world of business. Empowerment is seen as an effective technique of managing the operations of the organization. While the degree of empowerment can vary from organization to organization, the importance of empowering employees has been generally accepted. Empowerment is critical in a world characterized by innovation and an ever increasing need of responding to the fast changing external and internal environment. Empowered employees can be a source of sustainable Competitive Advantage both in the Service sector and Manufacturing sector organizations. This study focuses on the various dimensions which lead to empowerment in an organization and also the role of information sharing in empowering employees. This study aims to find the level of empowerment in service sector and the manufacturing sector organizations. It also attempts to find the correlation between empowerment and information. The questionnaire was administered to 281 employees of 8 companies belonging to manufacturing and service sector organizations of Mumbai & Pune. The findings of the study indicate that the manufacturing sector employees are more empowered than the service sector employees. It also indicates that there is a positive correlation between empowerment and information sharing.

Keywords: Empowerment, Information sharing, meaning, Competence, Self-determination, Impact.

Introduction

Empowerment is the authority to take decisions independently, concerning one's own area of work. While Empowerment is always believed to be a process where the power flows from a superior to a subordinate, it cannot be concluded as a one to one activity or a unilateral action of a superior. It may not be left to individual managers. If Empowerment is required to be effectively implemented then it requires organizational commitment, administrative will and an appropriate policy. It is important to educate managers at all levels and all the subordinate employees across the organization. Empowerment is the process where employees are not just delegated the work but also given the authority and responsibility to perform work effectively. Employees are also given the resources required to perform their jobs. Hence what differentiates mere delegation of work from empowerment is that empowered employees are given authority, responsibility and resources on a routine basis, to perform their job effectively. In an empowered environment, employees are free to correct problems without the fear of reprisal or interference from the managers. The underlying assumption is that the employees have the necessary skills, understanding and the capability to perform their job without much supervision.

Many companies have embarked on various types of empowerment programs to improve results, yet the success of these programs has been mixed at best. One of the reasons for the mixed results is that empowerment often means different things to different people. (Hughes, Ginnett & Curphy, 2009)

Quinn & Spreitzer (1997) suggests that there are two schools of thought, one being, empowerment is about delegation and accountability, a top-down process where senior leaders articulate a vision and specific goals, and hold followers responsible for achieving them. Whereas others believe that empowerment is more of a bottom-up approach that focuses on intelligent risk taking, growth, change, trust and ownership; followers act as entrepreneurs and owners who question rules and make intelligent decisions. Leaders tolerate mistakes and encourage cooperative behavior in this approach to empowerment. These conceptualizations of empowerment have very different implications for leaders and followers. This confusing conceptualization of empowerment is the very reason for empowerment initiatives to fail.

Greenberg (2011) states that an important trend has been occurring in organizations these days: power is shifting downward. Top Managers are now granting more and more power to lower-level managers and supervisors are putting power into the hands of employees themselves. Ford & Fottler (1995) argues that empowerment

is a matter of degree rather than an absolute. Some employees or teams may be more empowered than others in the same organizations. Mullins (2010) argues that trust and confidence in subordinates, manager's own performance and also system of delegation contributes to empowerment and is a key ingredient of effective management.

Review of Literature

Employee Empowerment Defined

Hughes, Ginnett & Curphy (2009) define empowerment as having two components. First, for leaders to truly empower employees they must delegate leadership and decision making down to the lowest level possible and the second component is to equip followers with the resources, knowledge and skills necessary to make good decisions.

Spreitzer (1995) defines psychological empowerment as a motivational construct manifested in four cognitions: meaning, competence, self-determination, and impact. Together, these four cognitions or micro components reflect an active orientation to a work role, in which an individual wishes and feels able to shape his or her work role and context. These four dimensions combine additively to create an overall construct of psychological empowerment. These four dimensions of empowerment are explained below.

Meaning: Meaning is the value of a work goal or purpose which an employee associates to his work, judged in relation to an individual's own ideal or standards (Thomas & Velthouse, 1990).

Competence: Competence or self-efficacy is an individual's belief in his or her capability to perform activities with skill (Gist, 1987).

Self-determination: Self-determination is an individual's sense of having choice in initiating and regulating actions (Deci, Connell, & Ryan, 1989)

Impact: Impact is the degree to which an individual can influence strategic, Administrative or operating outcomes at work (Ashforth, 1989)

Erstad (1997) describes empowerment as a change strategy with the dual aim of improving the individual's and the organizations ability to take actions. He also agrees that empowerment is a complex process which requires a clear vision, conducive learning environment and participation and implementation tools and techniques. Atchison (1991) defines empowerment as giving employees both responsibilities and authority to make decisions pertaining to all aspects of their work, including product development or customer service. The employees are then held accountable for the product or services they produce. In turn the employees are compensated by sharing the resulting profits or losses of the company. Randolph & Sashkin

(2002) also states that empowerment is the process of giving all the employees, the authority to make decisions and to be responsible for their outcomes. Self-managed teams are good examples of empowered employees who are given the responsibility of leading their own teams and ensuring that they achieve the desired goals and objectives.

Employee Empowerment Perspectives

Hughes, Ginnett & Curphy (2009) argues that, although the motivational benefits of empowerment can be debated, there is no doubt that empowerment leads to learning and stress reduction. Properly designed and implemented empowerment programs helps employees to learn more about their jobs, company and industry. This collective knowledge and skill of employees can improve the intellectual capital of the company and can be a competitive advantage for the organization. Empowerment has four micro components which determines, to what extent or degree are employees empowered in an organizational context (Quinn & Spreitzer, 1997; Spreitzer, 1995). These micro components are Meaning, Competence, Self-determination and Impact. Hughes, Ginnett & Curphy (2009) suggest six best practices of empowerment. Do we really want or need empowerment? Creating a clear vision, goal and accountabilities, Developing others, Delegating decision making to followers, Leading by example

and Empowerment must be systematic to be successful. Greenberg (2011) emphasizes that when employees are empowered, their supervisors are more likely to be like teachers or facilitators who guide their work groups by using their knowledge and experience and not like bosses who use coercive power to push people around. Mullins (2010) emphasizes that the empowerment facilitates the removal of constraints and grants autonomy to employees for taking independent actions without having to consult their supervisors. Atchison (1991) states that the purpose of empowerment is not just listening to employees or giving them a feeling of participation but also allowing employees to make decisions in their own areas of work and truly sharing the power in the organization. Johnson, Scholes & Whittington (2011) argues that instead of having only a top-down approach to empowerment, the only way to truly empower employees, is to accept responsibility at every level in terms of bringing in fresh ideas, for innovation and also for managing change. This would naturally call for more employee participation in an effort to bring about change. Noe, Hollenbeck, Gerhart & Wright (2009) states that apart from other factors, the success of employee empowerment will also depend on sound HR practices like performance management, training, work design and appropriate compensation. Empowered employees will also require timely feedback to evaluate their work.

Empowered employees are able to achieve best results if they are fully engaged in their work. With the ever increasing need of knowledge workers, employee empowerment leads to a change in focus from technical skills to general cognitive and interpersonal skills. George & Jones (2008) argues that managers and other employees of the organization need to change the way they think about decision making in order to create empowered employees. One of the essentials of empowerment is to spread the responsibility of decision making among all the employees of the organization. Hughes, Ginnett & Curphy (2009) argues that, although the motivational benefits of empowerment can be debated, there is no doubt that empowerment leads to learning and stress reduction. Properly designed and implemented empowerment programs helps employees to learn more about their jobs, company and industry. This collective knowledge and skill of employees can improve the intellectual capital of the company and can be a competitive advantage for the organization. Johnson, Scholes & Whittington (2011) argues that though lower level empowered employees can take initiatives and can experiment at their end, in the long run this may lead to incoherence.

Anonymous (1991) argues that though it may be difficult to achieve, this change in thinking about decision making will bring about the desired results and truly

empower employees. Many companies use empowerment to improve their group decision like McDonald's, Federal Express, Citibank & Xerox. Gabor (1991) states that Xerox has gone to the extent of even insisting on suppliers to use empowerment and other Total Quality Management practices to improve the quality of parts Xerox from them because of a firm belief that empowerment and sharing decision making authority can bring about improvement in the quality.

Mullins (2010) emphasizes that the empowerment facilitates the removal of constraints and grants autonomy to employees for taking independent actions without having to consult their supervisors. However, it is in favor of some form of managerial control irrespective of the degree of empowerment prevalent in the organization.

The role of Information sharing in Employee Empowerment

Information sharing is very critical to meaningful empowerment. The information, not only about all the aspects of his work but also regarding the product or services provided by the company is important. The information and understanding regarding the Vision, Mission, objectives and business strategy will go a long way in contributing to real empowerment of employees. All the attempts and efforts of a company to empower employees without sharing information with them will prove to be futile.

Noe, Hollenbeck, Gerhart & Wright (2009) argues that for empowerment to be more effective and successful, the managers also need to be trained to link company's internal and external resources like the customers, their counterparts in other departments and units, relevant websites etc for the required information. Further, managers must also encourage inter-departmental interaction and make sure that they receive the necessary information. Cakar et al. (2010) argues that for employees to achieve greater empowerment, they will require relevant information along with feedback from their superiors. Managers can intrinsically motivating employees by praise and giving timely information regarding their performance. It is further emphasized that Information sharing must be stimulated because it is one of the most important tools of creativity Ahmed (1998) emphasizes that information sharing contributes to empowerment to a large extent. Baird et al. (2010) states that in an ever changing business environment, it is of profound importance to change rapidly as per the demands of the changing environment. Under such a compelling circumstance to change rapidly, it is all the more important to empower employees at every level of the organization which will facilitate the elimination of extensive upward and downward communication in the organizational hierarchy. As lower level employees have more information about the day to day operations of the

organization, it is sensible to share information at every level of the organization. This can help the organization to be more dynamic and respond faster to a given situation. Further a strong association has been identified between empowerment and information sharing.

Objectives of the Study:

1. To evaluate the level of Empowerment in service sector and the manufacturing sector organization.
2. To study the relationship between Empowerment and organizational structure.
3. To study the role of Information sharing in the process of empowerment.
4. To study the relationship between Empowerment and Information sharing.

Hypothesis of the study:

1. The level of Empowerment differs between manufacturing and service sector organizations.
2. Information sharing is directly related to Empowerment.
3. The multifaceted component of Empowerment such as Meaning, Impact, Competence, self Determination and overall Empowerment differs between different levels of structure.

Methodology

Tools of data collection:

Empowerment Scale:

Spreitzer (1995) defines empowerment as increased intrinsic task motivation in a set of four cognitions reflecting an individual's orientation to his work role: Meaning, Competence, Self-determination and Impact.

Spreitzer (1995) Employee Empowerment scale contains four dimensions: Meaning, Competence, Self Determination and Impact. The scale is five point Likert Type. Every dimension has five point response categories. A five point rating scale that ranged from 1 (very low) to 5 (very high) was used. The higher the score more empowerment and lower the scores less empowerment.

Reliability of the Scale: The Cronbach Alpha Reliability coefficient for the overall empowerment construct was .72 for the industrial sample.

Information sharing Scale:

An information sharing scale was specially developed covering four factors, i.e. availability of information, the organizational performance, encouragement and practice of the organization. The information sharing scale is a five point Likert type scale. A five point rating scale that ranged from 1 (very low) to 5 (very high) was used with the statements. Higher the score, more is

the information sharing and lesser the score, less is the information sharing.

Units and sample for the study (Primary Data):

The data was collected from 4 organizations of manufacturing sector and 4 organizations of the service sector. These organizations are from Mumbai and Pune in India. The sample constitutes lower, middle and higher level managers covering 141 samples from manufacturing sector and 140 samples from service sector. The sample constituted 10% of the universe of the sample in each unit. The samples were identified on the basis of convenience.

Design of Research and Statistical Analysis:

2 x 3 factorial design was used to analyze the data, 2 represents the two sectors i.e. Service and Manufacturing sectors. 3 represents the three levels of management i.e. lower, Middle and Higher level managers. 1%, 5% & 10% level of significance has been considered.

Data Analysis and Interpretation:

Table 1 is the ANOVA related to meaning Dimension of Empowerment. The obtained 'F' value at the structure level (Lower level, Middle Level and Higher Level) is 2.915 which is significant. At the sector level and the interaction level the obtained 'F' value is .055 and .802 respectively which is not significant. It indicates that the Meaning Dimension of

empowerment is largely dependent on structure than on sector.

Table 2 relates to Mean & Standard Deviation of Meaning Dimension of Empowerment. There are three level of Structure i.e. Lower Level, Middle Level and Higher Level. It shows a comparison of Mean between Manufacturing and Service Sector. In the Manufacturing Sector the mean of Lower Level is 11.706, Middle level is 12.072 and Higher Level is 11.964. This indicates that the value of a work goal or purpose, judged in relations to an individual's own ideals or standards is demonstrated more in case of middle level employees than the lower level employees and Higher Level employees. Similarly the work goals and objectives of the organizations are more meaningful to the employees of Higher Level than the Lower Level employees of the Manufacturing Sector. In the Service Sector the Mean of Lower Level, Middle Level and Higher Level is 11.400, 11.886 and 12.681 respectively. It is noticed that the value of goals and objectives of the organization for the employees are more demonstrated as the Level of Structure increases i.e. Middle Level employees demonstrate more value for the goals and objectives of the organization than the Lower level employees. Similarly the Higher Level Employees demonstrates a greater degree of value for the organizational goals and objectives than the i.e. Lower Level, Middle Level employees.

Table 3 is the ANOVA related to the Impact Dimension of empowerment. The obtained 'F' value at the structure level is 1.221, which is not significant; however at the sector level the 'F' value is 1.376 which is significant at 5% level of confidence. It means that the Impact Dimension of Empowerment differs between manufacturing and service sector.

Table 4 indicates sector wise analysis of Impact Dimension of Empowerment. This tabulation is carried in order to further investigate which sector has got more influence on the Impact Dimension of Empowerment. Mean value of service sector is 11.092 and manufacturing sector is 11.801. The standard deviation of manufacturing and service sector is 2.600 and 2.608 respectively. It is found that the employees of the Manufacturing sector influence strategic, administrative or operating outcomes more than their counter parts in the Service sector.

Table 5 is the ANOVA related to Self Determination Dimension of Empowerment. The obtained 'F' value at the structure level is 2.900, which is significant. This means that the self-determination dimension of empowerment differs between Manufacturing and Service Sector. At the sector level the obtained 'F' value is 2.033 which is not significant. At two way interaction the obtained 'F' value is .117 which is also not significant.

Table 6 indicates Sector wise analysis of Self Determination Dimension of

Empowerment. The Mean Value of Manufacturing Sector is 12.014 and the Service Sector is 11.542. It indicates that the employees of the Manufacturing Sector are more involved in their own work and they want to make sure that their individual performances and their contribution to the organization is maximized. The individual sense of having choice in initiating and regulating actions are found to be more in Manufacturing Sector the Service Sector Organization.

Table 7 is the ANOVA pertaining to Empowerment. The Hypothesis to be tested is *“The level of Empowerment differs between Manufacturing and Service Sector Organizations”*. The Hypotheses is accepted on the basis of the obtained significance of ‘F’ value between Manufacturing and Service sector organizations. It shows that empowerment differs between Manufacturing and Service Sector. Another Hypothesis tested is *“The Multifaceted component of Empowerment such as Meaning, Impact, Competence, Self-determination and overall Empowerment differs between different levels of structure”*. At the structure level the obtained ‘F’ value is 1.830, which is not significant. The obtained ‘F’ value at the sector level is 2.039 which is significant at a 10% level of confidence. This indicates that empowerment depends largely on sector than on structure.

Table 8 indicates Sector-wise Analysis of Empowerment. The mean value of Manufacturing Sector 48.056 and Service Sector is 46.264. This indicates that the employees of Manufacturing Sector have got more authority to do their jobs without any direction or intervention from their superiors. They are capable of taking decisions regarding any matter concerning their own work. It also indicates that the employees of Manufacturing Sector have more sense of value for their own ideals or standards and they also influence the activities of the organization. The employees believe firmly on their capability to perform their work. The employees of manufacturing Sector have a greater sense of choice in initiating and regulating actions.

Table 9 indicates ANOVA related to Information sharing. The obtained ‘F’ value at the structure level is 2.452, it is significant. This shows that Information sharing differs between different structures of the organizations. The result of table indicates that Information depends more on structure than on sector.

Table 10 indicates sector-wise analysis of Information sharing. In the manufacturing Sector the Mean is 13.465, 13.690 and 14.428 for Lower Level, Higher Level and Middle Level employees respectively. It clearly indicates that Lower Level employees

have lesser availability of information than Middle Level Employees and Higher Level Employees. Similarly it is also noticed that the availability of information is more with the Higher Level Employees than the Lower level employees and the Middle Level Employees. It clearly indicates that the availability of information goes on increasing with every increase in the level of structure.

Table 11 indicates the co-relation between all the dimensions of Empowerment. The correlation values suggest that there is a direct relationship between all the dimensions of Empowerment.

Table 12 indicates that the co-relation value is .399 which proves that there is a direct relationship between information sharing and Empowerment. The Hypothesis tested is *“Information sharing is directly related to Empowerment”*. The Hypothesis is accepted on the grounds of the obtained ‘P’ value, which is significant at 1% level of confidence and the co-relation value.

Research Findings and Theoretical Implications:

Empowerment is a multifaceted concept encompassing 4 main dimensions or micro components i.e. ‘Meaning’, ‘Competence’, ‘Self-determination’ and ‘Impact’. These 4 main dimensions together contribute to overall employee empowerment.

Empowerment depends largely on sector than on the structure of an organization. There is a clear difference in the degree of empowerment in manufacturing and that of in the service sector organization.

The employees of manufacturing sector are more empowered than their counterparts in the service sector organizations. The employees of employees of the manufacturing sector have got more authority to do their jobs without any intervention from their superiors. The employees of manufacturing sector have a greater sense of choice in initiating and regulating work related activities.

Information sharing is directly related to Empowerment. This indicates that employees having more access to information will be more empowered.

The employees of the higher level have more access to information than those at the lower level.

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TABLE - 1 ANOVA RELATED TO MEANING DIMENSION OF EMPOWERMENT

Source of Variation	Sum of Squares	Degree of freedom	Mean Square	'F' value	Significance of 'F'	
					5%	10%
Structure	23.624	2	11.812	2.195*	-	.144
Sector	.335	1	.335	.055	-	-
Two Way Interaction (Structure X Sector)	9.717	2	4.859	.802	-	-
Residual	1666.384	275	6.060	-	-	-
Total	1699.110	280	6.068	-	-	-

TABLE - 2 STRUCTUREWISE ANALYSIS OF MEANING:

Structure	Manufacturing			Service			Mean Difference
	Cases	Mean	S.D.	Cases	Mean	S.D.	
Lower Level	58	11.706	2.043	65	11.400	2.416	.306
Middle Level	55	12.072	2.713	53	11.886	2.722	.186
Higher Level	28	11.964	2.531	22	12.681	2.524	.717

TABLE - 3 ANOVA RELATED TO IMPACT DIMENSION OF EMPOWERMENT

Source of Variation	Sum of Squares	Degree of freedom	Mean Square	'F' value	Significance of 'F'	
					5%	10%
Structure	16.641	2	8.321	1.221	-	-
Sector	29.821	1	29.821	4.376*	.037	.037
Two Way Interaction (Structure X Sector)	.942	2	.471	.067	-	-
Residual				-	-	-
Total				-	-	-

TABLE - 4 SECTORWISE ANALYSIS OF IMPACT

Sector	No. of cases	Mean	Standard Deviation	Mean Difference
Manufacturing	141	11.801	2.600	.709
Service	140	11.092	2.608	

TABLE- 5 ANOVA RELATED TO SELF DETERMINATION DIMENSION OF EMPOWERMENT

Source of Variation	Sum of Squares	Degree of freedom	Mean Square	'F' value	Significance of 'F'	
					5%	10%
Structure	12.433	2	6.217	1.022	-	-
Sector	12.368	1	12.368	2.033*	-	.84
Two Way Interaction (Structure X Sector)	1.419	2	.710	.117	-	-
Residual	1672.900	275	6.083	-	-	-
Total	1702.320	280	6.080	-	-	-

TABLE -6 SECTORWISE ANALYSIS OF SELF DETERMINATION

Sector	No. of cases	Mean	Standard Deviation	Mean Difference
Manufacturing	141	12.014	2.354	.472
Service	140	11.542	2.559	

TABLE - 7 ANOVA RELATED TO EMPOWERMENT

Source of Variation	Sum of Squares	Degree of freedom	Mean Square	'F' value	Significance of 'F'	
					5%	10%
Structure	192.703	2	96.352	1.830*		
Sector	107.365	1	107.365	2.039		.059
Two Way Interaction (Structure X Sector)	56.952	2	28.476	.541		
Residual	14477.155	275	52.644	-	-	-
Total	14934.470	280	53.337	-	-	-

* $P \leq 0.10$ **TABLE - 8 SECTORWISE ANALYSIS OF EMPOWERMENT**

Sector	No. of cases	Mean	Standard Deviation	Mean Difference
Manufacturing	141	48.056	7.003	1.792
Service	140	46.264	7.510	

TABLE - 9 ANNOVA RELATED TO INFORMATION SHARING

Source of Variation	Sum of Squares	Degree of freedom	Mean Square	'F' value	Significance of 'F'	
					5%	10%
Structure	44.245	2	22.123	2.452*	-	.088
Sector	3.156	1	3.156	.350	-	-
Two Way Interaction (Structure X Sector)	.961	2	.480	.053	-	-
Residual	2481.338	275	9.023	-	-	-
Total	2527.004	280	9.025	-	-	-

* $P \leq 0.10$

TABLE - 10 STRUCTUREWISE ANALYSIS OF INFORMATION SHARING

Structure	Manufacturing			Service			Mean Difference
	Cases	Mean	S.D.	Cases	Mean	S.D.	
Lower Level	58	13.465	2.823	65	13.600	3.161	.135
Middle Level	55	13.690	2.879	53	13.811	3.258	.121
Higher Level	28	14.428	2.847	22	14.863	2.833	.435

TABLE - 11 CO-RELATION BETWEEN ALL THE DIMENSIONS OF EMPOWERMENT

Sr. No.	ITEM	Manufacturing		Service		1	2	3	4	5
		Mean	S.D.	Mean	S.D.					
1	Meaning	11.90	2.41	11.79	2.52					
2	Competence	12.34	2.28	11.84	2.72	.425*				
3	Self-Determination	12.01	2.35	11.54	2.56	.389*	.476*			
4	Impact	11.80	2.60	11.09	2.61	.145#	.262*	.461*		

* $P \leq 0$, # $P \leq 0.05$ **TABLE - 12 CO-RELATION BETWEEN INFORMATION SHARING & EMPOWERMENT**

Sr. No.	ITEM	Manufacturing		Service		1	2	3	4	5
		Mean	S.D.	Mean	S.D.					
1	Information sharing	13.74	2.85	13.88	3.16					
2	Meaning	11.90	2.41	11.79	2.52	.322*				
3	Competence	12.34	2.28	11.84	2.72	.249*	.485*			
4	Self-Determination	12.01	2.35	11.54	2.56	.333*	.389*	.476*		
5	Impact	11.80	2.60	11.09	2.61	.256*	.145#	.262*	.461*	
6	Empowerment	48.06	7.00	46.26	7.51	.399*	.688*	.763*	.798*	.654*

* $P \leq 0$, # $P \leq 0.05$

A critical analysis of the Role, Importance and Implications of Case Study Method of Teaching for MBA students at KIIT School of Management

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Abstract

The case method is recognized as a powerful technique for delivering management education and obtaining hands-on experience of organizations. Case studies are extensively used in the business schools around the world to provide intellectual gearing, linking theory and practical, contributing to a wider debate as well as offering a holistic knowledge of a particular subject.

This research focuses to find out the effectiveness of case study method of teaching for MBA students of KSoM. It also aims to critically analyze the students' perception about case study method of teaching. The findings of this research have enormous implications for the management and all the teaching members.

Keywords: Management Education, Methods of Teaching, Case Discussions, Students' perception.

1. INTRODUCTION

Case study refers to the collection and presentation of detailed information about a particular participant or a small group, frequently including the accounts of subjects themselves (Jain A. K., 2005). A case study is a puzzle that has to be solved. The case portrays specific problems for the readers to identify, discuss, analyze and to propose solutions through making rational decisions. A good case is more than just a description; it's more like a detective story where the author has presents specific facts about a certain situation in a very interesting manner (Dooley & Skinner, 1977).

The main aim of introducing this method of teaching in various disciplines of academics is to acquaint the student in to the day to day happenings of the recent world. This method generally gives a competitive approach to the students. Basically, in the stream of management education this method of teaching has popularized largely. Generally, it is found that those teachers who use this method of teaching have got high degree of enthusiasm among the pupils, the reason behind that is it gives the real life situation of an event or incident.

There are also many difficulties in case study based teaching as the validity of the case study approach is directly related to the reality which the cases demonstrate.

2. LITERATURE REVIEW

Case study method of teaching has made education universal and ubiquitous, basically in the stream of Management (Jain A. K., 2005). This method of teaching has been applied in various disciplines of academics as an alternative to the traditional education as an instructional method (Artan, 2007; Garvey, O'Sullivan & Blake, 2000; Marcus, Taylor, & Ellis, 2004; Williams, 2004).

This instructional method is prevalent for teaching and learning in a Business school context in particular. Instructors use business cases as the foundation of their teaching across the curriculum (Magjuka, Liu, & Lee, 2006).

Case study method of teaching has been described as a way of teaching that gives a real life situation of an event which has occurred in the business, where a trainee find the details about the situation, strategy, organization, etc. This method of teaching highly improves the trainee's problem solving ability. In this method of teaching the trainee has to consider different areas of the case that has greatly impacted the situation.

This definition echoes the idea that case-based learning can help students prepare to deal with the real-world problems they could face after leaving an academic environment and ultimately, to find success within a specific business organization or profession by using these previously learned skills and experiences.

The key to case-based learning is to create cases for educational purposes and to facilitate activities associated with cases. Cases are like stories to read and explore interactively. Cases direct students towards certain contexts to discuss and debate issues dynamically.

Williams (2004) summarizes the benefits of cases used for teaching and learning, stating that it allows learners to:

- Apply theoretical knowledge to real school contexts.
- Analyze critically about complex situations and recommend courses of actions.
- Develop self knowledge base and recognize own assumptions.
- Compare, debate and evaluate own and others' perspectives.
- Develop the practice of reflection (p. 20)

The practical application of skills and knowledge learned in a Business school is a key consideration for MBA students as well as their instructors and the programme designers. As a result, graduate business education has relied upon case-based learning. Many Business schools have adopted the case-based learning approach as a central teaching and learning method. The features of case-based learning are to (e.g., applicability, contexts, etc.) fulfill the educational objectives that MBA

students pursue. Students are prompted to integrate their prior experiences to analyze cases and to explore solutions through discussion, reflection, and decision making (Wang & Bonk, 2001).

Case studies allow students to develop their critical and analytical reasoning skills and problem-solving processes (Merseeth, 1999). Cases that present real or hypothetical problems can prompt deep discussions, which assist students in developing solutions (Benbunan-Fich & Hiltz, 1999).

3. RESEARCH OBJECTIVES

There are two specific objectives for carrying out this study.

- To find out the effectiveness of case study method of teaching in KSoM.
- To find out the students' perception about case study method of teaching.

4. RESEARCH HYPOTHESES

Hypothesis - 1: There is no difference between the male and female students with respect to the methods of case analysis.

Hypothesis - 2: There is no relation between the numbers of cases discussed in the class with the students understanding of the particular subject.

Hypothesis - 3: There is no impact of case discussion on the development of students' analytical, problem solving and decision making skills.

Hypothesis - 4: There is no difference between the students' educational background and their liked method of teaching.

Hypothesis - 5: There is no difference between the impact of case discussions with real business situation and the impact of case discussions with the understanding of the particular subject among the students.

5. RESEARCH METHODOLOGY

5.1 Type of Research

The research was carried out in the month of February-April, 2011. The population involves all MBA (both 1st year and 2nd year) students of KIIT School of Management. The sample size was 51 considering the time constraints. Here a descriptive research technique has been adopted because through this research an effort has been made to generate specific information about the students' perception, as well as, the effectiveness of case method of teaching at KIIT School of Management.

5.2 Sampling Technique

It was very difficult to collect data from all the students of KSOM, which constitutes our universe. For this study stratified random sampling technique is used. Stratified sampling is a probability sampling procedure in which simple random sub samples are drawn from different strata that are more or less equal on some characteristics. This method was selected because the population (all MBA students of KSOM) is divided into different sections, where each section could be considered as a 'stratum'. From each section (total 8 sections) we have randomly chosen 6 respondents were randomly chosen. The stratified method of sampling was chosen because it assures the representation of all groups in the sample and because the characteristics of each stratum can be estimated and compared as they are the true representatives of the entire population.

5.3 Sample Design

- Population – All MBA students of KSoM in 2011.
- Sample size – 51
- Sample – 6 from each section of MBA-I and MBA-II and 3 research scholars.
- Sampling technique – Stratified random sampling method

6. DATA COLLECTION

6.1 Instrumentation Technique

For the collection of data, a well structured, self explanatory questionnaire was used and thus responses were collected and analyzed subsequently.

6.2 Collection of Responses

For the data collection both the primary and the secondary sources were used. For collecting data from the primary sources we have used the following method and tools were employed:

1. Direct interaction and interview with the respondents.
2. Questionnaire circulation.

To collect data from the secondary source we have used the following methods were used:

1. Publications (Research Journals, Magazines and Periodicals)
2. Internet Sources (Search engines, Ebesco, Proquest and Emerald)

6.3 Method of Data Analysis

SPSS version-19.0 was used for the data analysis.

7. DATA ANALYSIS

7.1 Age distribution

Out of the total respondents, 27 respondents fall into the age group of 20-23 years, which is 52.9% of the total

respondents. Likewise, 19 respondents fall into the age group of >23-25 years and 5 respondents fall into the age group of >25-28 years which is 37.3% and 9.8% of the total sample respectively.

7.2 Gender distribution

Out of the total respondents, 33 respondents were male and 18 were female, which was 64.7% and 35.3% of the total respondents respectively.

7.3 Educational background

Out of the total respondents, 21 are graduates (B.Sc./B.A./B.Com. etc), 17 have completed their Bachelor Degree in Technical courses like B. Tech., B. Arch., Bio-Tech., etc. 7 respondents have completed Post Graduation / Masters Degree courses and 6 respondents have completed other professional courses like Hotel Management and B.B.A, etc.

7.4 Effectiveness of case study method of teaching on subject understanding

Out of the 51 respondents, 10 respondents strongly agreed that case study method of teaching helps in understanding a particular subject matter. Likewise, 37 respondents agreed to the same proposition. 4 respondents were not able to say anything. Hence around 91.1% of the total respondents either agree or strongly agree that case study method benefits in understanding a subject.

7.5 Relevance of the cases with the subject

Out of the 51 respondents, 10 respondents strongly agreed that cases discussed in the class were relevant to the subject. 36 respondents which were 70.6% of total respondents agreed to the relevance of cases with the subject and rest 5 respondents (9.9% of the total sample) either can't say, disagreed or strongly disagreed to the relevancy of cases with respect to subjects taught in the class room.

7.6 Preferred method of case analysis

It was found that around 56.9% of the total respondents preferred the open / interactive method of case discussion; where as 37.3% of the total respondents liked the group discussion method and only 5.9% out of the total respondents liked to analyze the cases individually.

7.7 Subject wise liking of cases

To determine the ranks allocated to each of the subjects as per the likings of the respondents; the principle of 'low sum of the overall ranking is equal to high rank of the subject concern' was followed. Thus Rank 1 was considered to be the highest and the most liked case subject where as Rank 9 was considered to be the least liked case subject. Hence, following the same rule it was found out that Marketing was the most liked case subject securing Rank 1 and

Communication was the least liked case subject securing Rank 9. Rest HRM, Finance, OB, Economics, General Management and IT has obtained Rank 2, 3, 4, 5, 6, 7 and 8 respectively.

7.8 Relevance with real business situations

It was found that 82.4% of the total students either strongly agreed or agreed that cases discussed in the classes bring real business situation to them. Only 17.6% out of the total respondents were not in favor of it.

7.9 Frequency of case discussions

It was observed that 7 respondents (13.7%) said cases were frequently discussed in their class. 17 respondents (33.3%), 18 respondents (35.3%), 8 respondents (15.7%) and only 1 respondent (2%) out of the total students said cases were quite often, often, rarely and never discussed in their classes respectively.

7.10 Relevance of case discussions with real business situations

After a case discussion in the class, 17.6% students were completely able to relate the case scenario with real business situation. 64.7% students were somewhat able to relate, whereas 13.7% to a little and 3.9% to some extent were able to relate the case with business scenario. All the students were more or less able to correlate the case scenario with real business situation. None of the students have failed to correlate both.

7.11 Impact of case discussions with subject understanding

92.1% of the total respondents either agreed or strongly agreed that their understanding was enhanced on the particular subject after a case discussion. Only 7.9% differ to the earlier proposition and none of the respondents strongly disagreed to the same.

7.12 Preferred method of teaching

To determine the rank allocated to each method of teaching as per the likings of the respondents; the principle of 'low sum of the overall ranking is equal to high rank of the particular subject concern' was followed. Case study method was found to be the most liked (Rank 1) followed by Lecture method Rank 2, Presentation, Role play, Audio / Visual and Management games secured Rank 3, 4, 5 and 6 respectively.

7.13 Impact of case length on student's psychology

80.4% of the total students either agreed or strongly agreed that the length of the case impacts their psychology before analyzing the case. 13.7% of the total students were not sure and 5.9 % of the students either disagreed or strongly disagree to the above proposition. Hence, it can be concluded that the students were significantly affected by the length of the case.

7.14 Average preparation time for case discussion or presentation

To solve a case; 7.8% students required less than 10 minutes and 37.3% out of the total students took 10-30 minutes and 30-60 minutes each for the same. Only 17.6% students said that they required more than one hour solving the case.

7.15 Preferred method of case analysis

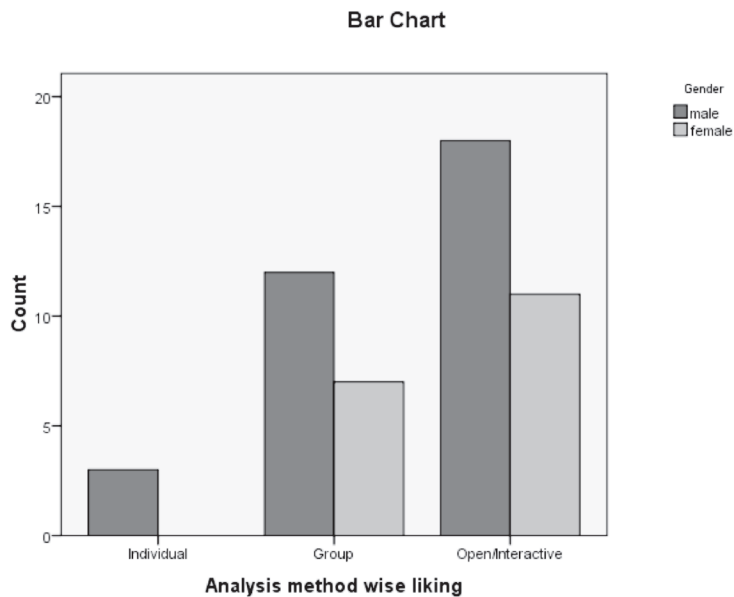
It was found that, 43.1% of the students preferred to analyze the cases with their peer groups. Whereas only 7.8% of the students preferred to refer to books. Similarly 17.6% of the total students preferred internet. 15.7% of the students preferred to analyze the cases individually and the equal percentage of students preferred to take the help of faculty members to analyze cases.

8. TEST OF HYPOTHESIS

8.1 Test of Hypothesis – 1

H₀: There is no difference between the male and female students with respect to their methods of case analysis.

H₁: There is difference between the male and female students with respect to their methods of case analysis.

Fig. – 1 [Comparison between the male and female students with respect to the methods of case analysis]

Source: SPSS output

Table – 1 [Comparison between the male and female students with respect to the methods of case analysis]

Analysis method wise liking * Gender Cross tabulation

Count				
		Gender		Total
		Male	female	
Analysis method wise liking	Individual	3	0	3
	Group	12	7	19
	Open/Interactive	18	11	29
Total		33	18	51

Source: SPSS output

Table – 2 [Relation between the male and female students with respect to the methods of case analysis]

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.745 ^a	2	.418
Likelihood Ratio	2.719	2	.257
Linear-by-Linear Association	.762	1	.383
N of Valid Cases	51		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 1.06.

Source: SPSS output

Interpretation:

From the above table it is evident that, the level of significance is .418. This is more than 0.05. So the null hypothesis was rejected and alternative hypothesis was accepted.

8.2 Test of Hypothesis – 2

H₀: There is no relation between the numbers of cases discussed in the class with the students understanding of the particular subject.

H₁: There is relation between the numbers of cases discussed in the class with the students understanding of the particular subject.

Table – 3 [Correlation between the number of cases discussed and the students understanding of the particular subject]**Correlations**

			Frequency	Effect after case study
Spearman's rho	Frequency	Correlation Coefficient	1.000	.047
		Sig. (2-tailed)	.	.745
		N	51	51
	Effect after case study	Correlation Coefficient	.047	1.000
		Sig. (2-tailed)	.745	.
		N	51	51

Source: SPSS output

Table – 4 [Significance of correlation between the number of cases discussed and the students understanding of the particular subject]**Test Statistics**

	Frequency	Effect after case study
Chi-Square	20.275 ^a	79.118 ^b
Df	4	3
Asymp. Sig.	.000	.000

a. 0 cells (.0%) have expected frequencies < 5. The minimum expected cell frequency is 10.2.

b. 0 cells (.0%) have expected frequencies < 5. The minimum expected cell frequency is 12.8.

Source: SPSS output

Interpretation:

As the significance level is near to zero, accepted the null hypothesis was accepted.

8.3 Test of Hypothesis – 3

H₀: There is no impact of case discussion on the development of

students' analytical, problem solving and decision making skills.

H₁: There is some impact of case discussion on the development of students' analytical, problem solving and decision making skills.

Table – 5 [Correlation between cases discussion and its impact on the students analytical, problem solving and decision making skills]

Correlations

		Benefit to understand	Effect after case study
Benefit to understand	Pearson Correlation	1	.203
	Sig. (2-tailed)		.153
	N	51	51
Effect after case study	Pearson Correlation	.203	1
	Sig. (2-tailed)	.153	
	N	51	51

Source: SPSS output

Interpretation:

The significance level is more than .05, so the null hypothesis and accepted the alternative hypothesis was rejected.

8.4 Test of Hypothesis – 4

H₀: There is no difference between the students' educational background and their liked method of teaching.

H₁: There is difference between the students' educational background and their liked method of teaching.

Table – 6 [Relation between educational back ground of students and their liked method of teaching]**Crosstab**

Count		Educational Background				Total
		Graduation (B.Sc./B.A./ B.Com. etc)	Professional Course (B. Tech./B.Arch. /Bio. Tech. etc)	Post Graduation/M aster Degree	Other	
Lecture	Lecture	7	3	1	1	12
	case study	6	0	2	3	11
	role play	2	2	1	1	6
	Presentation	0	5	0	1	6
	management games	0	3	2	0	5
	audio visual	6	4	1	0	11
Total		21	17	7	6	51

Source: SPSS output

Table – 7 [Level of significance of the test between educational back ground of students and their liked method of teaching]**Chi-Square Tests**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.403 ^a	15	.059
LikelihoodRatio	32.156	15	.006
Linear-by-Linear Association	.032	1	.858
N of Valid Cases	51		

a. 24 cells (100.0%) have expected count less than 5. The minimum expected count is .59.

Source: SPSS output

Interpretation:

As the significance level is .059 which is near to .05, the null hypothesis was accepted.

8.5 Test of Hypothesis – 5

H₀: There is no difference between the impact of case discussions with real business situation and the impact

of case discussions with the understanding of the particular subject among the students.

H₁: There is difference between the impact of case discussions with real business situation and the impact of case discussions with the understanding of the particular subject among the students.

Table – 8 [Level of significance of the test between the impact of case discussions and the understanding of the particular subject among the students]

Test Statistics

	Relevance with real business situation	Effect after case study
Chi-Square	44.922 ^a	79.118 ^a
Df	3	3
Asymp. Sig.	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 12.8.

Source: SPSS output

Table – 9 [Frequency of responses regarding the relevance of cases with real business situation]

Relevance with real business situation

	Observed N	Expected N	Residual
Completely	9	12.8	-3.8
Somewhat	33	12.8	20.2
Little	7	12.8	-5.8
Few	2	12.8	-10.8
Total	51		

Source: SPSS output

Table – 10 [Frequency of responses regarding the impact of case discussion on the students]**Effect after case study**

	Observed N	Expected N	Residual
Strongly Agree	7	12.8	-5.8
Agree	40	12.8	27.2
Can't Say	3	12.8	-9.8
Disagree	1	12.8	-11.8
Total	51		

Source: SPSS output

Interpretation:

As the significance level is 0, so the null hypothesis was accepted.

9. MAJOR FINDINGS

After detailed analysis of the collected data some of the major findings are listed below:

- Case study method was found to be the most liked teaching method followed by Lecture method, Presentation, Role play, Audio / Visual and Management games.
- 91.1% of the total respondents either agree or strongly agree that case study method benefits in understanding a subject.
- 90.2% of total respondents agreed to the relevance of cases with the subject discussed in the class room.
- 56.9% of the total respondents preferred the open / interactive method of case discussion; where as 37.3%

of the total respondents liked the group discussion method.

- Marketing was the most liked case subject followed by HRM, Finance, OB, Economics, General Management, IT and Communication was the least liked case subject.
- 82.4% of the total student either strongly agreed or agreed that cases discussed in the class brings real business situation to them.
- All the students were, more or less, able to correlate the case scenario with real business situations.
- 92.1% of the total respondents either agreed or strongly agreed that their understanding was enhanced on the particular subject after a case discussion.
- 80.4% of the total students either agreed or strongly agreed that the length of the case impacts their psychology before analyzing the case.

- 43.1% of the students preferred to analyze the cases by discussing with their peer groups.
- There is difference between the male and female students with respect to their methods of case analysis.
- There is no relation between the numbers of cases discussed in the class with the students understanding of the particular subject.
- There is some impact of case discussion on the development of student's analytical, problem solving and decision making skills.
- There is no difference between the students' educational background and their liked method of teaching.
- There is no difference between the impact of case discussions with real business situation and the impact of case discussions with the understanding of the particular subject among the students.
- Interesting cases in subjects like Communication, IT, General Management, Economics and OB should be selected and discussed in the class.
- Short cases should be chosen for discussion and bulky cases should be avoided irrespective of the subject concerned.
- Though case method was found to be the most liked method of teaching; the number of cases to be discussed in a subject should be specified by the faculty.
- A perfect blend of case method with other teaching methods should be worked out.

10. SUGGESTIONS

After interpreting the collected data and going through the major findings; the summary of the major suggestions which could be implemented at KIIT School of Management are listed below:

- Case method of teaching should be given prime importance.
- Open/interactive method of case discussion should be encouraged.

11. CONCLUDING REMARKS

The case method plays an essential role in management education (Banning, 2003; Dooley & Skinner, 1977). According to an article published by the Harvard Business School, the function of a case is to provide a "description of real business situations that serve as a metaphor of a particular set of problems". Hence taking both the above discussed propositions together it can be concluded that cases "provide useful and relevant set of metaphors that can be applied to most management situations". Cases tend to emphasize reasons over emotions, economics over politics, material benefits over intangibles and meanings, and strategy formulation over organization building.

The case method of teaching is highly context-specific in terms of effectiveness; therefore, the instructors must be careful about the choice and age of the case, keep in perspective the participants' (students') profiles, their background and the lessons (conceptualizations) sought to be realized. Case method seeks to overcome the limitations of the lecture method where one 'guru' comes and delivers 'known' knowledge in a highly structured format.

The case method is a creative mission where many perspectives and backgrounds cross each other to produce a mix of strategic and innovative ideas. The role of case instructors ought to help students appreciate various viewpoints, harness the workable ideas, and then arrive at a common solution. The need for instructors to be sensitive to the possibility of using case method is advocated with a good mixture of theoretical conceptualizations and lectures for arriving at inductive or deductive frameworks and heuristics. Case instructors must act like ideas and perspectives brokers to harness students' creative, analytical, problem solving and decision making skills rather than imposing their own views in the classroom.

12. RESEARCH LIMITATIONS

Everything and everyone has certain limitations, so has this research. There may be several possible limitations of our research which are listed below:

- a. The data collected from the student respondents may be a bit biased, as they belong to the same institution and share same resources.
- b. To ensure the research time limit, researchers were unable to touch in depth of a bigger target group.
- c. The researchers had other academic and personal obligations to address with equal importance.
- d. Stratified random sampling has its own limitations.
- e. Few respondents spared less time, to fill up the questionnaire.

13. DISCUSSION FOR FURTHER RESEARCH

In order to nullify the above discussed limitations further research can be done. This research itself has opened new dimensions for further research. The sample size was very small and the survey was limited to KSoM only. The same approach can be adopted to find out the students' perception and effectiveness of case method across B-Schools of India. More variables could be taken; thus more propositions can be proved and measured in a broader framework. More qualitative data could be collected by focus group transcripts and observational methods.

14. REFERENCES

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2. Neng L. and Wang J. (2004), Implicit Mental Models in Teaching Cases: An Empirical Study of Popular MBA Cases in the United States and China, Academy of Management Learning & Education, Vol. 3, No. 4, pp 397–413.
3. Thompson E. R. (2001), Are teaching cases appropriate in a mainland Chinese context? Evidence from Beijing MBA students, Journal of Education for Business, pp 108–112.
2. Please mention your gender.
 - a. Male b. Female
3. Please mention your educational background (based on the last qualification attended)
 - a. Graduation (B.Sc./B.A./B.Com. etc)
 - b. Professional Course (B. Tech./B.Arch./Bio. Tech. etc)
 - c. Post Graduation/Master Degree
 - d. If any other, please specify

15. APPENDIX

QUESTIONNAIRE

Dear Sir / Madam,

We are from the School of Management, KIIT University Bhubaneswar. We are conducting a survey on ‘**Case Method of Teaching**’, as part of our research project on Business Research Methodology. We shall be grateful to you if you could spend some time with this questionnaire. Your responses will be treated as confidential & will be used for academic purpose only.

Section – 1

Put tick mark against your choice (in any one only)

1. Please mention to which age group do you belong to?
 - a. 20 – 23 b. >23 – 25
 - c. >25 – 28 d. Above 28

Section – 2

1. Do you think the case study method benefits a lot to you in understanding a particular subject?
 - a. Strongly agree b. Agree
 - c. Can’t say d. Disagree
 - e. Strongly disagree
2. Do you think the cases are relevant or appropriate to the context of the subject?
 - a. Strongly agree b. Agree
 - c. Can’t say d. Disagree
 - e. Strongly disagree
3. Which method of case analysis you like the most?
 - a. Individual b. Group
 - c. Open/Interactive d. If other, please specify
4. Please rank (*from 1 to 9*) the following as per your likings of cases discussed in the particular subject. (*Rank-1: Most liked and Rank-9: Least liked*)

Subject	Rank
a. Marketing	
b. HRM	
c. Finance	
d. POM	
e. IT	
f. Economics	
g. O.B.	
h. General Management	
i. Communication	

MBA class rooms, rank (1 to 6) the following (Rank-1: Most liked and Rank-6: Least liked)

Method of Teaching	Rank
a. Lecture	
b. Case study	
c. Role play	
d. Presentation	
e. Management games	
f. Audio/Visuals	

5. Cases bring real business situation to the class room?
 - a. Strongly agree b. Agree
 - c. Can't say d. Disagree
 - e. Strongly disagree
6. How often cases are discussed in your class room (per semester in a particular subject)
 - a. Never b. Rarely(< 3)
 - c. Often(1-3) d. Quite often(4-7)
 - e. Frequently (>7)
7. Can you relate any case situation with a real business scenario?
 - a. Completely b. Somewhat
 - c. Little d. Few e. Not at all
8. After a case discussion, your understanding of the particular subject is enhanced.
 - a. Strongly agree b. Agree
 - c. Can't say d. Disagree
 - e. Strongly disagree
9. In your opinion which is the most appropriate method of teaching for
 - a. Lecture
 - b. Case study
 - c. Role play
 - d. Presentation
 - e. Management games
 - f. Audio/Visuals
10. How do you like to analyze the cases?
 - a. Individually
 - b. Referring internet sources
 - c. Referring books
 - d. Consulting faculty members
 - e. Peer group discussion
11. The length of the case affects your interest (psychology) to read, interpret and analyze the case?
 - a. Strongly agree b. Agree
 - c. Can't say d. Disagree
 - e. Strongly disagree
12. How much time do you devote to prepare for the case prior to discussion?
 - a. < 10 minutes
 - b. 10 to 30 minutes
 - c. 30 minutes to 1 hour
 - d. > 1 hour

IMPACT OF MINING ON TRIBAL LIVELIHOOD:

An empirical investigation into the customary frameworks and Issues affecting Sustainable Livelihood in Eastern India

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Abstract

Apart from displacing people from their ancestral home and severing their cultural ties and bonds established over generations, mining also devastates the livelihood of the Tribals inhabiting areas experiencing such activities. With the onset of the era of Liberalization, Privatization and Globalization (LPG) coupled up with other Corporate-friendly legislations to encourage Multi National Corporations (MNCs) to establish their business concerns in India such as the Industrial Promotion Resolution (IPR) enacted by the Government of Odisha (GoO), prevailing levels of mining activities have received a major boost leading to the physical displacement and livelihood dispossession of millions of Tribals in Eastern India alone. Being the homeland of the Tribal People, Eastern India comprising up of the States of Jharkhand, Odisha, Chhattisgarh and West Bengal is also home to a variety of mineral reserves located in mountain cappings, most of which are habitation sites of different Tribal Communities. Under such circumstances, it was considered imperative to undertake an empirical survey in the areas inhabited by this vulnerable section of the population in Eastern India to unravel the various underlying factors affecting their livelihood so that an Integrated Livelihood Revival Plan (ILRP) can be generated to mitigate the adverse implications of mining on Tribal livelihood. The key findings of the present study provide a snapshot of the critical issues affecting sustainability in areas experiencing mining activities. At the end, the Researcher-author provides his views with regards to the contributions he thinks the Present Study has made to the broader frameworks of Sustainable Development and Sustainable Livelihood from the perspective of the Eastern India Tribes.

Keywords: Livelihood Framework, Mining, Quality of Life, Sustainability, Tribal Livelihood

An Introduction to Eastern India

Eastern India comprising of the States of Odisha, Jharkhand, Bihar and West Bengal constitutes one of the most backward and underdeveloped zones of India characterized by abject poverty and severe food insecurity but simultaneously an abundantly rich natural and mineral resource-base. It is pertinent to mention here that except the melancholies of poverty and food insecurity in the region,

there is no other feature/ attribute that can be associated to all the sub-regions of this part of the Country. In fact, the unstinted mineral reserves, the diverse flora and fauna, the Scheduled Castes and Scheduled Tribe population, the forest cover etc. are all inequitably distributed across the belt with certain regions accounting for a massive chunk of them and most others being completely deprived of their presence.

Geographic, Demographic and Mineral Profiles of Eastern Indian States

1. Geographical Area (In Square Kilometers)

a. Odisha	155,707
b. Bihar	94,164
c. Jharkhand	79,700
d. West Bengal	88,752

2. Population and Density (Census of India Report 2011)

a. Odisha	41,947,358, 269.39 Persons per Square Kilometer
b. Bihar	103,804,637, 1102.38 Persons per Square Kilometer
c. Jharkhand	32,966,238, 413.62 Persons per Square Kilometer
d. West Bengal	91,347,736, 1029.24 Persons per Square Kilometer

3. Official Language and Literacy Rate (Constitution of India and Census of India Report 2011)

a. Odisha	Odia, 68.85
b. Bihar	Hindi, 54.1 %
c. Jharkhand	Hindi, 58.6 %
d. West Bengal	Bengali, 71.6 %

4. Major Minerals available and Poverty Rate

a. Odisha	Coal, Iron Ore, Bauxite, Chromite etc.
b. Bihar	-
c. Jharkhand	Coal, Copper, Mica, Bauxite, Graphite, Limestone, Uranium etc.
d. West Bengal	Coal, Rock Phosphate, Granite, Manganese, Silica, Fire Clay etc.

The presence or absence of such resources play a vital role in determining the socio-economic and occupational landscapes of a region and the same is revealed when one observes the poverty and occupational profiles of the areas possessing huge mineral and forest reserves. To be precise, the regions which are inhabited by the Tribal population are found to be thickly forested and abundantly rich in a variety of mineral reserves. Similarly, the minerally rich regions are socio-economically the most backward sections of their respective States. While a section of scholars attribute the relatively dispersed and scattered nature of habitation to be the primary factor behind the ineffectiveness of Government Schemes in the region and the consequent misery of poverty and food insecurity countered by its inhabitants, another school of thought opines that the sheer distance from the State Capital (which in case of most mineral-rich belts in India is huge) is the major cause of under-development of the vicinity. The third school of thought supported by major Industrial Houses and Mining Giants views the problem differently attributing one single factor behind the socio-economic desolation of such regions i.e. the non-utilization of the bountiful mineral reserves and the non-setting up of Mineral Processing Units

which will not only generate employment opportunities (Direct as well as Downstream) but will also help in the infrastructural development of the region.

Review of Literature – Defining Sustainability?

...before we can even start talking to people about sustainability, we need to be able to communicate what it is.¹

Although, the term Sustainable Development (also known as sustainability, sustainable progress etc.) is generally interpreted by people to be a term which denotes the need for judicious utilization of natural/ mineral resources for meeting human desire so that adequate proportion of the same can be preserved for the succeeding generations², to date, there is no universally agreed (and hence applicable) definition of the term. Various International Non-Government Organizations (NGOs), Corporate Houses, Management Consulting Agencies etc. have propounded their versions of the definition trying to elucidate the meaning of the term which one can find in the official website of such entities. The succeeding paragraphs of this section of the Paper will be used to document down some of the most widely accepted definitions of the term along with their interpretation in the language of the Researcher-Author.

¹ Ms. Dharon Ede. *Transcription of Evidence*. 24 May 2007. P.5

² This statement has been framed by the Researcher-Author on the basis of his interaction with subject-matter specialists in the domain of Sustainable Development as well as the grueling review of literature which he carried out during the course of the secondary research on the topic under study

... development that meets the needs of the present without compromising the ability of future generations to meet their own needs³

The above-cited definition of Sustainable Development was proposed in 1987 in the report “Our Common Future” prepared by the World Commission on Environment and Development. By far, this is the most extensively acknowledged connotation of the term conveying a precise meaning and embedded with an unmatched mold of clarity and precision. However, there are a few perceivable drawbacks in this definition i.e. (a) the acute lack of rationale in asking for adhering to a model of development which would spare resources for the future and (b) failure in pointing out the adverse implications of abiding by a non-sustainable model of development.

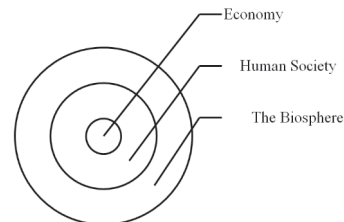
Using, conserving and enhancing the community’s resources, so that ecological processes, upon which life depends, are maintained, and the total quality of life, now and in the future, can be increased⁴

This definition was provided by the National Strategy for Ecologically Sustainable Development (NSED), Australia in response to the Brundtland Report in the year 1992. Although a lot

of effort was made by the steering committee in covering a wide range of aspects involved in determining sustainability while coining the term, some extremely vital ones were left out. To be precise, the definition fails to address issues such as social sustainability, financial judiciousness and so on as a result of which, it has been criticized by various intellectuals of being Australia-specific/centric for which it has limited applicability outside the island Nation.

Although the Concentric Model of Sustainability has been argued to be one of the most robust and self-explanatory models of Sustainable Development having practical implications on the way business is conducted, but, the recent surge in demand for including a forth bottom line titled “Governance Performance” indicating business conformity to pre-determined environmental/ ecological standards has created a dent in the acceptance base of this model.

Figure 1 Concentric Model of Sustainability – Triple Bottom Line



Source: Water Corporation, Submission No. 115, p. 3

³ Dunphy, D. Benveniste, J. Griffiths, A and Suttobn, P. 2000. *Sustainability: The Corporate Challenge of the 21st Century*. Allen and Unwin, New South Wales, Australia. p. 22

⁴ Ecologically Sustainable Development (ESD) Steering Committee. 1992. *National Strategy for Ecologically Sustainable Development*, Australian Government, Canberra.

Available at <http://www.environment.gov.au/esd/national/nsesd/strategy/intro.html#WIESD>

Without dragging the process of literature review any further, it would be appropriate to sum up the meanings and attributes of Sustainable Development as surmised from the above-definitions and model discussed in the Research Paper as interpreted and in the language of the Researcher-Author: -

1. Judicious use of natural and mineral resources
2. Aspiring for development which does not compromise the ability of the future generations for the same
3. Pattern of Development which is ecologically harmless
4. Pattern of Development that maintains Quality of Life (QoL) both of present as well as future
5. Economy is subsidiary to human society which in turn is subsidiary to the biosphere
6. Performance Governance is an imperative ingredient of Sustainable Development

The Customary and Contemporary Scenarios of livelihood framework amongst the Eastern Indian Tribes

The engagement patterns of any Community/Society is a reflection of both the occupation its members are inclined to be associated with, as well as, the level of economic life they lead. Although, in primordial times, all human societies thrived and eke out a living through the ruthless exploitation of natural resources

and depended on forest to meet their requirements in life but, identification of alternative means of livelihood led a gradual evolution of human economy characterized by the shift of a significant proportion of the global population from the agricultural mode of economy to an industrial lifestyle by the end of the 20th Century. The phenomenon of industrialization which started in Western Europe in the early 17th Century led to an astounding increase in the growth rate in these regions and soon spread to other parts of the globe including the British Empires States such as India.

The Tribals in India who constitute one of the most archaic yet socio-economically disadvantaged sections of population continue, to a large extent, profess crude forms of economy to earn a living. To be precise, the customary framework of livelihood being professed by the Eastern Indian Tribes includes within its fold a range of sources from which an economy, mostly edibles are collected. The sources of Tribal livelihood in Eastern India include the following: -

1. Hunting and Gathering
2. Foraging and Food Gathering
3. Shifting Cultivation
4. Artistry
5. Peasantry
6. Terrace Cultivation
7. Settled Agriculture
8. Industrial Labor

With a dynamic shift in the approach of the Government post Liberalization,, Privatization and Globalization (LPG) of the economy in the 1990s, paramount focus is being laid towards utilization of the available mineral resources in different pockets of the Country through promulgation of a range of legislative reforms to create a suitable environment for Multi-National Corporations to institute their business concerns in the Resource-rich areas of India. It is pertinent to mention here that in Eastern Indian, majority of the mineral capped mountains are the abodes of the Tribal people, who in recent times have been dispossessed of their traditional livelihood and have been displaced from their residential dwellings owing to establishments of Industrial setups in their locality. Owing to the aforementioned developments concerning the augmented pace of industrialization in Tribal areas, the eighth and final category of Tribal

livelihood specified in the above-list has been expanding rapidly over the past two decades by accommodating large numerical figures of Tribals at the cost of the adherents-base of all other sources of livelihood. Hence, there has been a significant alternation in the customary livelihood framework in Eastern India with a large number of Tribal youths getting engaged in industrial establishments to earn a living in the form of contractual laborers and in some cases even permanent employees of different business concerns.

Research Design

The present study was undertaken in 8 Sample Districts selected through Simple Random Sampling located in four Eastern Indian States such as Odisha, Jharkhand, Bihar and West Bengal. Given below is a tabular account of the Districts under Study, their State-affiliation and the sample population covered: -

Table 1 Geographical Coverage and sample used for the present study

Name of the State	Districts under Study	Number of Blocks covered	Sample Population Covered
Odisha	Rayagada	3	113
	Koraput	5	70
Bihar	Champanan	5	42
	Purnia	3	47
Jharkhand	Goda	3	77
	Pakur	5	45
West Bengal	Munshiganj	5	48
	Jalpaiguri	3	68
Total Sample Population		510	

Source: Research Design

Apart from the central objective of identifying the adverse implications of mining on Tribal livelihood, the present study was undertaken for attaining a range of other objectives associated with the principal purpose which are as follows: -

1. To conduct a brief review of existing literature pertaining to the term sustainability and its definitions so that a central theme and feature of the idiom could be derived
2. Identify the customary and contemporary frameworks of livelihood in the Tribal-dominated regions of Eastern India, so that the impact of mining and industrialization on the local ecology could be clubbed with up with its adverse implications on the source of living of the Tribal people
3. To understand the overall phenomenon and the present pattern of mining activities being undertaken in Tribal-dominated regions of Eastern India
4. To identify the major implications of mining on the life and livelihood of Tribal and Indigenous people

5. To illustrate the pertinent contributions of the present study and Research Paper to the field of Sustainable Livelihood

For the purpose of obtaining the required data and facts on the subject-matter, a wide range of research techniques were utilized to gather information from both Primary as well as Secondary sources. Given below is a list of the major techniques of data collection utilized by the Researcher-author for the present study:

1. Interview Technique
2. Observation Technique (Participant Observation and Non-Participant Observation)
3. Case Study Technique
4. Participatory Rural Appraisal Technique
5. Focused Group Discussion (FGD) Technique

Various major activities were undertaken during the course of the study, a brief of which along with the timeframe allocated to each of them has been mentioned in the succeeding table.

Table 2 Profile of Major Activities Undertaken

Sl. No	Major Activities Undertaken	Timeframe (In Weeks)
01	Review of Literature	3
02	Formulation of Chapter Plan	1
03	Selection of Techniques for Data Collection	1
04	Data Collection	6
05	Data Analysis and Data Interpretation	2
06	Formulation of the Research Paper	3
Total Timeframe		20

Source: Research Design

Key Findings of the Study – Critical Issues affecting sustainability in regions experiencing Mining activities

With the exception of Bihar, all other Eastern Indian States are blessed with bountiful reserves of a wide assortment of minerals. The mineral resources in India and other developing third world Countries in general and the Eastern Indian States in particular were largely underutilized owing to a variety reasons including lack of advanced technological equipments, poor communication and the cumbersome administrative procedure involved in setting up of Processing Units by Industrial Houses. However, with the beginning of the 21st Century (as mentioned earlier), harnessing of mineral reserves has increased manifold primarily due to the large-scale investments made by International Industrial Giants who have shown keen interest in harping upon the high quality mineral resources located in the region for meeting their business ends. The Industrial Promotion Resolution (IPR) 2001 enacted by the Government of Odisha to convert the image of the State of being a privileged destination for industrial investment has also contributed its share in boosting industrialization in the State.

It is pertinent to mention here that although, adequate measures have been

initiated by the State Governments in the region for amending the relatively inflexible administrative framework pertaining to obligatory authorizations and the burdensome procedure involved in granting approvals to Global Business Concerns to realize their commercial potential in the region, very little has been done to both, assess, as well as, to mitigate the socio-economically and ecologically hazardous implications of mining especially on the forest dwellers. As a result of this, the customary forms/ sources of livelihood of the mostly Tribal Population inhabiting the mineral-rich mountain cappings have been severely affected as their access to forests has been restricted to a considerable extent. The succeeding paragraphs have been used by the Researcher-author to emphasize in a nut-shell, the negative implications that mining is having on the sustainable lifestyles of the local population in Eastern India which also constitute the outcome of the present Study: -

1. Acquisition of agricultural land has forced its original title-holders to spot out an alternative source of livelihood forfeiting their age-old occupation of farming which they have inherited from their forefathers⁵. The absence of the required skills and any formal training for incorporating the requisite expertise to discharge the roles and

⁵ Tribals Losing Livelihood Due to Land Acquisition: Tirtha. Accessed on 29.07.2011 (<http://www.lensonnews.com/lensonnews/1/59/2118/1/tribals-losing-livelihood-due-to-land-acquisition:-tirath.html>)

responsibilities associated with the new pattern of engagement makes life miserable for the involuntarily displaced

2. Similarly, involuntary displacement is resulting in forcible evacuation of people from their ancestral residential dwellings and without a proper Resettlement & Rehabilitation (R & R) Framework in vogue, the relocation measures being implemented by both the Governments as well as the Project Implementing Agencies are proving to be highly insufficient, inefficient and discriminatory
3. Acquisition and restriction from entering into forests has posed serious threats to the livelihood especially of the Tribal population who primarily use Minor Forest Produce to eke out a living and depend on local jungles to meet their requirements of fuel wood for cooking, medicinal plants for herbal treatment of diseases, animals and foraging for meeting their appetite and so on
4. Deposition of dust, smoke and fumes from mines caused by blasting conducted to draw mineral reserves out of the mine sources in their raw state in water bodies, leaves of plants, on the roof of the residential dwellings of the local people is resulting in serious and at times even incurable diseases leading to large-scale mortalities⁶ in mining belts across the region
5. Discharge of mining effluents especially in the form of black water during coal mining and excessive use of water during ecologically devastating means of mining has resulted in drastic depletion of ground water table which is causing problems on part of the local communities to meet their requirements for potable water in their day-to-day life
6. The eligible Tribal youths who are employed by the Industrial Houses both lack the requisite educational qualifications as well as the essential skills required to discharge their professional obligations and are hence assigned low-level and unskilled assignments at work which are physically arduous and at the same time low-paying
7. The abrupt influx of large-scale outside population to serve the business needs of the newly established industrial concerns coupled up with sudden exposure to their modern and advanced lifestyles is both inculcating a sense of inferiority complex with the local Tribals as well as resulting in gradual Social Disarticulation. In fact,

⁶ Mining Operations pose serious health risks. Media Statement by Bench Marks Southern Africa for Corporate Social Responsibility on 25th June 2007. Accessed on 29.07.2011 (http://www.bench-marks.org/downloads/070625_pr_mining_health_threats.pdf)

the impact of the modern culture brought by the outside population is such that the Tribal youths are getting lured towards its tenants thereby showing disinterest their own culture which is contributing towards the identity and culture crisis in many Tribal-areas experiencing industrialization and mining activities in recent times

8. The approach of mapping development initiatives to be implemented for the betterment and welfare of the Tribals inhabiting the locality are mostly being done using the top to bottom approach which does not involve the opinion and views of the intended beneficiaries of the proposed schemes, programmes etc. Such an approach for formulating the development framework in Tribal areas is not only non-participatory and dictatorial in nature but often fails miserably in attaining its objectives and ends up making hardly any impact on the prevailing levels of life being led by the local inhabitants

The findings highlighted in the aforementioned paragraphs have been formulated by the Researcher-author by collecting, analyzing and interpreting information and data pertinent to the subject-matter from a variety of sources including review of literature, interaction with eminent researchers and scholars, interaction with the sample respondents etc. All possible efforts were made to

ensure that any specific finding made from either of the three sources of information were cross-checked with the other two sources for validation and substantiation before they are included in the list of findings. All the findings irrespective of their respective area of focus highlight the fact that although the ongoing phenomenon of mining and industrialization in Tribal areas is fueling the rapid economic growth that the Country has been experiencing but, at the same time, the lack of policy provisions and administrative enthusiasm towards making the poor and marginalized a partner to the fruits of development is resulting in a further degradation of their already diminished standards of living.

Contributions to the field of Sustainable Livelihood and Concluding Remarks

Apart from highlighting its predetermined objective of exhibiting the prevailing scenario of mining which is not only devastating the customary cultural fabrics and displacing people in Tribal India but is also adversely affecting their potential to earn their own livelihood, the Present Research Paper in general and its outcome in particular have also contributed towards the broader discipline of Sustainable Development and Sustainable Livelihood. In fact, the absolute focus on sustainability and allied issues which form the core of the research design which has been purposefully devised to undertake the present

empirical survey has helped generate outcomes which are significantly different than the ones documented down by most other research exercises.

To be precise, the outcomes of the present survey which have been exhibited under the caption of Key Findings apart from focusing on the central issues affecting the livelihood of Tribals owing to the recent surge in mining activities has also emphasized on the areas that need to be included within the broader framework of Sustainability which can be construed as its contributions to the field of Sustainability: -

1. Need for incorporating Forest Policies under the ambit of Sustainability:

The prospects of earning livelihood by underlining the adverse implications of involuntary acquisition of forest land and formulation of legislations to prohibit access of the tribal people to jungle resources

2. Need for formulating and effectively implementing a consultative Resettlement and Rehabilitation Policy:

Deficient Resettlement and Rehabilitation packages being extended and improper implementation of the same has resulted in non-restoration of the misplaced livelihood opportunities of Tribal people

3. Need for laying emphasis on minute environmental ramifications of mining especially on the local community:

Apart from focusing on broader environmental aspects such as carbon emission, carbon trading and the impact of mining on the overall ecological set-up of the locality, greater emphasis should be laid on critically analyzing the narrower implications of environmental degradation caused by mining by investigating into complaints of deposition of dust and fumes on water bodies, kitchen appliances and farmlands located in nearby areas

4. Need for including culture as an integral aspect of Social Sustainability:

Considering culture to be an indispensable ingredient of the social existence of human being, its conservation should be laid further emphasis as its dilution might often result in identity crisis which may lead to social disharmony

5. Need for regulating the abrupt influx of outside population into areas experiencing mining activities:

This is essential as exposure to the culture professed by and the lifestyles adhered to by the outside population as described earlier might incorporate an inferiority complex within the local population

and inflict social disarticulation which is considered to be even more harmful than physical displacement and livelihood dispossession

Apart from the aforementioned contributions which the Researcher-author feels that the Research Paper might have made to the fields of Sustainable Development and Sustainable Livelihood, it is sincerely hoped that the Present Empirical Survey will definitely help in igniting young minds and Research Scholars to undertake studies in the domain under focus with even greater emphasis being laid on further rudimentary aspects concerning the impact that mining has on the socio-economic life of the Tribal people. Embarking on niche-oriented studies in the field will not only help enrich the grossly deficient literature base but will also help in contributing towards the formulation of an appropriate National Legislation accentuating at circumventing atrocities and negating the differential treatment of the vulnerable sections of the Country's population in general and the Tribal people in particular.

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MOBILE BANKING IN INDIA-AN EMPIRICAL STUDY IN THE CITY OF HYDERABAD

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Abstract

With evolving technology, banks are harnessing the power of innovation to provide a better banking experience to the customers. Mobile Banking will allow customers to view their account statements, transactions and even make payments through their mobile handsets. Next Generation banking solutions are already evolving and very soon there will be more user friendly applications and faster services. Banks will benefit from lower costs and Customers will reap the benefits of faster technology, convenience and ease of banking. It is important to understand the 4 R's – Run rate, Risk, Regulation and Reputation with respect to mobile banking in this context.

Introduction

India has witnessed four distinct phases in banking since independence. The fourth phase or the Reform Phase as it's popularly known saw the Recommendations of the Narasimham Committee in 1991 which eventually ushered in banking sector reforms. Several initiatives and steps were introduced such as adoption of prudential norms for income recognition, deregulating interest rates and de-shackling the barriers to entry for new banks. This move led to increasing competition, higher

awareness among customers and a race for technological innovation among banks. Private Banks and Foreign Banks scored over the Indian counterparts due to the sophisticated technology, convenience and ease of banking processes. This led to a competition to innovate not only to beat the competition and survive but also to retain the customer base.

Technology has been applied in a 2 fold process in the Banking Sector.

- Improve communication and connectivity
- Business Process Reengineering

Technology helps in reducing the distance between branches and customers, diversify products and markets, improves bank infrastructure, increases efficiency and helps to manage risk in a more systematic manner. It also helps to manage liquidity positions in banks and leads to better forex market management and asset monitoring.

Literature Review

Barnes and Corbett (2003); Scornavacca and Barnes (2004) suggest that latest innovations in telecommunications have facilitated the launch of new access methods for banking services, one of them is mobile banking; whereby a customer interacts with a bank via a mobile device such as a mobile phone or personal digital assistant. Karjaluoto et al. (2002); Rugimbana (1995) found that there is a huge market potential for mobile banking due to its functionality and the option to do banking virtually any time and anywhere.

Unnithan and Swatman (2001) have studied the drivers for the transformation in the advancement of the banking sector, and the move towards electronic banking which will include mobile banking by focusing on two major economies, Australia & India whereby it suggests a strong growth prospective of banking channel in India. Clark (2008) suggests that as a Channel; the mobile phone can enhance the ways available to consumers, thereby giving consumers more low-cost self-service options by which they have

an access to funds, banking information and payments. Mobile as a means delivers convenience, immediacy and choice to consumers. Vyas (2009); Rao et al. (2003) suggest banks that they will need to develop or increase their thinking about mobile banking beyond online banking and should start to view mobility as its own powerful and compelling delivery channel that can help them deliver to end users that is the ultimate customers. According to Vyas (2009) banks will target non-online banking users who may lack a usual access to desktop Internet but are very likely to own a mobile device. Gupta (1999); Pegu (2000); Dasgupta (2002) also affirms future of mobile banking in India in their studies. Suoranta (2003) found that the average mobile banking user is married, 25 to 34 years old, has intermediate education and average income in clerical work. She found that age and education have a major influence on the use of the mobile phone in banking services. The adoption theories assume that use of Internet banking was before the adoption of the mobile phone in banking.

However, Suoranta (2003) found that some mobile banking customers are neglecting the internet banking adoption when adopting the mobile phone for banking actions. Polatoglu et al. (2001); Al-Ashban and Burney (2001); Karjaluoto et al. (2002); Black et al. (2002) supports findings of Suoranta in their respective studies. Mas (2008); Lyman et al. (2008) found that there are

a huge number of distinctive mobile phone devices and it is a big challenge for banks to offer mobile banking solution on any type of device. Some of these devices support J2ME and others support WAP browser or only SMS; presetting a serious challenge. Hayat (2009) suggests that for a banking regulator it is important to provide adequate protection for consumers, ensure economic stability, provide interoperability of electronic systems and guarantee security of transactions and Anti-Money Laundering and Know-Your-Customer principles must also be applied to mobile payments. Comninou et al. (2008) suggest that unbanked will only transact electronically (online/mobile banking) if there is convenience and security. Sharma and Singh (2009) found that Indian mobile banking users are specially concern with security issues like financial frauds, account misuse and user friendliness issue - difficulty in remembering the different codes for different types of transaction, application software installation & updation due to lack of standardization. Banzal (2010) found that another major issue is the revenue sharing agreements between mobile service providers, banks, content providers, aggregators and other service providers like utilities, travel agencies, hotel industry, retailers, etc.

BACKGROUND

Mobile banking as the name suggests is basically using a mobile phone to do

banking activities for customer like checking account balance, account transactions and payments etc. Generally, mobile banking is done through SMS or the Mobile Internet.

The advent of Mobile banking is primarily due to the rapid growth and expansion of the mobile market in the world and in India. With more than 2.5 million users in India alone, mobile banking is a very attractive avenue for most banks.

Mobile banking enables banks to offer services like fund transfer, updates on stock prices, stock trading etc while being on the move. Thus, it greatly improves the ease of doing business from the point of view of customer.

Based on the projections by Tower group, India is set to witness phenomenal increase in Mobile banking. Mobile banking facility is expected to grow at a rate of nearly 52% CAGR during 2009 – 2013.

Mobile Phone users are still just discovering the full capabilities of mobile banking and thus, mobile banking is just taking off especially in Asian countries like India, China, and Taiwan etc.

However, to attract rural consumers, the role of a banking agent assumes prime importance. A banking agent could be a retail outlet which would carry out financial transactions on behalf of the bank. It would also manage customer care, serve as a point of contact with

customer, provide service and help in cash management. Thus, to tap the rural market potential, it is important to incorporate banking agents into the business model.

Also, an interesting thing to note is that Mobile Banking has significant advantages over online banking. Customers do not require a computer to carry out the desired transaction or activity. The potential of mobile banking in India can be corroborated through the estimates of Cellular Operator's Association of India (COAI) which says that the mobile base in India in 2004 was 40.6 million. Thus, there has been an explosion in the consumer base of mobile phone users and mobile banking is largely untapped and unexplored giving rise to huge possibility of market demand and access.

There are a number of banking models which revolve around the relationship with the end customer. They have been divided into 3 categories:

- Bank Focused
- Bank-Led
- Non Bank-Led.

- **Bank-focused model**

This can be considered as an extension of traditional banking which is branch based. A bank will use low costing new channels to provide banking services such as ATM or internet banking etc to customers. However, the services are largely limited.

- **Bank-led model**

This model gives a very different alternative to conventional banking because the customer can conduct financial transactions with the help of a range of retail agents. This helps the banks to significantly increase the penetration of financial services by using a different delivery channel, a more experienced trade partner etc which can result in significant cost savings for the bank.

- **Non Bank-led model**

This is a model where the bank does not play any role except, maybe, as a keeper of excess funds and the non-bank has the onus of performing all the functions.

Technologies used in Mobile Banking

Currently, Mobile Banking uses one of the following to provide mobile applications:

1. IVR (Interactive Voice Response)
2. SMS (Short Messaging Service)
3. WAP (Wireless Access Protocol)
4. Standalone Mobile Application Clients

- **IVR – Interactive Voice Response**

In this, banks have to allot a specific number which customers call to reach an electronic message stored in advance. Customers reach a menu and can choose the options by pressing a number on the keypad and this provides the necessary information. However, this can only be

used for enquiry and is relatively more expensive as it involves voice calls. Keeping this in mind, banks should opt for technology based services as 'one button banking' could very well be the future.

- **SMS – Short Messaging Service**

This is by far the most popular standard to implement mobile banking. The customer can send an SMS to a pre-specified number with the query and the banks can reply with the relevant information. For example the customer can send an SMS regarding the balance available in his account to which the bank generates the appropriate information. However, one of the prime disadvantages is security. Unless password enabled or encrypted, this type of sensitive information should be refrained from sharing as SMS facility and SMS gateway is available on all mobile phones.

- **WAP – Wireless Access Protocol**

Banks can maintain WAP sites which are accessible using a WAP compatible browser on the customer's mobile phones. Thus WAP sites can provide significant security which further enables customers to access or carry out transactions, information, trade etc.

A WAP based service pre-requires a WAP gateway. Customers use the bank's site through the WAP gateway to carry out transactions, receive information etc.

- **Standalone Mobile Application Clients**

These are the most promising of the lot as they can be customized to suit the needs of complex banking activities and is secure and reliable.

However, this customization can become a major disadvantage of as the applications needs to be customized for each mobile phone.

In India, Reliance Infocomm which is the largest CDMA player in the market has 7 million users who have handsets which support J2ME.

4 R of Mobile Banking

The 4 R – Run rate, Risk, Reputation and Regulation has been coined by Probir Roy.

In 2008, the RBI issued guidelines for mobile banking and since then, around 30 banks were given clearance to offer mobile banking facility to their customers. The average monetary value of transactions used in mobile banking is in tune of Rs. 150 crore. As mobile banking is still in its inception stage, it would be unfair to comment on its success or failure. However, following is a brief overview on the 4 R's of mobile banking.

- **Run rate**

Past experience shows that the run rate in mobile based transactions has been 6 times but customer related transactions,

also known as pure banking, has grown almost 10 times. The growth has been remarkably high but we should also keep in mind that the initial base has been quite low thus leading to larger growth. Nevertheless, mobile banking has grown by nearly 100% per month.

SBI has the largest number of active mobile customers and the bank expects its customer base to reach 1 million soon. Strategically also for any bank, moving to mobile banking and engaging higher technology will prove to be fruitful in the long run.

- **Risk**

Risk associated with the concept of mobile banking is of course high but it is also related to the performance of the handset. Trust and Faith reduce riskiness to a large extent in any financial product and the chargeback rate has been zero.

Mobile Banking threats can be largely mitigated by the solution that is provided by the bank or the authorized security company. A layered technique has proved successful in supporting the technology that is used for such applications.

Security should be concerned with mainly 2 things:

- **Sensitivity of the data**

Sensitive data like credit card numbers, account numbers etc. which is confidential information to a client.

- **Opportunity to access the data**

Ensure the safety of the medium, its susceptibility to external malware, proper encryption secure data paths etc.

Following are some of the precautions that should be taken:

1. Resetting password or Pin over SMS to customer should not be used as the only method of accessing accounts or changing sensitive information.
2. If WAP is used, the devices should be capable of encryption and all other devices should be denied access.
3. There should be proper means to verify the customers' device prior to transactions being accepted.
4. There is mostly partial encryption of information in a transaction. Additional data encryption should be implemented and also existing encryption should be checked for possible cracks.
5. Most banking applications have been subject to hacking or malware attacks. The technology used should be able to tackle such hacking attacks and prevent the leakage of important and sensitive information.
6. PBX systems have devices connected to collect transactions.

Wireless devices are thus now being connected to these systems by the hacker or thief to gain access to information. This needs to be addressed immediately.

7. Wireless technology, if not password protected or encrypted, can easily be broken into and used to steal information.
8. Dynamic keys should be used for mobile users which give a unique ID to users to prevent possible theft.

• Reputation

In a high risk application, reputation and brand perception becomes very important for financial transactions. The brand has to concentrate on connecting with the customer, winning their trust, emphasize on the benefits received by the customer and encourage usage.

This can be validated by the AC Nielsen study done in 2009 where 'Pay-Mate' was the preferred brand with 40 per cent of market share.

• Regulation

Regulation is not seen with a kind eye as long as market forces are concerned. They are considered to interfere with the normal working of the market.

However, regulation in mobile banking becomes very important as it creates an environment which enables an effective working condition for such applications.

Some facilitating measures have also been undertaken like directives and permissions relating to security, specifying transaction limits etc.

Also it seems that mobile banking and financial services can go down the same path as by the mobile recharge coupons. Ease and convenience would be the driving factors in this case.

Thus, the 4 R as given by Probir Roy will be fundamental in deciding the success and growth of mobile banking but it will most definitely emerge as the preferred option than online banking and credit cards.

Advantages of Mobile Banking

Probably the biggest advantage to banks that mobile banking offers is the reduction in costs to provide service to customers. The cost associated with electronic transactions is as low as \$0.10. Further, it opens up the opportunity for banks to cross sell their products and financial services like credit cards etc.

Even for service providers, mobile banking offers a win-win situation. In saturated markets in the developed world like Korea, mobile penetration is not so attractive. Mobile banking can now help increase revenues. To provide better service to customers, service providers can now share information to customers regarding the time and value of purchase on their mobile phones. This will also help reduce credit card fraud. Along the same lines, banks can set reminders for customers regarding their upcoming loan

repayments or send copies of bills. The customer would simply authorize payment through their mobile phones.

The customers can also request for specific information like stop cheque or to view deposit details etc using his mobile phone.

Thus mobile banking helps banks not only to reduce costs, but provide services to customers at lower costs. This will help in customer profiling.

Further convenience becomes very important as a mobile is carried by the customer most of the time and frequent visits to the bank or ATM are not required. Footfalls will reduce thus leading to less operational costs in terms of employee costs. Phone based credit systems can soon be a reality in the near future thus widening the benefits received due to mobile banking..

Automation thus helps banks to personalize their services. For example, if the customer requires his account balance after completing a transaction, an automated reply can be sent.

Hence it is important to analyze the business benefits of mobile banking.

Business Benefits

- **Robust Inclusivity Framework**

Mobile Banking has tremendous scope for financial inclusion. It can enable banks to include its diverse customer segments from corporate to high net worth

individuals, from unbanked groups to its high valued customers. It helps overcome the problems associated with diversity of location, differentiated mobile phones, far flung branches etc.

- **Maximize Innovation**

Rapid innovation helps to configure various services from any channel to a mobile. There will be instant delivery of financial services to customers on mobile phones with the new improved features. Therefore, innovation is the backbone for a mobile banking interface. Growing competition can be tackled by constant upgradation and innovation.

- **Robust Security**

Mobile Banking will require good security with proper encryption and a good referral system in place. This will enable banks to offer complex financial services with a robust security network. A two factor or multi factor encryption with authentication ensures a safe security net enabling banks to protect its customers from the security threats and attacks in mobile transactions.

- **Cost Savings**

There is significant cost savings attached for the banks as already discussed. The mobile banking business model is independent of the service provider of the customer, thus reducing the necessity to opt for a revenue sharing model with them. Thus, it is attractive for banks to opt for mobile banking.

- **Customer Delight**

Mobile banking offers convenience and ease of banking to customers using various technologies. Customer convenience has assumed prime importance as it enables customers to make queries regarding account balances, impending loan repayments etc anytime anywhere. Banks can share and disseminate information in a secure framework

- **Increase market penetration**

Mobile banking goes a long way in reducing costs and helps increase penetration of services especially in rural areas. Mobiles can now be used as cash and credit cards and enable merchants for faster and safer transactions. It reduces the need to carry plastic money or cash. It also reduces the need to physically access a service point of a bank.

- **Sell more services to existing customers**

Mobile Banking helps understand and address the latent demand among customers. The mobile could then be used as a new functionality or as a different way to interact through the use of technology.

- **Retention of most valuable customers**

It helps retain the most profitable customers who bring in the most business.

This will ensure that they do business with the banks and reduce the chances of them moving to a different bank. Banks can make technology and innovation their core competency as it would be inimitable and difficult for competitors to copy. Banks can thus extend the concept of ease of banking and convenience to all its products through mobile banking technology.

Some Success Stories

1. LG Telecom, South Korea

South Korea has been the leader in pioneering the evolution and introduction of technology in services. LG telecom was the smallest of the mobile service providers in South Korea when it collaborated with Kookmin bank and launched what came to be known as 'Bank on' service. Smart chips were inserted into mobile phones so that customers could access all transaction and enquiry based queries. The chip helped in authentication and identification and made the process more streamlined. Further, these chips began to be used as cash cards. Thus, today, users use their mobile phones to pay for travelling or eating at a restaurant.

2. Reliance Communications

Reliance has decided to introduce money transfer facility on reliance mobile phones with a joint venture initiative with ICICI Bank. This is considered an easier alternative to account to account transfer

of funds within banks. R Comm has pegged the volume of money transfer at \$24 billion annually. This tie up is strategic to Reliance and ICICI as it will help their existing customers to transfer money through mobile phones and encourage the usage of each others services. Thus this shows a wonderful way of cross selling and tie- ups in mobile banking sector.

3. ABN Amro, India

This organization uses an application called MPOWER which lets its customers' access account information through SMS. Other services provided are balance and transaction inquiries, Cheque Inquiry and Stop Cheque, Change Pin, Presentation of Bills and Payment etc.

Therefore, ABN Amro has successfully levered on the mobile banking technology to provide to its customers a better banking experience.

Disadvantages of Mobile Banking

- **Insecurity**

Mobile banking is considered to be safer than online banking as it is protected from viruses and Trojans. However, mobile banking has its own threats most significant among them being 'smishing'. A customer receives a fake SMS asking for the details of his account number etc. seemingly from a bank. Many such cases have been reported and money from accounts has been stolen due to this.

The security of confidential information and safety of transactions conducted needs to be addressed most urgently by mobile phone companies, service providers and banks. It is very important to check:

1. *That the mobile phone is in secure hands*
2. *The requirement of ID/Password in the event of theft or loss of the mobile device.*
3. *Proper Authentication of the customer/user before any transaction or inquiry.*
4. *Encryption of data.*
5. *Encryption of data stored in banks and in the mobile device.*
6. *Usage of One time Password to prevent fraud.*

Thus the above points should be given serious thought for safe mobile banking.

- **Compatibility wallet and mobile phone image by Pavel Bernshtam from Fotolia.com**

Mobile Banking is not supported in just any handset and in India one requires a smart phone or a RIM Blackberry to avail of these services. Some of the handsets have no option of mobile banking at all. Banking application services are available only on RIM and Apple I Phones. Further, the advanced facets of mobile banking are only available on high end sophisticated phones.

- **Cost**

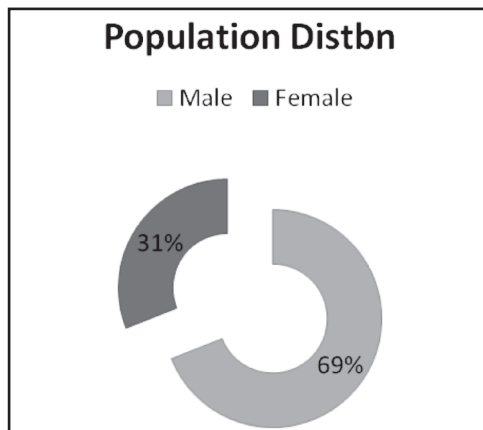
Network service charges are expensive. The costs associated to mobile banking may not be substantial in the presence of an existing compatible device, but charges for data and text messaging are quite high. Some financial institutions charge a premium fee for mobile banking service and for the software. These costs can be very high if there is frequent usage of mobile banking services.

- **Handset operability**

A variety of mobile handsets makes it difficult to offer mobile banking services of uniform nature on these devices. They support different application like JAVA ME, SMS or WAP.

Primary Research Data Analysis

Following is the result of the research conducted by the researcher to investigate the awareness level and popularity of Mobile Banking among a population sample of 100 people in IBS, Hyderabad and its surrounding area.



The women respondents were 31% and male respondents were 69% in the sample taken.

Objective

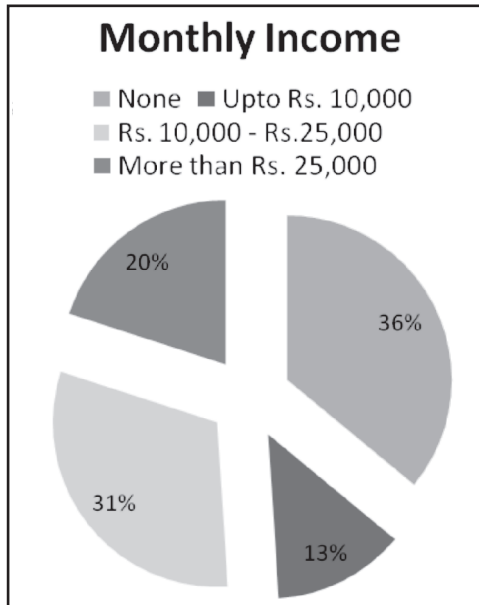
The respondents were asked questions on various facets of Mobile Banking to gauge the awareness level, frequency of use and willingness to pay a premium for such services.

Methodology

A questionnaire has been developed keeping in mind the information required from the respondents. It covers various fields such as familiarity with the various services of Mobile Banking to the frequency of use, amount to premium willingly paid to avail such services and also to understand the demographics of the sample population who typically use this service. The questionnaire has been attached in Annexure.

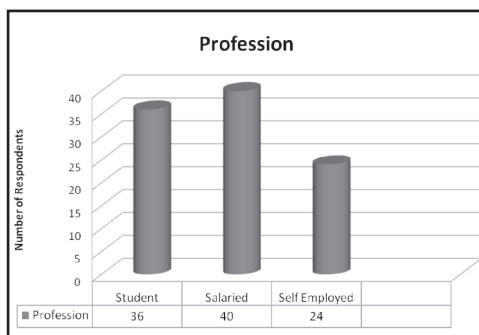
Analysis of Data

The distribution of monthly income of the respondents has been shown in the following chart. This data will reveal further interesting facts associated with mobile banking usage. However, the drawback has to be kept in mind that respondents by human nature do not like to reveal their actual income and as such the data could be understated or overstated.



It also becomes necessary to analyze and understand the sample population from the point of view of the profession of the respondents. This will help understand the distribution of monthly income better as well.

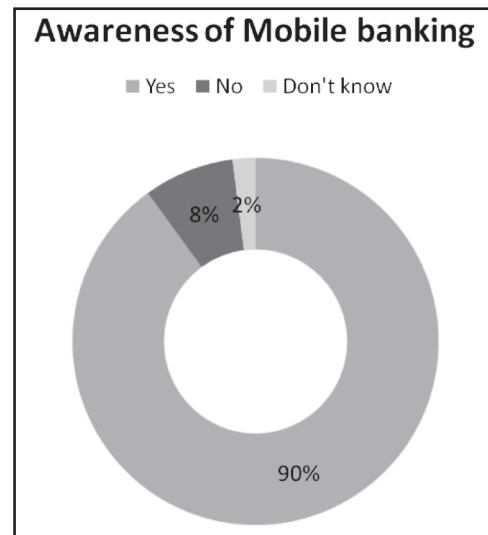
Following is the comprehensive result of the sample population as regards the profession.



Therefore, the maximum respondents are salaried respondents followed by students and self employed people. The interesting

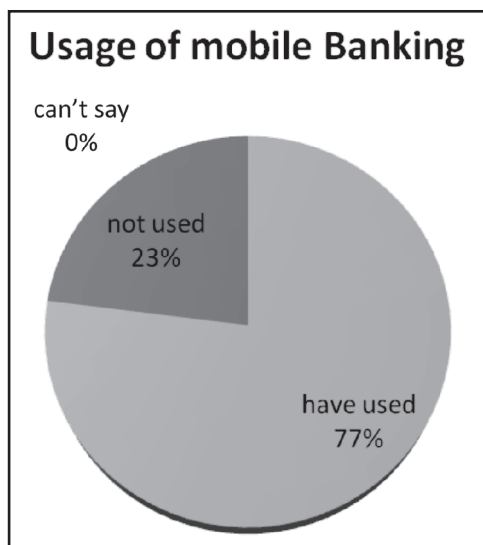
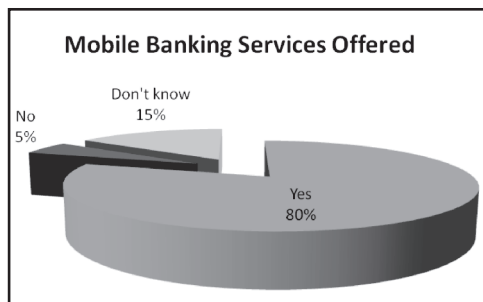
thing is that students have reported no income as expected. So we can directly attribute the 36% of no income respondents to the students.

Most of the respondents have given a positive response to the awareness of Mobile Banking as can be seen that nearly 90% of the respondents have given an affirmative answer. 8% have said 'No' whereas 2% have said 'Don't know'.

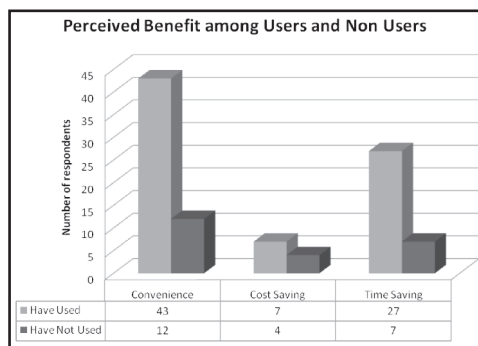


Another interesting result was that nearly 80% respondents said that their banks offered mobile banking services, 5% said their bank did not and 15% said they did not know. However, on analyzing this information with the data of usage of mobile banking, startling facts were seen. Out of the 80% respondents whose banks offered mobile services, 77% said they use these services. Rest replied in the negative. This helps to realize that there is a gap in the awareness and usage of

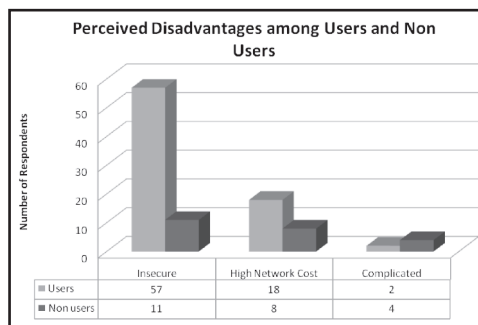
mobile banking which provides opportunity for banks to meet.



Frequency of usage also showed moderate results with around 38% respondents saying their usage is 'Regular', 39% saying 'Occasional' usage and 23% saying 'Never'. Moving on its important to understand the perceived benefits and disadvantages associated with mobile banking. 'Convenience' scored the highest in terms of advantages perceived both among those who have used mobile banking (43%) and the non users (12%) and the most disadvantageous aspect was considered to be 'Insecurity'.



Thus, Cost saving was least advantageous with 7% and 4% among users and non users respectively. Time Saving was also considered important with 27% respondents and 7% of the non users giving it importance. Following is the Perceived disadvantages associated with Mobile Banking Services among users and non users.

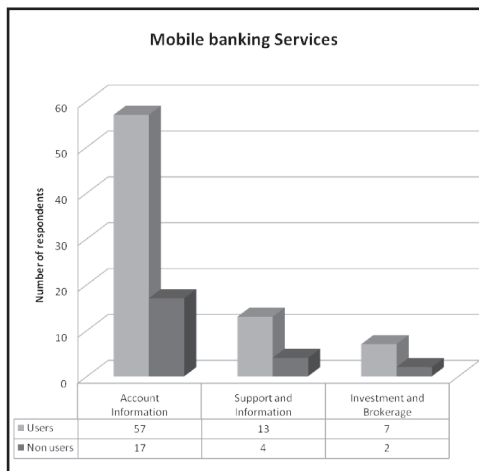


Insecurity scored 57% and 11% among users and non users respectively followed by High network costs (18% for users and 8% for non users) and Complicated (2% for Users and 4% for Non Users).

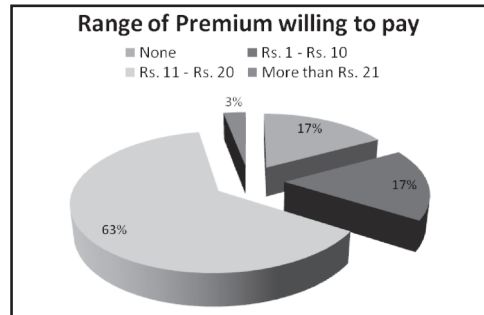
As expected respondents associated high risk (almost 95% of respondents) associated with mobile banking and placed the most importance on reputation

of the banks (88%). This shows that among the sample population, Risk is a very important factor which can to some extent be mitigated by the reputation of the bank offering the mobile banking services.

The most used mobile banking service according to the sample population was for account information (57%) followed by support and information (13%) and least was for brokerage and investment at (7%). Among non-users also, the perceived services to be used was account information (17%) followed by support and information (4%) and brokerage and investment (2%).



Most of the respondents (83%) agreed to pay a premium to avail mobile banking services. The respondents it seems chose the middle path and indicated that the premium they were willing to pay was in the range of Rs.11 to Rs. 20 (around 63 %). It has been shown in the following chart.



Thus, this data analysis shows a high potential for banks to introduce mobile banking provided there is adequate security and infrastructure in place. There is a high probability for non users also to be converted to users as well. The users and non users are aware of the benefits and costs associated with these services and are willing to pay a premium as well. Thus with proper risk management, good reputation and run rate, and secure regulations, mobile banking can serve a huge customer base.

Conclusion

Mobile banking is a relatively new concept and thus it requires some time to catch on. The advantages greatly outnumber the disadvantages and would prove profitable for the banks given the willingness to pay premium by the customers. Banks should invest in upgradation of technology and infrastructure to provide adequate security and ease of transactions etc. With mobile phones becoming a necessity and increasing penetration, banks can tie up with service and handset providers as well.

Thus, I can conclude that Mobile Banking has high Risk but with proper Regulation and Reputation, the Run Rate of the banks can be significantly improved.

Annexure**Questionnaire**

Name:

Age:

Gender:

Profession:

Avg. Monthly Income:

- | | |
|--|--|
| 1. Do you know about the concept of Mobile Banking? <ul style="list-style-type: none">• Yes• No• Don't know | 5. What do you perceive are the advantages of Mobile Banking? <ul style="list-style-type: none">• Convenience• Cost saving• Time Saving |
| 2. Does your bank offer the services of Mobile Banking? <ul style="list-style-type: none">• Yes• No• Don't know | 6. What do you perceive are the disadvantages of Mobile Banking? <ul style="list-style-type: none">• Insecure• High network cost• Complicated |
| 3. Have you ever used Mobile Banking? <ul style="list-style-type: none">• Yes• No• Can't Say | 7. What is the risk (as perceived by you) associated with Mobile Banking? <ul style="list-style-type: none">• Low Risk• Moderate Risk• High Risk |
| 4. How frequently i.e. how many times have you used Mobile Banking? <ul style="list-style-type: none">• Never• Occasionally• Regularly | 8. How important is the reputation of the Bank for you to opt for Mobile Banking? <ul style="list-style-type: none">• Not Important• Important• Very Important |

9. Which service of mobile banking do you use most frequently?
 - Account Information
 - Support and Information
 - Investment and Brokerage
 10. Are you ready to pay a premium to avail mobile banking services?
 - Yes
 - No
 11. How much premium?
 - None
 - Rs.1 – Rs.10
 - Rs.11 – Rs.20
 - More than Rs. 21
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MID-CAREER DERAILMENT: AN EMPIRICAL STUDY

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Abstract

This paper makes an attempt to know the various reasons for which the mid life crisis comes in the life of an employee. No person would be mentally ready to get this unwanted and that to unexpected crisis. However, during the study we found certain gaps between the expectations of the employers and performance level of the employees which contributes a lot in this direction. Through this paper we tried to touch certain issues which would help to some extent for controlling the crisis. To understand the ground reality, a survey was conducted in both the organized and unorganized sectors. 200 questionnaires were distributed of which 118 responses were received.

Key words- Career derailment, Perception, Employee

INTRODUCTION

Mid-career derailment can happen any time, but in times like today, there is no room for complacency. The people who have been studying derailment for many years estimate that between 20 to 50 percent of high potential managers will get derailed along way. Hence, an employee needs to either do something to avoid such a

situation or if it has already occurred, needs to control to get back into the normal track again. This is unique phase in an employee's career or in between the career when the employee experiences a decline in his/her performance and struggles in meeting the organization's expectations. For a talented employee

this may happen due to overconfidence, reluctance to adapt to the nature of job, arrogance or feeling of inferiority or superiority. This may be also be possible that when an employee, after some years of high growth sees his /her career stalling; this may be due to the loss of motivation or getting into a role not aligned to his/her intrinsic strengths. This may also be because of unwillingness to adapt to the changes and sometimes also due to the mismatch of skills.

OBJECTIVE OF THE STUDY

- ✓ To understand the employees' perception towards the various questions related to the mid-career derailment
- ✓ To suggest some corrective steps towards this issue.

LIMITATIONS OF THE STUDY

- ✓ The study is limited to Bhubaneswar, Odisha
- ✓ The sample size is limited; it may not give the exact picture.
- ✓ The period of study is for 3 months, that is, August 2011 to October 2011.

SAMPLE & METHODOLOGY OF THE STUDY

For the purpose of the study, 200 questionnaires were distributed and the sampling technique adopted was Stratified Random Sampling. Finally, 118 responses were received, which includes 42 female respondents. For the purpose of the survey, employees from both organized and unorganized sectors were selected. Simple percentage method was followed for presenting the data in a simple way.

Respondents on the basis of age group

Age group	Frequency	Percent	Cumulative percent
Less than 20	24	20.34	20.34
20-30	37	31.36	51.70
30-40	28	23.73	75.43
40-50	16	13.56	88.99
More than 50	13	11.01	100
Total	118	100	

Source: Compiled from field survey

Respondents on the basis of educational back ground

Education	Frequency	Percent	Cumulative percent
Less than 10 th class	57	48.31	48.31
Under graduates	49	41.53	89.84
Post Graduates	12	10.16	100
Total	118	100	

Source: Compiled from field survey

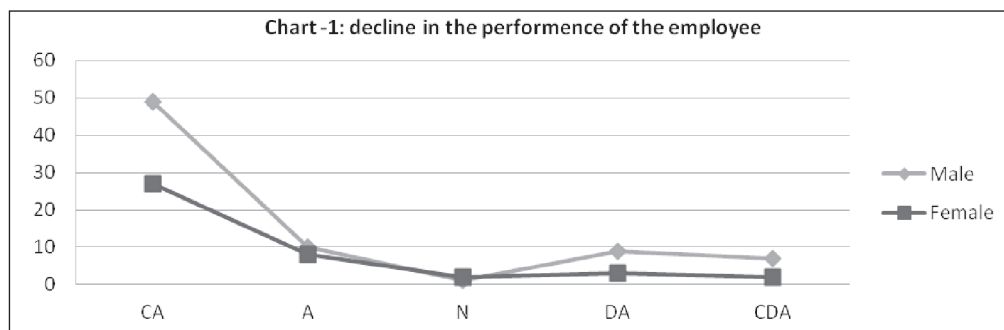
FINDINGS OF THE STUDY

1. Do you believe that a decline in the performance of the employee causes derailment?

Gender	F	CA	%	A	%	N	%	DA	%	CDA	%
Male	76	49	64.47	10	13.16	1	1.3	9	11.84	7	9.23
Female	42	27	64.29	8	19.05	2	4.76	3	7.14	2	4.76
Total	118	76		18		3		12		9	

Source: Compiled from filed survey, F- Frequency, CA-Completely Agree, A-Agree, N- Neutral, DA- Dis Agree & CDA- Completely Disagree.

Interpretation: Responding to this 64.47% of male and 64.29% of female completely agreed. Only 11.84% of male and 7.14% of female did not agree. Similarly, 9.23% of male and 4.76% of female did not agree.

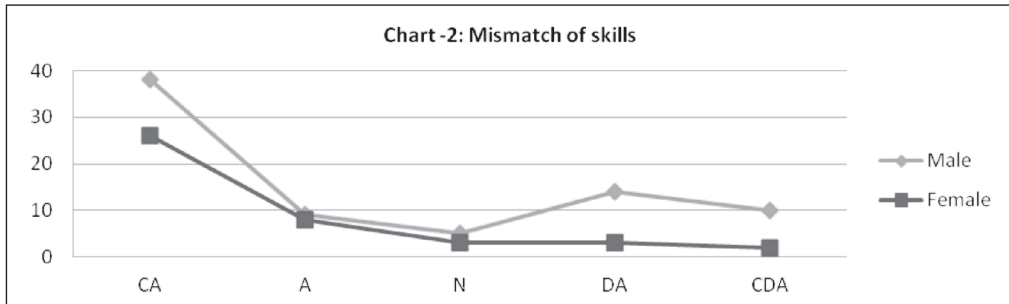


2. Do you think that mismatch of skills a person possesses and skills required to complete a task is one of the reason for derailment?

Gender	F	CA	%	A	%	N	%	DA	%	CDA	%
Male	76	38	50	9	11.84	5	6.58	14	18.42	10	13.16
Female	42	26	61.90	8	19.05	3	7.14	3	7.14	2	4.77
Total	118	64		17		8		17		12	

Source: Compiled from filed survey, F- Frequency, CA-Completely Agree, A-Agree, N-Neutral, DA- Dis Agree & CDA- Completely Disagree.

Interpretation: Answering to this 50% of male and 61.90% of female completely agreed. 6.58% of male and 7.14% of female were neutral and rest belongs to other remaining category.

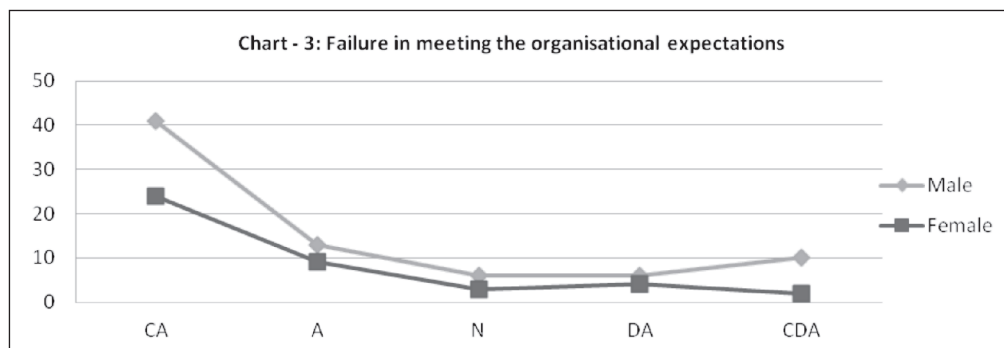


3. Do you agree that when a person struggles in meeting organizational expectations causes the derailment?

Gender	F	CA	%	A	%	N	%	DA	%	CDA	%
Male	76	41	53.95	13	17.11	6	7.89	6	7.89	10	13.16
Female	42	24	57.14	9	21.43	3	7.14	4	9.52	2	4.77
Total	118	65		22		9		10		12	

Source: Compiled from filed survey, F- Frequency, CA-Completely Agree, A-Agree, N-Neutral, DA- Dis Agree & CDA- Completely Disagree.

Interpretation: Participating to this question 53.95% of male and 57.14% of female strongly supported the view. 13.16% of male and 4.77% of female completely disagreed and rest joined the other category.

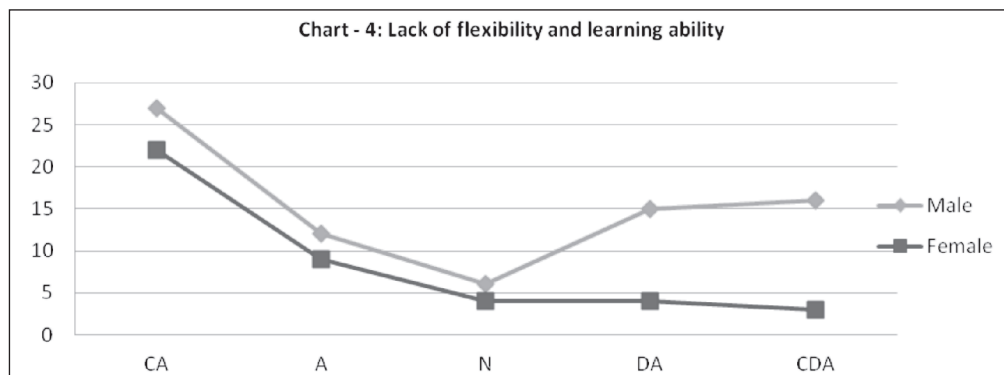


4. Do you agree that hardening of attitude with time and lack of flexibility and learn ability of employee causes the derailment?

Gender	F	CA	%	A	%	N	%	DA	%	CDA	%
Male	76	27	35.53	12	15.79	6	7.89	15	19.74	16	21.05
Female	42	22	52.38	9	21.43	4	9.52	4	9.52	3	7.15
Total	118	49		21		10		19		19	

Source: Compiled from filed survey, F- Frequency, CA-Completely Agree, A-Agree, N-Neutral, DA- Dis Agree & CDA- Completely Disagree.

Interpretation: Joining to this query, 35.53% of male and 52.38% of female completely agreed. 19.74% of male and 9.52% of female disagreed to this.

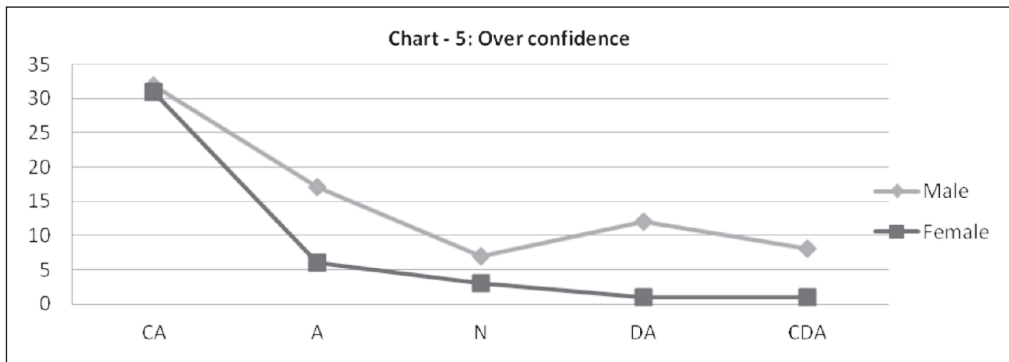


5. Do you believe that due to over confidence of the employee causes the derailment?

Gender	F	CA	%	A	%	N	%	DA	%	CDA	%
Male	76	32	42.11	17	22.37	7	9.21	12	15.79	8	10.52
Female	42	31	73.81	6	14.29	3	7.14	1	2.38	1	2.38
Total	118	63		23		10		13		9	

Source: Compiled from filed survey, F- Frequency, CA-Completely Agree, A-Agree, N-Neutral, DA- Dis Agree & CDA- Completely Disagree.

Interpretation: Responding to this 73.8% of female, 42.11% of male completely agreed. 9.21% of male and 7.14% of female decided to be neutral and rest belongs to others.

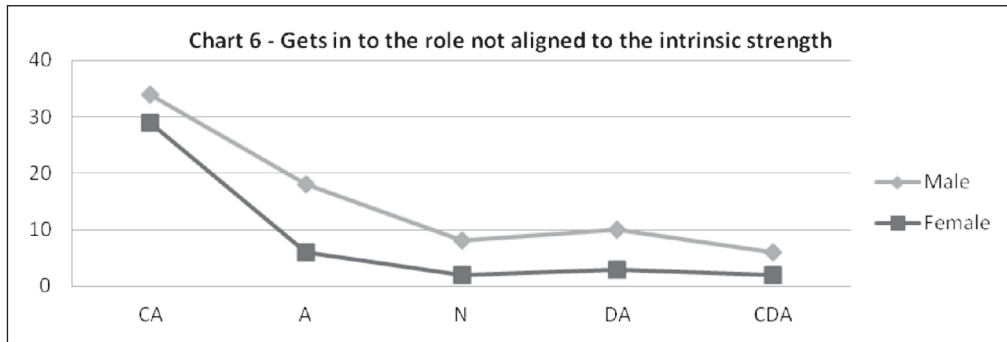


6. Do you agree that when the employee gets in to the role not aligned to the person intrinsic strength causes derailment?

Gender	F	CA	%	A	%	N	%	DA	%	CDA	%
Male	76	34	44.74	18	23.68	8	10.53	10	13.16	6	7.89
Female	42	29	69.05	6	14.29	2	4.76	3	7.14	2	4.76
Total	118	63		24		10		13		8	

Source: Compiled from filed survey, F- Frequency, CA-Completely Agree, A-Agree, N-Neutral, DA- Dis Agree & CDA- Completely Disagree.

Interpretation: Answering to this 44.74% of male, 69.05% of female supported the view completely. 13.16% of male and 7.14% of female disagreed. 4.76% of female and 7.89% of male completely disagreed.

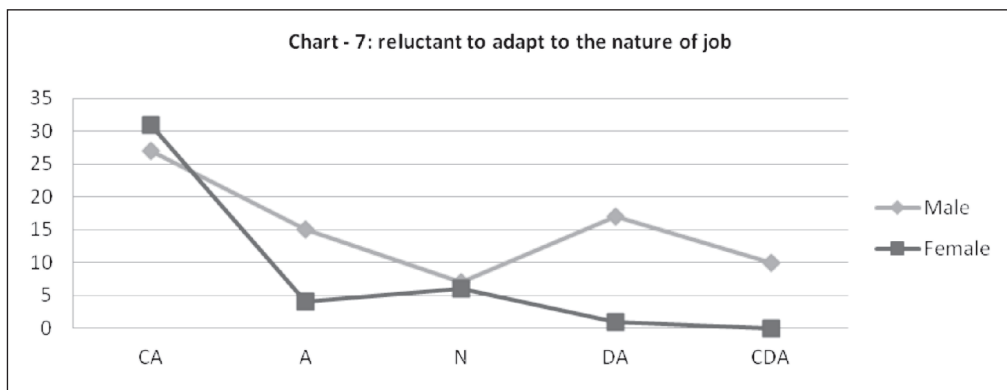


7. Do you believe that reluctant to adapt to the nature of business or job one of the reasons?

Gender	F	CA	%	A	%	N	%	DA	%	CDA	%
Male	76	27	35.53	15	19.74	7	9.21	17	22.37	10	13.15
Female	42	31	73.81	4	9.52	6	14.29	1	2.38	-	-
Total	118	58		19		13		18		10	

Source: Compiled from filed survey, F- Frequency, CA-Completely Agree, A-Agree, N-Neutral, DA- Dis Agree & CDA- Completely Disagree.

Interpretation: Responding to this 35.53% of male and 73.81% of female completely agreed. 22.37% of male and 2.38% of female disagreed.

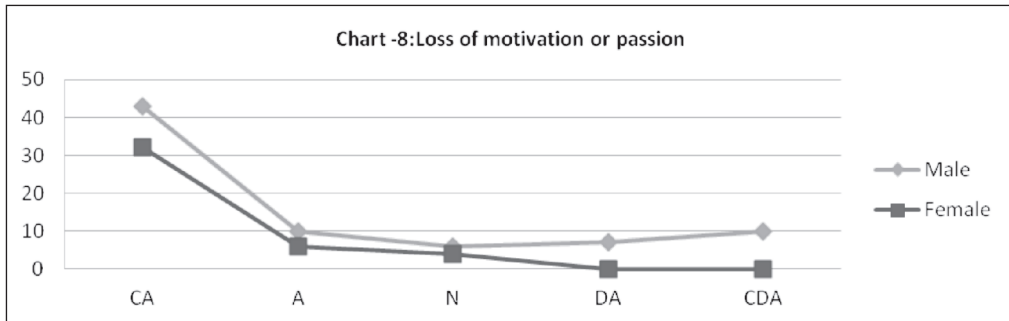


8. Do you feel that loss of motivation/ passion causes the derailment?

Gender	F	CA	%	A	%	N	%	DA	%	CDA	%
Male	76	43	56.58	10	13.16	6	7.89	7	9.21	10	13.16
Female	42	32	76.19	6	14.29	4	9.52	-	-	-	-
Total	118	75		16		10		7		10	

Source: Compiled from filed survey, F- Frequency, CA-Completely Agree, A-Agree, N-Neutral, DA- Dis Agree & CDA- Completely Disagree.

Interpretation: Participating to this 76.19% of female and 56.58% of male completely agreed. From the female side there were no respondents for disagree and completely disagree.

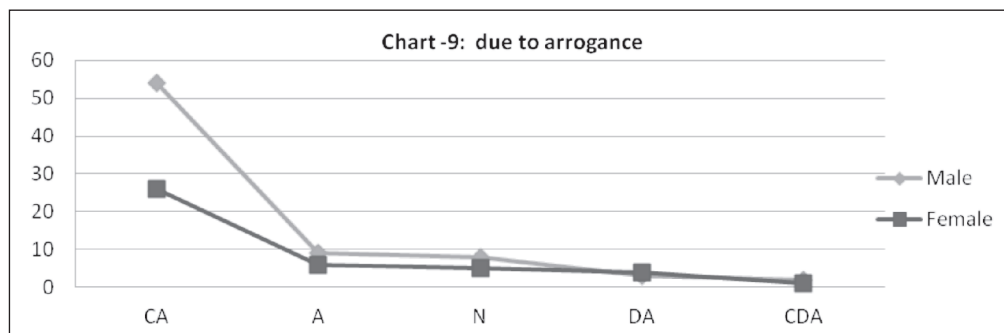


9. Do you agree that due of arrogance of the employee sometimes causes the derailment?

Gender	F	CA	%	A	%	N	%	DA	%	CDA	%
Male	76	54	71.05	9	11.84	8	10.53	3	3.95	2	2.63
Female	42	26	61.90	6	14.29	5	11.90	4	9.52	1	2.39
Total	118	80		15		13		7		3	

Source: Compiled from filed survey, F- Frequency, CA-Completely Agree, A-Agree, N-Neutral, DA- Dis Agree & CDA- Completely Disagree.

Interpretation: Joining to this 71.05% of the male and 61.90% of female agreed completely. Only 2.39% of female and 2.63% of male completely disagree.

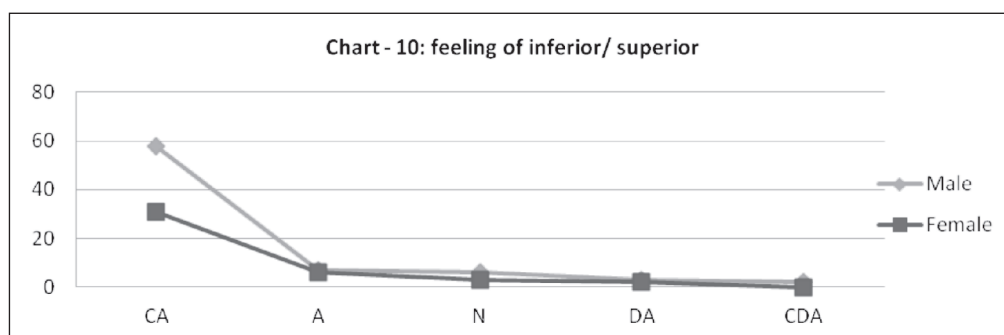


10. Do you believe that feeling of being inferior / superior causes derailment?

Gender	F	CA	%	A	%	N	%	DA	%	CDA	%
Male	76	58	76.32	7	9.21	6	7.89	3	3.95	2	2.63
Female	42	31	73.81	6	14.29	3	7.14	2	4.76	-	
Total	118	89		13		9		5		2	

Source: Compiled from filed survey, F- Frequency, CA-Completely Agree, A-Agree, N-Neutral, DA- Dis Agree & CDA- Completely Disagree.

Interpretation: Responding to this 76.32% of male, 73.81% of female completely agreed. 2.63% of male and no respondents from female category towards completely disagree.



Suggestions:

- ✓ Ask for immediate feedback from the people around you. It is very important to assess your capabilities and gaps you need to work on and accept them.
- ✓ Be rooted and pay attention to the organization's culture and dynamics. You will be surprised how both change without any notice.
- ✓ Display empathy and be sensitive to people.
- ✓ Break out of the rut, Learn from the mistakes that you and other make.
- ✓ Be introspective of which stage of your career you are in, the hunger to learn and evolve has to persist within.

CONCLUDING NOTE

Career derailment is a process. It does not happen overnight, and it can be prevented, interrupted in many cases. One must get into roles, which are aligned to one's strengths and interests. Also, one must maintain a flexible and learning orientation, and should be able to relax and maintain emotional equanimity. The person who is already hit should be highly committed towards making the necessary changes to get back into the normal track. These setbacks or failures are a learning process. It is important to honestly

analyse the root causes. It is important to think deeply on what really interests the individual and what his/her strengths are, and whether the current role utilizes them. Having supportive mentor may be very helpful in doing this analysis and installing confidence in the individual. Then, one should make a plan to get back on the normal track. This may mean a lateral move within the organisation or moving to other role outside the current company. In both the cases, the individual should take care to see that role requirements are aligned to one's strengths and interests. Hence, if the employee carries the right attitude and passion towards work and is open to learning, he/she will never be on the edge of career crisis, rather would move towards success. ***This Success is like a train, it has several coaches like hard work, focus, luck, attitude and vision. But, leading all these, there is the engine of Confidence. So have a confidence on your potentials.***

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