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ASSESSMENT OF DEMOGRAPHIC IMPACT ON FEMALE PSYCHOGRAPHICS

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ABSTRACT

The mall culture that got established since 2011 onwards was something urban India had never witnessed earlier. Retail-real estate synergy had started addressing an uptrend in the metros from 2012 onwards. Even, the consumer perception towards a mall has changed drastically over the past decade; from just considering a mall as an entertainment option to a complete shopping zone. Also, realizing the psychologically involved nature of women in shopping in comparison to their male counterparts, the current study aims at examining the relationship between the demographic variables and psychographic purchase behaviour of females shopping women apparels and accessories in the stores in Delhi malls. This study is based on empirical research conducted through a mall intercept survey in 6 malls in Delhi chosen purposely. It followed multi-stage sampling with a sample size of $100 \times 6 = 600$ female shoppers. The findings of this study are consistent and have been supported by previous studies. It revealed that demographical factors have an impact on the buying pattern of the respondents. The conclusion advocates that there exists a significant relationship between the demographical factors and the psychographic purchase behavior of the female shoppers. However, the relationship between age and psychographic purchase did not reach the level of statistical significance yet, the purchase behaviour varied with age.

Keywords: demographics, psychographic purchase, mall intercept, accessories.

INTRODUCTION

FEMALE BUYING BEHAVIOUR

Modern marketing has actually relied on gender to understand and then explain consumer behaviour (Caterall & MacLaran, 2002). And, talking about the

fairer sex, women are considered to be more psychologically involved in shopping and would attain more joy and would spend more time doing shopping (Arnold & Fischer, 1994). Some marketers support the sale to be done to both genders, yet, some prefer to target their

consumers based on gender. Hence, women have been chosen as the target group for the current study (Alreck & Settle, 2001).

DELHI-A PROSPECTIVE RETAIL LOCATION

Delhi being a prospective market occupied by people with high income levels is a relevant location for the study. Confederation of Indian Industry reports, CII (2006) even claimed that after Dubai, Singapore and Hong Kong, the next prosperous retail giant was Delhi. It also reported Delhi with 25% of the country's richest families living here. On average, 40% of a family's spending was documented to be on food, clothing and entertainment which again implied Delhi having a good market potential for the organized retail sector. Also, the report by Knight-Frank Research about "Think India. Think Retail 2016", reported that Delhi has got the largest customer base for retail across all the major urban centres in the country which makes it an ideal target for retail.

WOMEN APPARELS AND ACCESSORIES

Buying clothing is like buying one's identity (Tungate, 2008). Buying the right clothing can enhance a person's self-esteem and also, the acceptance by other people (Easey, 2009). Clothes are even regarded to reflect one's social identity and personality (Craik, 2009). Women apparels and accessories have been the products of utmost relevance and relative

usage to a woman (Dauriz L., et al, 2013). Country Report (2016) stated that in the year 2015, apparel accessories industry continued to show strong growth in India. Apparels accessories witnessed a major retail growth of 15% in 2015 with sales touching up to Rs 23 billion. In fact, The Hindu, Special Correspondent (2013) revealed the results of a survey by ASSOCHAM (The Associated Chambers of Commerce and Industry of India, 2013) about the consumption patterns of youth in Delhi. It was also documented that the youth of Delhi spent more amount on apparels and accessories in comparison to their counterparts in the other metropolitans in India.

DEMOGRAPHICS AND PSYCHOGRAPHICS

Demographics refer to the selected population features / characteristics used in marketing or opinion research. Some of the commonly-used demographics may be age, race, income, disabilities, educational qualifications, occupation, employment status etc. Demographics come out to be such independent variables which can have a substantial impact on consumer lifestyle and hence, purchase decisions. The variables like activities, interests, opinion, expectations, likes or dislikes, consumption and feelings, in aggregate are termed as dependent variables (Hawkins, et al, 1989).

For this study, age, marital status, education and income have been identified as the four demographic (independent) variables

along with 78 psychographic (dependent) statements defining self-evaluation, family, shopping, clothing shopping and accessories shopping. The responses were collected on a 5-point Likert's scale revealing the impact of demographics on the purchase pattern of the female customers reflected by their psychographic score in Delhi malls for shopping of women apparels and accessories. Higher the psychographic score, stronger is the purchase pattern.

REVIEW OF LITERATURE

Demographics tend to impact the purchase patterns of the consumer. Studies conducted in the past to evaluate the impact of demographics on female buying behavior nationally and internationally prove the relevance and significance of the current study. Lakshmi N.K. & Sreenivas D.L. (2016) conducted a study on branded apparels purchase in Bangalore to report that income of the respondents and even, occupation had a significantly positive association with the consumer buying behaviour. Ahuja N. (2015) documented that brand consciousness seemed decreasing with increasing age. Thus, age showed a relevant relationship with purchase of brands in the fashion industry in India. Awan A. & Abbas N. (2015) also reported the impact of gender, age, education and income of consumers on the impulsive buying in Multan, Pakistan. It was revealed that all the mentioned demographical factors had significant relationship with the buying behaviour. Chakrapani A. (2015) stated

that Generation Y was very particular about brands and the range of apparels. Suresh K C & Vijaya (2014) conducted a study on the youth shopping branded clothing in malls in India. It was reported that different personal factors show variations in the consumers' buying decision depending upon their age and gender. Singh N. & Sarvanan R. (2013) studied female buying behaviour for apparels in Coimbatore and the study revealed that young generation was more conscious about fashion trends in comparison to the older age groups. Junaid B.A., et al (2013) reported that female consumers with increasing income increased their spending on purchase of cosmetics in Delhi. Sharma S. (2013) studied the impact of females buying behaviour in Uttarakhand district. It was reported that 83% of the respondents identified income to be the most critical factor that affects the purchase decision of females and majority of the women were even influenced by the tastes and preferences of others while purchasing (children and family). Hence, demographical impact on purchase pattern is quite relevant and undeniable for the study. Referring to the earlier studies, the current research has been undertaken in order to add insights into it regarding female shopping in Delhi malls for women apparels and accessories. Also, it targets at filling the research gaps of studying the relationship between the demographics and psychographic purchase of women apparels and accessories in the same research.

RESEARCH METHODOLOGY

Objectives

The main purpose of the paper is to find out whether the change in the demographic variable leads to any change in the psychographic purchase pattern of female shoppers in Delhi malls for female apparels and accessories. The objectives have been defined below:

1. To evaluate the relationship between age and buying behavior of female customers towards apparels and accessories in Delhi malls.
2. To evaluate the relationship between marital status and buying behavior of female customers towards apparels and accessories in Delhi malls.
3. To evaluate the relationship between education and buying behavior of female customers towards apparels and accessories in Delhi malls.
4. To evaluate the relationship between income and buying behavior of female customers towards apparels and accessories in Delhi malls.

Hypothesis

H₀ 1: There is no significant relationship between Age and female buying behavior towards apparels and accessories in Delhi malls.

H₀ 2: There is no significant relationship between marital status and female buying behaviour towards apparels and accessories in Delhi malls.

H₀ 3: There is no significant relationship between education and female buying behavior towards apparels and accessories in Delhi malls.

H₀ 4: There is no significant relationship between income and female buying behavior towards apparels and accessories in Delhi malls.

Research Design and Sampling Plan

This study is based on primary research. The research design is descriptive. Female customers from 18 years and above who were found shopping in the top-rated stores of women apparels and accessories in malls in Delhi were chosen as the target population. The sampling frame included the 6 major malls in Delhi; Select city walk (Saket), DLF (Saket), Metro walk mall (Rohini), Emporio (Vasant Kunj), DLF Promenade (Vasant Kunj) and City Square Mall (Rajouri Garden). These malls were chosen based on 3 conditions; the year of operation being atleast from year 2010, area occupied accounted to be atleast 200000 sq. feet and there were atleast 20 brands of apparels and accessories available in each mall. Multi-stage sampling was used as the sampling technique on a sample size of 600 female respondents via mall intercept survey.

DATA COLLECTION AND RESEARCH TOOLS

An adapted questionnaire¹ with some modifications with respect to Indian context was used for data collection. A pre-test was conducted on a sample of 100

respondents to check the reliability of the questionnaire. Cronbach’s alpha came out to be 0.882 which is considered significant and hence, the questionnaire was used for further data collection .The response rate was 93% as 556 questionnaires out of 600 were completely filled. SPSS 20 was used for data analysis. Analysis was done through one-way ANOVA (Analysis Of Variance) and post-hoc test, LSD (Least Significant Difference). Mean plots were obtained to get a more comprehensive view of the variations in the dependent variables (psychographic purchase pattern) due to variations in the independent variables (demographic factors).

DATA ANALYSIS AND INTERPRETATION

Part –A: Relationship between age and psychographic purchase pattern.

Following is the descriptive analysis documented for the relationship between the categorical age of respondents and the psychographic purchase pattern shown in Table 1. The test of differences has been applied on a parametric scale using Analysis Of Variance which was found to be significant but didn’t reach the level of statistical significance ($F=2.09$, $p=0.101 > 0.05$) . The psychographic score based on means is the highest for the age group, 30-40 years and lowest for 40-50 year.

Age	N	Mean ±S.D.	F (Significance)
18-30 years	288	252.53±55.88	2.09 (0.101)
30-40 years	152	262.63±30.69	
40-50 years	58	248.18±35.40	
Above 50 years	58	253.25±46.49	

Table 1: Descriptive analysis of age-groups and psychographic score

1. Jadzakoná V. (2010), “Evaluation and Analysis of Questionnaire Lifestyle Segmentation”, Diploma Thesis (unpublished).

(Respondent Age)x	(Respondent Age) y	Mean Difference (x-y)	Sig.	95% Confi. Interval	
				Lower Bound	Upper Bound
18-30 yrs	30-40 yrs	-10.09*	0.03	-19.22	-0.96
	40-50 yrs	4.345	0.51	-8.76	17.45
	above 50 yrs	-0.72	0.91	-13.82	12.38
30-40yrs	18-30 yrs	10.09	0.03	0.96	19.22

	40-50 yrs	14.44	0.04	0.38	28.49
	above 50 yrs	9.37	0.19	-4.68	23.42
40-50 yrs	18-30 yrs	-4.34	0.51	-17.45	8.76
	30-40 yrs	-14.44	0.04	-28.49	-0.38
	above 50 yrs	-5.06	0.55	-21.97	11.84
above 50 yrs	18-30 yrs	0.72	0.91	-12.38	13.82
	30-40 yrs	-9.37	0.19	-23.42	4.68
	40-50yrs	5.06	0.55	-11.84	21.97

Table 2: Post-hoc (LSD) analysis of age groups and psychographic score

Post-hoc analysis of psychographic variables and age groups is given in Table 2 and Figure 1. It is clear that the females in the age group 18-30 years show statistically significant difference in their purchase behavior from the females in the age group of 30-40 years as $p < 0.05$ but not from the females above 40 years ($p > 0.05$). Also, age group 30-40 years behaves differently while buying apparels and accessories from the females in the age group between 40 to 50 years as $p < 0.05$. Females in the age group above 50 years scored lesser than those in 20-30 years age group, yet it could not reach the level of statistical significance. Hence, it can be said that purchase behaviour changes with variations in the age-group and thus, share a significant relationship with the female buying patterns, though not statistically significant always. Referring to Table 1 again, $p > 0.05$, hence, the null hypothesis $H_0 1$ is accepted as there is no significant (statistically) relationship between age and the purchase behaviour.

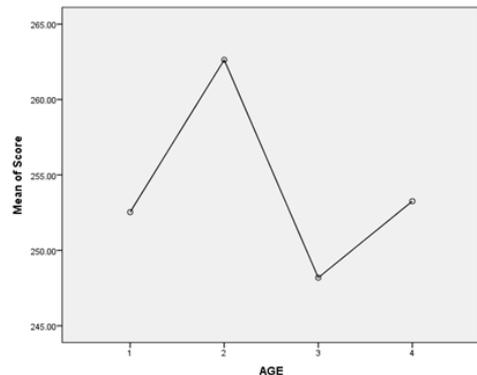


Figure 1: Mean plot of respondents' age and psychographic score

Part –B: Relationship between the marital status and purchase pattern.

Table 3 documents the descriptive analysis for the relationship between marital status and the psychographic purchase pattern of the female customers in Delhi malls. Applying one-way ANOVA, the test of differences is reported to be statistically significant ($F=22.96$, $p < 0.05$). The highest mean score was shown by females who were single followed by the married ones and the least by widows.

Marital Status	N	Mean \pm S.D.	F (significance level)
Single	159	279.06 \pm 35.24	22.96 (0.001)
Married	391	245.54 \pm 47.22	
Divorced	2	243.50 \pm .70	
Widow	4	217 \pm 15.38	

Table 3: Descriptive analysis of marital status and psychographic score

(Marital Status)x	(Marital Status)y	Mean Difference (x-y)	Sig.	95% Confidence Interval	
				Lower Bound	Upper Bound
Single	Married	33.52*	0.001	25.41	41.65
	Divorced	35.56	0.25	-25.87	97.01
	Widow	62.06*	0.005	18.35	105.78
Married	Single	-33.52*	0.001	-41.64	-25.4
	Divorced	2.04	0.94	-59.17	63.26
	Widow	28.54	0.19	-14.85	71.94
Divorced	Single	-35.56	0.25	-97.01	25.87
	Married	-2.04	0.94	-63.25	59.17
	Widow	26.5	0.48	-48.27	101.28
Widow	Single	-62.06*	0.005	-105.78	-18.36
	Married	-28.54	0.19	-71.93	14.85
	Divorced	-26.5	0.48	-101.27	48.28

Table 4: Post- hoc analysis of marital status and psychographic score

The post-hoc analysis through LSD has been shown in Table 4 and its mean plot in Figure 2. Single or unmarried females have shown statistically significant difference in their psychographic purchase patterns from married females and widows as the level of significance, $p < 0.05$. Also, the size of widows and divorced females is too small in the sample, therefore, it

doesn't hold valid to consider the results based upon these two categories. So, the remaining categories that are identified to be valid are; married and unmarried females. There exists statistically significant difference in the purchase behavior of these two categories. This shows that there exists significant statistical difference in the purchase patterns of female customers

based on their marital status. Hence, the null hypothesis, H_0 is rejected and the alternate is accepted.

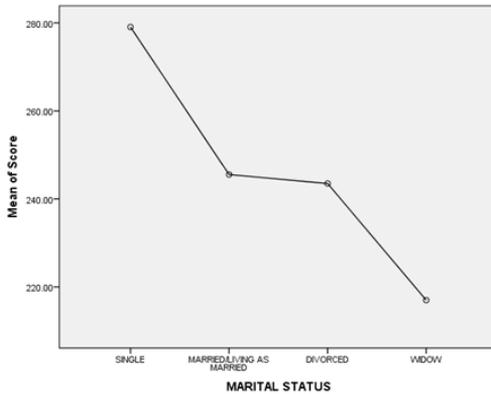


Figure 2: Mean plot of marital status and psychographic score

Part -C: Relationship between education and the purchase pattern.

Table 5 shows the descriptive analysis for the relationship of education and the psychographic purchase behavior for the females shopping in the top-rated stores of Delhi malls for female apparels and accessories. The test of differences reported using ANOVA has come out to be statistically significant ($F= 15.79$, $p < 0.05$). The highest psychographic score was reported by females who were post-graduates and the lowest by those with senior secondary education.

Education	N	Mean \pm S.D.	F(significance level)
Senior secondary	21	217.66 \pm 55.77	15.79 (0.001)
Graduation	152	241.22 \pm 43.45	
Post graduation	272	266.49 \pm 44.53	
Others	111	252.34 \pm 44.73	

Table 5: Descriptive analysis of respondents' education and psychographic score

(Respondent Education)x	(Respondent Education)y	Mean Differ. (x-y)	Sig.	95% Confidence Interval	
				Lower Bound	Upper Bound
Senior Secondary	Graduation	-23.55	.02	-44.02	-3.10
	Post Graduation	-48.82	.001	-68.73	-28.92
	Others	-34.67	.001	-55.58	-13.76
Graduation	Senior Secondary	23.55	.02	3.09	44.02
	Post Graduation	-25.27	.001	-34.17	-16.37
	Others	-11.11	.05	-22.09	-0.15

Post Graduation	Senior Secondary	48.82	.001	28.92	68.73
	Graduation	25.27	.001	16.37	34.17
	Others	14.15	.005	4.25	24.05
Others	Senior Secondary	34.67	.001	13.76	55.59
	Graduation	11.11	.04	.14	22.09
	Post Graduation	-14.15	.005	-24.05	-4.26

Table 6: Post hoc analysis of education level and psychographic score

The post hoc analysis (LSD) as shown in Table 6 depicts that females with different educational backgrounds behave differently in making purchase decisions for female apparels and accessories which is seen to be statistically significant as $p < 0.05$ in all the cases. The mean plot shown below states that highest purchase pattern was shown by the females who were post-graduates and minimum by the ones with senior secondary education. Hence, the null hypothesis, H_{03} is rejected and its alternate is accepted as it is proven that education level and female buying behavior have a significant relationship, that too, statistically significant.

Part –D: Relationship between income and the purchase pattern.

Descriptive analysis for the relationship between the income levels and the psychographic purchase pattern is shown in Table 7. The test of differences has been documented on a parametric scale using Analysis of Variance which was found to be statistically significant ($F=75.85$, $p < 0.05$). The highest psychographic score was shown by females with an income between Rs (40000-50000) per month and the lowest by the females earning between Rs (20000-30000) per month.

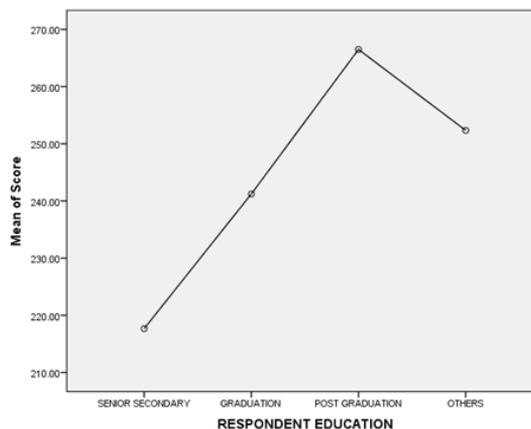


Figure 4: Mean plot of education level and psychographic score

Income	N	Mean \pm S.D.	F (significance)
Less than Rs 20000	127	227.03 \pm 47.64	75.85 (0.000)
Rs 20000-30000	86	217.79 \pm 46.73	
Rs 30000-40000	110	255.41 \pm 25.72	
Rs 40000-50000	114	292.40 \pm 33.06	
Above Rs 50000	119	275.12 \pm 30.03	

Table 7: Descriptive analysis of income and psychographic score

(Income per month)x	(Income per month)y	Mean Difference (x-y)	Sig.	95% Confidence Interval	
				Lower Bound	Upper Bound
> Rs 20000	Rs(20000-30000)	9.24	.078	-1.03	19.52
	Rs(30000-40000)	-28.37	.001	-37.96	-18.79
	Rs(40000-50000)	-65.36	.001	-74.86	-55.86
	<Rs50000	-48.08	.001	-57.47	-38.69
Rs (20000-30000)	> Rs 20000	-9.24	.078	-19.52	1.03
	Rs(30000-40000)	-37.62	.001	-48.22	-27.03
	Rs(40000-50000)	-74.61	.001	-85.12	-64.09
	<Rs50000	-57.33	.001	-67.75	-46.91
Rs(30000-40000)	> Rs 20000	28.37	.001	18.79	37.96
	Rs(20000-30000)	37.62	.001	27.03	48.22
	Rs(40000-50000)	-36.98	.001	-46.82	-27.14
	<Rs50000	-19.71	.001	-29.44	-9.97
Rs(40000-50000)	> Rs 20000	65.36	.001	55.86	74.86
	Rs(20000-30000)	74.61	.001	64.09	85.12
	Rs(30000-40000)	36.98	.001	27.14	46.82
	<Rs50000	17.27	.001	7.63	26.92

<Rs50000	> Rs 20000	48.08	.001	38.69	57.47
	Rs(20000-30000)	57.33	.001	46.91	67.75
	Rs(30000-40000)	19.70	.001	9.97	29.44
	Rs(40000-50000)	-17.27	.001	-26.92	-7.63

Table 8: Post hoc analysis of income levels and psychographic score

Post hoc analysis of income levels and the psychographic score has been shown in Table 8 and its mean plot has been depicted in Figure 4. It is quite clear that females earning between Rs 20000-Rs30000 per month had a lower score than the females earning below Rs 20000, yet it is not statistically significant as $p > 0.05$. There exists statistically significant difference in the purchase behavior between all other income levels. Hence,

the null hypothesis H_{04} is rejected and the alternate is accepted as there exists a significant relationship between income and the purchase pattern of females towards women apparels and accessories in Delhi malls. The mean plot shows the result graphically showing highest score for females earning Rs (40000-50000) per month and the lowest for the ones earning Rs (20000-30000) per month.

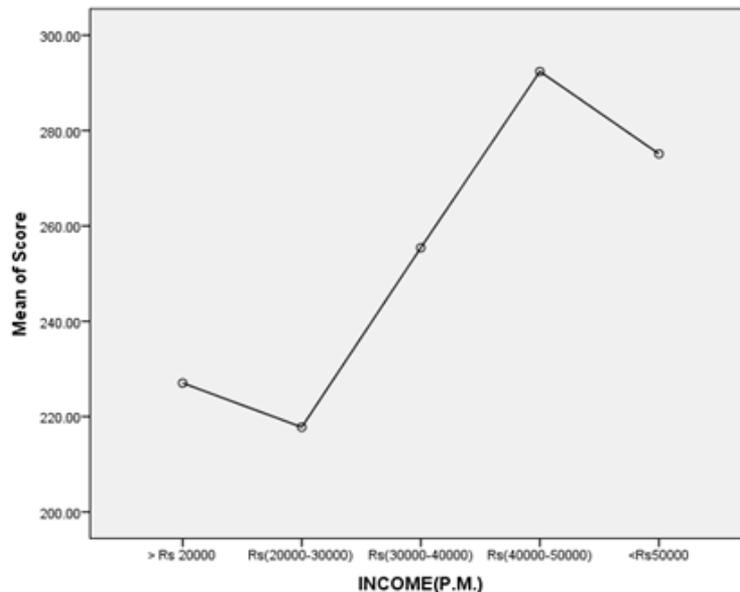


Figure 4: Mean plot of Income level and psychographic score

RESULTS AND DISCUSSION

It is found from the study that demographic factors, namely, marital status, education and income have a statistically significant relationship with the psychographic purchase behavior of females for women apparels and accessories in Delhi malls. It was also found that age doesn't have a significant (statistically) relationship with psychographic purchase behaviour, still, purchase behavior varies with varying age-groups even when it didn't reach the level of statistical significance. Several demographic studies in the past conducted nationally and internationally show mostly similar and few dissimilar results.

The current study revealed that with the change in the age group, the purchase pattern changes even when it is not statistically significant over all age groups. The highest rating was reported by females from 30-40 years followed by 18-30 years, then, above 50 years and lowest by 40-50 years old. Awan A. & Abbas N. (2015), found significant relationship between age and purchase behavior with young consumers being more impulsive in purchasing than the older ones. Also, Srinivasan, et al (2014) in his study on impact of age on the purchase behavior of luxury products revealed the existence of relationship between age and the kind of luxury product that consumers intend to buy. Infact, young buyers till the age of 40 reported higher rating for financial and materialistic value of products than the older generation. Ghani U. & Jan F.A. (2011) found that age has a significant

association with buying behavior. Dilworth A. & Boswell, (2007) and Rocha et al (2005) found that the requirements for clothing and fashion products vary with varying age groups. Saluja D. (2016) on the contrary found that age and income didn't have any impact on the purchase of fashion clothing.

Marital status also showed statistically significant relationship with the female buying behavior with unmarried females having higher psychographic score than the married ones. The results seem consistent as several studies in the past reported existence of relationship between marital status and the buying behaviour. Srinivasan R., et al (2015) found that married people spent more on luxury bags than the ones who were single and apparels were purchased by all luxury consumers irrespective of the marital status. However, Sharma KC & Kaur S. (2015) found that marital status significantly affects the purchase score impulsiveness of the consumers. Even, Mazloumi S., et al (2013) in his study to assess the impact of demographical differences on the purchase behavior found that consumers' marital status affected their purchase behavior and it was statistically significant.

Education also has significant relationship with the female purchase behavior showing the highest psychographic score for post-graduates and the lowest by those having senior secondary education. On the same lines, Awan A. & Abbas N. (2015) found that education had positive significant association with impulsive buying

behaviour. Bashar A, et al (2012) in their study about impact of demographics on consumer buying in Delhi-NCR reported that education had significantly positive relationship with consumer buying.

This study also reports the existence of a significant relationship between income and the purchase behavior of female respondents. According to the study, the highest purchase score is documented for females earning Rs(40000-50000)per month followed by above Rs50000 per month , then for Rs(30000-40000)per month , less than Rs 20000 per month and the least for Rs(20000-30000)per month earnings . Rajput N. et al (2012) in the study about female buying regarding apparels found that rise in the income of the consumers (females) leads to rise in the frequency of apparels purchase by them. Bashar A, et al (2012) supported the current results as even they found income to have significant relationship with consumer purchases. On the same lines, it was documented by Schiffman & Kanuk (1997) that the consumers, especially who are low income earners are always economical in their purchase decisions. Myers, Stanton & Haug (1971) also claimed income as a major determinant for the consumers' propensity to spend .

Managerial Implications and Recommendations

This study has resulted in several managerial implications and recommendations. Marketing managers are recommended to lay due emphasis on

female customer demographics while developing the segmentation strategy. They should soundly segment the apparel-accessories market on the bases of demographic variables as these variables have shown a significant impact on the female buying behaviour. The psychographic score for purchase of branded clothes by post graduates and higher income group came out to be the highest, so marketing managers need to strengthen the brand image of their products and spend substantially on the maintenance of their brand image. Customer relationship management should be practiced by the brands through starting loyalty programs, premium membership, special offers etc. along with a highly attentive sales force attending the shoppers in the stores.

Conclusion

It can be concluded from the current research that there exists significant relationship between the demographic variables; marital status, education, income and the psychographic purchase pattern of female customers for women apparels and accessories in Delhi malls. The null hypothesis; H_{02} , H_{03} and H_{04} except H_{01} have been proven void and the conclusions are established that the changes in marital status, the education level and the income level of female customers brings significant variations in their purchase behaviour. Based on age, the highest purchases were shown by the females in the age-group of 30-40 years. The reasons attributable could be higher income during this age and

higher levels of exposure and status needs; especially with working females. Based on marital status, highest score was shown by unmarried females. The possible reasons could be that single females are more independent in their decisions and they don't necessarily have to depend on spouse's opinion while making purchase decisions. Also, post graduates displayed the highest purchase psychographics. It could be attributed to the higher level of education that implies higher exposure and awareness propelling the purchase of branded female products. Even, higher education brings about better income prospects as working females which financially empowers them to spend more. Higher income, especially between Rs 40000-50000 per month showed higher psychographics score for purchases in Delhi malls. This could be quite possible as higher the income, higher is the economic strength to spend. These demographic variables have been studied individually with respect to the psychographic variables. So, there is a future scope for the study to be further extended by studying the clustered impact on the purchase pattern of female respondents. Additional studies can also be conducted to examine consumer-life styles by use of product brands and even more product options. The current study is static in nature as it examines the psychographic purchases in one particular time period. Therefore, there is a vast scope for additional studies that may look at this topic in a more longitudinal and cross-sectional

manner. Further studies may evaluate the life-styles of various demographic, socio-economic and cultural groups, along with the studies of a comparative nature can give richer insights into this subject under the researched area of inquiry.

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PERFORMANCE OF A FIRM IN THE WAKE OF WOMEN EMPLOYEES IN KEY POSITIONS: AN OVERVIEW

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ABSTRACT

It is well known that the number of women in top positions in corporate world in India is very less or even negligible except one or two cases here and there. We can find many women employees in lower levels and middle levels of the management but as we go up the corporate ladder their number decreases exponentially. Whatever ways the government trying to encourage them to boost their numbers, their number always remained very low at the board levels. This paper studies the reasons and remedies for this. It suggests few recommendations also to follow to increase their number in the top positions.

This paper is based on a research conducted on the women employees in private sector companies about their aspirations and the preferences between the family and career etc. The responses are analysed and presented in the form this paper.

Key Words: *Women at Work, Work-family Conflict, female CEOs, board diversity, gender diversity.*

INTRODUCTION

Gender plays a major important role in the work place of corporate sector in several ways. Most of the work force is men in all levels and howmuch ever the government tries to boost the number of women employee giving them various reservations, facilities etc, their number is

always low especially in top management. Even the corporate governance, human resource management and all other management fields suggest work force diversity to enhance the quality of decisions take in corporate world. Recently Indian government made it legally required having a female board member

in their companies. Such was the importance of female role in the boards.

Though the number of women employees in increasing over years, it is not enough to meet the requirements of corporate world. The HRM itself is very much known for its feminized image and the job role requires mostly females. It is of significance to note that despite HRM being a feminized profession and having a compelling feminized image, till late women did not have the same status, position, authority, or pay as their male counterparts and were relegated to carrying out stereotypical and non strategic functions in this domain (Brandl et al., 2007a; Brandl et al., 2008b; Brandl et al., 2008c). Legge (1987) argues that women in HR confront a paradox, when the function is marginal to strategic management, “women can reach the top” yet when the function is seen as a compelling contributor to the strategic decision-making then women, if not elbowed out are politely pushed aside” (pp.34). Empirical research shows that female HR managers are underrepresented in higher level positions (Canniffe, 1985; Legge 1987; Gooch 1994; Long 1984; Mackay 1986; Monks, 1993; Roos and Manley 1996). These have all lead women to remain clustered in lower level positions in this domain and they were thus unable to occupy top management strategic positions (Legge 1897; Pichler et al, 2008; Simpson and Lenoir 2003). Equal Opportunities legislation has had a limited impact in advancing women in work

generally and little has changed and employers have embraced the legislation and not the spirit of the law (Ross and Schneider, 1992; Kandola and Fullerton, 1994) and women in HRM have been no exception to this norm. Astrid et al (2010) in their latest study on the rise of women in HRM, emphasise that there is a need for universal standards of E.O. and organisations will need to endorse to these principles to legitimate themselves to the public. The study also suggests that the inherent limitations of the E.O. legislation have evidenced the rise of diversity management as the new model for equal opportunities according to which the advancement of women into top management is not only necessary for realizing equal opportunity principles but also to enhance organisational performance (Kelly& Dobbin, 1998), this has thus led organisations to re-interpret the presence of women to top management no longer as an act of compliance to legislation but also as an activity that enhances competitive advantage and is beneficial to organisations. This study proposes with empirical findings that contemporary management of diversity approaches, accompanied by the literatures on sexual stereotypes, enabling social practices such as guaranteed maternity leave and public child-care facilities, gender egalitarianism i.e. better equality between males and females in national contexts, and increasing human capital are factors responsible for the rise of women in this domain in recent times

(Brandl et al., 2007a; Brandl et al., 2008b; Brandl et al., 2008c; and Reichel et al., 2010). (Wajchman, 1998). "It has frequently been noted that personnel management is a traditional stronghold of female employment" (Marshall, 1984 pp, 115). At the very beginning when HRM was viewed as a "typical" female function, with the stereotypes used in that system, it tended to be concerned with taking care of others (Canniffe 1985; Gooch & Ledwith, 1996) and bridging capital and labour (Gooch, 1994) and has been defined as ideal job for women. Scholars justify these developments as the representation of women within HRM depends on the appeal of the occupation to men (e.g., Legge 1987; Roos/Manley 1996). A core argument for why women get ousted is that employers tend to favor men for HRM when the occupation's status is high (Reskin&Roos, 1990). For example, when the upcoming of scientific testing instruments modified the image of HRM from welfare to a professional function, the share of male HR specialists increased (Trudinger, 2004). It is important to note that a close relationship between status decrease and rise of women's representation or vice versa could be observed in the early stages of HRM until the end of the 1980 s (Roos/Manley 1996), Legge (1987, pp.50) argues that "women's position in personnel management will inversely reflect the power of the function". The 1990 s have witnessed a dramatic & complete reversal of this trend with fresh empirical findings

from several European countries which indicates that the increased entry of women is not accompanied by status deprivation of the HRM profession and that the increased feminization in this domain is accompanied by high status of the profession and this essentially forms the essence of this study (Reichel et al., 2010). Gender diversity has become the top most priority to the companies as only 8.7 percent of top managers are women in 2011 (Bureau of Labor Statistics). Nearly half of the work force is women and the percentage of women employees in top positions has increased from 5.8 percent in 2000.

Raising Aspirations

To increase the numbers of women employees in organisations first we need to inspire them to achieve the high levels. They need to raise their aspirations to become a part of top management. It is well known that in academics and studies, girls outstand well the boys in the results, but when it comes to the workplace, we find most of the employees are gents. To some extent we can find women who are unmarried in large numbers. But the number of married women decreases. Further, women who are mothers are really in low number in the workplace, forget about the top positions in corporate. In the junior levels the percentage of women employees is 69. Department heads and chief executives are 40 and 24 percent respectively.

1.1 Strategies to improve their numbers

In fact to increase their numbers in

managerial positions, the effort should start early in their life right from their education. They need to inculcate the leadership abilities and the managerial qualities right from their childhood. They need to develop the skills and the talent from the younger age (Lord Hesteltine, 2011). They need to have the confidence and should be aware of the opportunities in their field. We should recognise the talent from the younger age.

The barriers that exist in previous years to reach high do not exist now. But some other barriers are emerging to obstruct the growth of the women employees.

To maintain the number in the top positions we need to feed the pipe line from the bottom to the top. For this we should have sufficient women talent to promote them to each level. However there is a huge gap between the aspirational levels of male counterparts of women. Most of the men aspire to become the board members or directors etc. where as the aspirations of women are quite low compared to them. Most of the women they concentrate on their family, their child's education, studies etc. Many women even they are well qualified or well suited, they do not apply for promotions fearing the greater responsibilities, higher or random schedules of timings in the office etc. Women lack long term ambitions, goals or career aspirations.

Women need to develop and expand their network for better job opportunities. They need to develop the necessary skills

and talent to bridge the gap between their job and their dream career. Developing their skills and the talent boosts their confidence to reach the higher levels and to realise their actual potential.

Allowing flexible timings and work from home can help the women to balance their work and family life. In fact it can be further extended to males also to motivate themselves. This will help the mothers to take care of their babies and the work as well. Many fathers are also now a days opting for the work from home due to their parental obligations of the child birth. 72 percent of women and 60 percent of men are in support for the parental leave. 22 percent of women cite the work life balance as an obstruction to climb the corporate ladder. The flexible timings can bring more enthusiasm and good moral in the work environment which itself is a great motivator for high performance.

But for going for flexible timings, the company has to monitor the performance of the employees very tightly so that the performance should not get affected because the employee is not at the workplace. Child care is the main reason that is cited by many women employees for not growing in their career. The flexible timings can address that issue. The flexible workers should not be treated inferior as they are not quite visible working at the office. Because of this child care factor only they prefer to work as part time employee with flexible timings. Giving them right job after their return after the child birth and employing a mentor for them helps the situation.

Research Methodology

Research Problem

The number of women employees in the organisations that too in the top level management is alarming. The government is taking action to raise the number through various ways. Recently it has passed a resolution that the board should consist of women atleast in single number. Due to this reason, most of the companies adopted their own wives as their board members bypassing the very purpose of the resolution.

It is well known that in the studies and academically also we always find girl students excel academically be it 10th class, graduation or any competition exams. But when it comes to the corporate field their number is critically low, almost negligible in the top management.

This paper studies all these factors and tries to find out some suggestions and ways to improve their number in the management.

Objectives of the Study

In this paper, we study the aspirational level of women employees in their careers, their beliefs, values etc. This paper also suggests various ways to improve the presence of women employees in the corporate world to develop the work force diversity. However, precisely the objectives of this research can as follows:

1. To study whether there is any relationship between the age of the women executives and their desire to aspire the top position in their respective companies.

2. To study the relationship of their level in the management and their choice between their career and family when their children's studies are at stake.
3. To understand whether the family type of women executives really play a role in choosing the career and family.

Scope of the Study

This study concentrates on the women preferences in their career and their family. This study tries to understand the reasons for low number of women executives in all the levels of the management especially in top level.

Collection of Data

This study collects the data both from primary and secondary resources. The primary source is a questionnaire developed and the data is collected by circulating it. Secondary sources are various journal, research papers, magazines and newspapers etc.

Limitations of the Study

This study is limited to only women executives in lower and middle level management. The access to women executives in top level management is highly restricted. The results of this study cannot be generalised over national level and for everybody. There may be little errors or discrepancies while collecting the data through questionnaire.

Sampling

Sample Size: 104; Sampling technique: Random Sampling

Hypotheses

1. Ho1: There is no significant relationship between the age and the aspiration to reach the top in the women employees in the organisations.
2. Ho2: There is no significant relationship between the level in the organisation and their preference between their career and family.
3. Ho3: There is no significant relationship between their family type and their preferences between their career and family.

Data Tools used for Analysis

Comparison of means, Oneway Anova and t-Test are used to test the hypotheses.

Data Analysis

To verify the null hypothesis, age wise comparison of mean values of aspiration to reach top position was calculated and shown in Table IA. Oneway Anova was conducted to verify the significant variation of aspiration due to variation of age.

Ho: There is no significant relationship between the age and the aspiration to reach the top in the women employees in the organisations.

Table I-A : Age wise Comparison of Means value of aspiration to top position

Age	Mean	N	Std. Deviation
20 - 29	2.600	40	1.0328
30 - 39	2.250	32	1.1072
40 - 49	1.750	32	0.4399
Total	2.231	104	0.9777

Interpretation:

It is showing that the Mean for the ages 20 to 29 is maximum. Means there are many people in that age group who aspire to reach top position in their organisations.

Table I-B : One-way Anova to identify significant variation of aspiration Top_Position due to variation of age

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	12.862	2	6.431	7.588	0.001
Within Groups	85.600	101	0.848		
Total	98.462	103			

One-way Anova is done because age is fallen between three groups.

Interpretation:

The P value is very low (< 0.05) means the there is significant relationship between the age and their aspirations to reach top position.

3.2 To verify the null hypothesis, level wise comparison of mean values of preference between career and family was calculated and shown in Table IA. Oneway Anova was conducted to verify the significant variation of aspiration due to variation of age.

Ho: There is no significant relationship between the level in the organisation and their preference between their career and family.

Table II-A : Level wise comparison of means for the preference between family and career

Occupation	Mean	N	Std. Deviation
Middle Management	3.000	32	0.7184
Lower Management	3.000	72	0.9494
Total	3.000	104	0.8813

Interpretation:

It is shown that the Mean value for both middle and lower management is same. There is nobody in the top level management in the data.

This means that the preference between the career and the family that is (tendency of leaving job due to their children studies) is equal for both the groups.

Table II-B : ONEWAY Anova to find out occupation wise differences in their preference to family and career

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.000	1	0.000	0.000	1.000
Within Groups	80.000	102	0.784		
Total	80.000	103			

Interpretation:

The P value is very low (< 0.05), which means that there is significant relationship between the occupation (i.e., the level in the management) and the preference to leave their jobs for their children studies.

Table II-C : t-Test to find out Occupation wise variations in their preference between family and career

	Occupation	N	Mean	Std. Deviation	Std. Error Mean
JobVs Children_Studies	Middle Management	32	3.000	0.7184	0.1270
	Lower Management	72	3.000	0.9494	0.1119

Interpretation:

It is shown that the Mean value for both middle and lower management is same. This means that the preference between the career and the family that is (tendency of leaving job due to their children studies) is equal for both the groups.

Table II-D : Independent Samples Test to find out occupational wise variations in their preference to family and career

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval	
									Lower	Upper
JobVs Children_ Studies	Equal variances assumed	1.569	0.213	0.000	102	1.000	0.0000	0.1882	-0.3732	0.3732
	Equal variances not assumed			0.000	77.433	1.000	0.0000	0.1693	-0.3370	0.3370

Interpretation:

The P value is very low (< 0.05), which means that there is significant relationship between the occupation (i.e., the level in the management) and the preference to leave their jobs for their children studies.

To verify the null hypothesis, family type wise comparison of mean values of preference between career and family was calculated and shown in Table IIIA. t-Test was conducted to verify the significant variation of aspiration due to variation of age in Table III-B.

Ho: There is no significant relationship between their family type and their preferences between their career and family.

Table III-A : Family wise Comparison of Means of their preference to family and career

Family_Type	Mean	N	Std. Deviation
Nuclear	2.857	56	0.9987
Joint	3.167	48	0.6945
Total	3.000	104	0.8813

Interpretation:

The mean for the Joint families is more compared to that of nuclear families. This shows that the preference to leave job due to children's studies is more in joint families compared to nuclear families.

Table III-B : t-Test to find out Family Type wise variations in their preference to career and family

	Family_Type	N	Mean	Std. Deviation	Std. Error Mean
JobVs Children_ Studies	Nuclear	56	2.857	0.9987	0.1335
	Joint	48	3.167	0.6945	0.1002

Interpretation:

The mean for the Joint families is more compared to that of nuclear families. This shows that the preference to leave job due to childrens' studies is more in joint families compared to nuclear families.

Table III-C : Independent Samples Test to Family Type wise variations in their preference to career and family

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval	
									Lower	Upper
JobVs Children_ Studies	Equal variances assumed	4.394	0.039	-1.805	102	0.074	-0.3095	0.1715	-0.6497	0.0306
	Equal variances not assumed			-1.854	98.044	0.067	-0.3095	0.1669	-0.6407	0.0217

Interpretation:

As there are only two categories in family type we do t-Test. The P-value (0.039 < 0.05) is very low. Hence we can conclude that there is no significant relationship between the family type and their choice between their career and family.

Findings, Suggestions and Conclusion

Findings

From the above analysis it can be easily found that whatever may be the family type and their occupation i.e., their level in the management women prefer family to their job when it comes to their children studies. When it is joint family the tendency is much more and for the nuclear families the tendency is little lower. In addition to it, women employees in their younger age they aspire more to reach top position etc. But when the age grows, that is when their responsibilities grows that aspiration level comes down. That is the main reason for the low number of women employees in the higher levels of the management.

Suggestions

The following suggestions can be made after the analysis to rectify the situation.

- Raising aspirations of the women employees is a right tactic to increase their number in the organisations.
- The management and leadership development techniques should start early so that they develop themselves very early.
- The number of women employees should be maintained at all levels sufficiently so that the pyramid is full all the time.
- The women should be given more career oriented goals so that they stay motivated at all levels.

- If there are any barriers in case of women in promoting them or encouraging them, we should remove them.
- Offering flexible timings of work will definitely increase their number at work.

Recommendations For employers

- Always try to maintain the sufficient number of women employees in your team at all levels.
- Encourage both women and men to balance their work life balance by adopting healthy environment.
- Encourage flexible working hours for all.
- Measure their performance by results not by their mere presence at desk.
- Encourage working flexible, remotely and part time without compromising on the results.
- Create supportive networks for female managers and encourage mentoring opportunities.
- Prepare potential female managers by providing them necessary training and development from the early stage.
- Never give a chance to perceive that women are not given fair chance at par with men.
- Connect with academic institutions to improve aspirations of young girl

students and hire them if they have sufficient talent.

- Design the performance appraisal so that the parental leaves and work family balance is neutralised for women employees.
- Encourage smooth transmission through before, during and after parental leaves.
- Encourage senior talent to nurture young talent.
- Ensure internal skills to create competitive advantage
- Ensure that there is no bias in performance appraisal and training programs.
- Encourage creche's or baby sit outs for female employees in the organisation.
- Provide mobility support for employees who get transfers.

For individual female managers

- Frame your goals what you want to achieve in your career.
- Name them as short term, medium and long term oriented.
- Assess your current situation and compare it with the vision of success.
- Monitor your progress up to date.
- List out the barriers you face in achieving your goal.

- Name your efforts to reach your goals
- If you have to improve your qualifications, skills or talent, list out various avenues to do so.
- Network with your friends and supporters those are both internal and external to your organisation.
- Explore if there is any flexible working options
- Negotiate your salary in a better way
- Engage moderately in social media
- Try to identify your mentor or supporter if any in the organisation to achieve your goals.
- Closely monitor your progress towards your goal and long term needs and if not try to take necessary actions to rectify the problem.
- Help others achieve their goals and balance their work and family life. In turn they would definitely help you.

For Government

- Take audits regularly to find out whether they maintain sufficient gender diversity.
- Focus on the whole talent pipeline not only the board rooms. Unless the talent line is full, board rooms cannot be full.
- Maintain greater transparency and corruption free environment.
- Appreciate and reward the companies

who maintain sufficient gender diversity at all levels.

- Encourage women by providing more options like work from home, flexibility, more number of days for maternity leave, flexibility in working conditions and locations etc.
- Integrate academic and skill system so that young talent gets nice jobs.
- Encourage female networking and mentoring programs
- Design skill building programs for women and support services and facilities to balance their work and family life.

Conclusion

From the above study we can easily conclude that to improve the number of women employees is required commitment from all the sides like government, top management of the companies and from the women themselves.

The gender diversity is most sought after in the corporate world now-a-days to improve their performance as well.

This paper suggested various ways and techniques that can be implemented in their respective levels. By adopting those, the number of women employees in the top levels can be improved gradually.

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IMPACT OF INTRINSIC MOTIVATIONAL FACTORS ON EMPLOYEE RETENTION AMONG GEN Y: A QUALITATIVE PERSPECTIVE

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ABSTRACT

Employee commitment, high productivity and retention strategies are the most serious human resource management challenges of the upcoming future. In this scenario employee turnover has a significant impact on decline of productivity and failure of corporate plans. The significance of motivation in retaining key employees cannot be overlooked. Extrinsic motivation is driven by reinforcement contingencies which is not sufficient, so it should be guided by intrinsic motivation which involves interesting job and making it pleasurable. Today's organizations are facing immense challenge because of fulfilling the requirements of four generational cohorts. Present workforce is dominated by generation y employees who have different values system and requirements in comparison to previous generations. Therefore it is vital for the organization to chalk down their needs and design an effective motivational system which will increase their productivity. This paper aims to focus on qualitative analysis to explore different intrinsic motivational factors influencing generation y employees and their preference for motivation. Conclusion and implications for further research have been drawn from the analysis.

Key Words : *Intrinsic Motivation, Extrinsic Motivation, Employee Retention and generation y*

INTRODUCTION

Irrespective of recruitment expenditure the problem of right people at right place at

right time is a burning topic in the corridor of human resource management. An adverse economic situation post 2001 forced companies to retrench employees.

This created a highly speculative work environment and gave rise to chaos, mistrust, confusion among workers. In these situations human resource managers were given the difficult task to retain employees who had zero faith in them (Mitchell, 2012). To cope up with this kind of aggressive situation the managers could not depend upon the obsolete bookish theories rather they have to understand the market realities, the mindset of the workers and innovate techniques that are creative and flexible in nature (Aamri, 2010). Each employee belongs to different environment with respect to culture, language, family background, economic conditions thus creating a vast workforce diversity to deal with. Their belief and value structure differ not only cross-sectionally but also in time trend.

Traditional theorists support extrinsic motivational factors that dominate employee performance but new theorists like that of Deci and Ryan (1985) support the existence of intrinsic motivational factors that inspires employees in remaining creative, skilled and talented. The purpose of the current paper is to explore different intrinsic motivational factors perceived by Generation Y employees which will be instrumental in retention. The analysis is being done mainly to draw inferences and directions for further research.

Causes of labor turnover Agrel, et al (2008) discovered various causes of labor turnover like lack of opportunities for professional development, insufficient

Compensation, monotony/lack of Challenge, deprived work life balance, job Stress and unreasonable treatment, lack of motivation, uncooperative work environment, lack of vision, lack of employee engagement programs, feeling undervalued, freezing of Praises and promotions and lack of coaching and feedback.

Review of Literature

Motivation

Daft and Noe (2001) highlight motivation as the strength either within or external to a person that energizes, directs, and maintains behavior. Motivated employees do not shy back from doing something which is away from the expected traditional behavior in the working environment. Their motivation directs them to perform the task irrespective of lack of short term rewards. Latham (2004) defined a motivated employee may not perform well if the other members in the group are not dynamic. Human behavior depends on the response that he gates from the society for his every action and accordingly carries forward the same pattern throughout his life. Researchers have very often focused on extrinsic factors because of its easy accessibility and simple understanding. Selecting variables to measure intrinsic motivation has always been debatable. Anne and Barry (2005) said that psychologists have tried to provide a scientific reason behind why people behave the way they do in various working conditions. They have suggested that

motivation is the factor that energizes and provides zeal to react or proceed in an activity. Bennet (1995) defined the theories of motivation can be bifurcated in to content theories and process theories. Content theories focuses on what of motivation i.e. what are needs that motivate an employee in an organization to provide higher productivity and process theories focuses on how of motivation i.e. how the motivation process takes place for an individual. Pinder (1998) defined the degree of work motivation towards successful completion of goal varies from individual to individual within the same organization because it not only depends on external environmental factors but also is generated from within each individual. Snr Asiamah (2010) in his dissertation report highlights some common motivational factors that leads to job satisfaction and employee retention in organizations which results into reduction in labor turnover. Thomas (2000) further discussed that management researchers and theorists' thought are dominated by studies on extrinsic motivators but such factors fails to justify the purpose completely. These factors needed to be complemented by intrinsic factors as it is the demand of today's environment.

Intrinsic Motivation

Deci and Ryan (1985) the pioneers of extrinsic and intrinsic motivation theory said that the activities that provide reward and pleasant in nature are grouped under intrinsic motivation and the activities which give immediate reward or avoids a

punishment grouped under extrinsic motivation. Deci and Ryan (2008) in their theory which is more popularly known as Self-Determination theory (SDT) highlights the key difference between motivations, whether they are autonomous or measured. Autonomous motivation is defined as being volitional, which means actions are self-directed and self-governed. Preference is the key issue in autonomous motivation. Controlled motivation is shaped by situations where pressure or demand on the individual is from forces external to the self. They also believe that the vast mainstream of the foundations of motivation are accredited to socio-cultural conditions pertinent to the individual. They believe that ecological factors are more vital to the study of motivation than the actual biopsychological devices accountable for them. The SDT model recognizes the subsistence of intrinsic and extrinsic motivators. The model is based on the supposition that people are naturally inquisitive energetic and excited to succeed because these motives are sustaining and rewarding. This basically describes intrinsic motivation where stimulating, narrative experiences, and opportunities for mastery of trials are answerable for behavior. This natural need for growth is an important element of other motivation theories, such as Maslow's (1943) self-actualization, Herzberg's (1987) motivation factors, and McGregor's (1966) Theory Y. Extrinsic motivation is accountable for behavior for which the aim is to obtain a tangible payment or to avoid a punishment.

Employee Retention

Zineldin (2000) defined retention is a difficult concept and there is no single formula to retain employees in the organization .It can be defined as an obligation to continue in the job or with the organization on continuous basis. Logan (2000) postulated common retention factors such as organizational culture, communication, strategy, pay and benefits, flexible work schedule and career development systems. According to Agrel, et al (2008) organizations need to focus on the retention factors as it leads to growth and success of the organization. According to them retention strategies should be oriented towards satisfying need of the employees and organizational change as it enhances employee productivity and excellence. Boomer (2009) incorporated that retention factors must include need and wants of employees at any age as it will leads to job satisfaction, loyalty and commitment.

Generation Y

According to Kupperschmidt (2000), Generation can be defined as employees coming under a certain range of age, location they live and experiences they face in different developmental stages. Twenge et al., (2010) defined to generation Y, work is a means to an end; essentially they work to live as opposed to live to work. Tay (2011) incorporated that in the previous era senior employees did not have the opportunity to receive specialized training before joining the job but the

current generation (y) has the dual benefit of pre job training as well as sophisticated education. This makes them more professional and flexible towards change and work force diversity. They are great collaborators and they are motivated by team work and have longer retention period. Generation y people are more technologically advanced and enjoy challenging competition which stimulates and amuses them. Yusoff & Kian (2012) suggested that looking at the characteristics of generation y which includes focused on self career, optimistic, pro diversity approach, team player, technology savvy, fun loving, causal and value prompt recognition and reward, it can be suggested that if generation y gets appropriate intrinsic motivation they will flourish in a new direction to achieve organizational excellence.

Research Gaps and objective of the study

Despite the importance of the topic extrinsic work motivation has been the focal point for researchers involved in motivation. Intrinsic motivation researches are mostly theoretical and have less empirical backing in comparison to extrinsic motivation. Managers in the past emphasized on extrinsic factors like money, company policy, and working conditions to motivate subordinates and it is the sole motivator in all generations.

Therefore the objective of the current paper is to explore different intrinsic motivational factors as perceived by Generation Y

employees which will be instrumental in retention.

Research Method

The best way to study human behavior and behavior changes is through Qualitative methods (Kirk & Miller 1986). Complex human behavior is very difficult to be captured by Quantitative methods (Creswell, 2007). The basic assumption of qualitative methods is based on interpretative paradigm which focus on subjective experience of individuals (Morgan, 1980). Qualitative research mainly focuses on investigation of complex phenomenon, its authenticity, subjectivity of the research and researcher, contextualization and minimization of illusion (Fryer, 1991). From the data conceptual framework is drawn rather than from the set hypothesis (Silverman, 2000). Qualitative approach is commonly popularized as inductive and interactive (Patton, 1980). Understanding human attitude, behaviors, value system, concerns, motivations, culture or life styles and aspirations can be better examined through effective use of qualitative methods (Bogdan, 1975).

Exploring issues, understanding phenomena and answering questions are the main focus of qualitative research (Creswell, 2007). How people feel/act, why they feel/act certain things can be better understood by qualitative researcher (Frankfort-Nachmias, 1992).

Case study method is best suitable for the study of employee motivation and retention

because of its main objective of complete understanding of the situation. (Mitroff & Kilman, 1978). Direct participation and gaining firsthand information about different factors affecting employee motivation and retention is possible through effective use of case study method.

Research Design

Single Case & Single unit

In depth investigation and rich description is only possible by single case. Knowledge and theory building can also be contributed by this. Generalization of the entire population is not possible but analytical generalization to theoretical proposition is possible through real world discovery. Single case designs can be selected on the basis 4 factors i.e. if it is a critical case, unique case, typical case and revelatory or longitudinal case (Yin, 2009). This research satisfies the revelatory criteria. The researcher tries to reveal different intrinsic motivational factors influencing employee retention. Single unit of analysis is selected because of accessibility, resources available and time available.

Data collection instrument

Proper development of an effective interview protocol is critical to the data collection procedure (Creswell, 2007). One of the predominant method of qualitative research is interview method of data collection. 50 respondents were selected for the interview. The reason behind for selection was based on the

survey methodology, objective, sample frame, time and budgetary constraints.

There were 24 questions in the interview and the answers to the question provided precious approach to the research questions. The questions were very relevant towards the fundamental clarification of the topic. The questions were set in such a way so that it can explore the real experiences of employees within the organization.

Sampling Procedure

A sample size consisting of 50 respondents were selected from company X (in order to maintain confidentiality as signed in the agreement) Bhubaneswar unit. The reason behind taking 50 as a sample size is to give a detail coverage and interpretation of the results. Keeping the following limitations in to consideration like time, resources and geography the organization was selected. Selection of the organization was based on the factors like the size of the organization, highest number of gen y employees, the rate of employee turnover within the organization, the approach of motivation within the organization and capacity of the organization to attract and retain quality people.

SAMPLING TECHNIQUE

Purposive sampling method one of the non probability sampling method was used to select respondents for the interview. This method is suitable in reaching the respondents because of the spread of the study. The sample size is constituted by deliberate selection of employees. As per

the objective of the study, the sample was framed to give effective results.

DATA COLLECTION

INTERVIEWS

As a part of the data gathering process from all the departments selected number of gen y employees was interviewed. Structured interview guide was used for the interview. This was used for logical analysis of views and for positive responses given by respondents. Information collected from employees will help to explore the motivational packages given by the company to retain its core employees.

Without the co-operation of management successful implementation and completion of the interview was impossible. For outlining the purpose of the research, the confidentiality of the information collected, analyzed and reported, an initial interview was done with management. Management support and willingness of employees clearly visible from the initial interview.

The interviews were conducted on the company premises utilizing an office that management reserved for the duration of the interviews. The interviews lasted for 5 days. In order to ensure accuracy of the qualitative data the interviews were recorded. This facilitated easy retrieval and storage of data.

Discussion of Results

Common intrinsic motivational factors explored from the interview of generation y employees are as follows

- Job enrichment

Respondents are of opinion that work should be challenging, interesting, less repetitive and there should be assignment of constructive responsibility. For example direct access to top management and giving the scope to lead a project.

- Job involvement

Job should be accompanied with meaningful contribution; ability to take decision, respect to employee's opinion, open communication and constructive discussion must be there to enrich the job.

- Employee empowerment

Respondents talked about giving access to social media, consult with other employees, freedom to take on the spot decision and creating team structure, involvement in hiring decision and giving work space.

- Creativity

Creativity can be achieved through organizational support for taking risk because risk is always associated with new approach towards work, positive work environment, training on skill development and minimization of back stabbing, leg pulling etc.

- Challenging work

For respondents challenging work includes free from boredom, engagement, always learning new tasks or skills, discovering potential and handling multi-skilled positions.

- Curiosity

Management's support for encouraging curiosity, giving direction to employee curiosity as it is the reason behind employee creativity which is the result of generation of new ideas, new possibilities and excitement.

- Control

Respondents opined that there should be control over job related decisions, independent handling of task and giving autonomy to handle problems.

- Competition

Respondent said that there should be healthy competition, immediate feedback and reward must be given to encourage employees.

- Co-operation

Respondents are of opinion that there should be Open Communication, proactive approach towards handling employee problems and positive environment to stimulate employee creativity.

- Recognition

Recognition involves giving award, appreciation, giving mementoes, verbal praise and allowing employees to attend conferences, seminars etc.

- Sense of choice

Autonomy for accomplishing the work by own terms, freedom to select work activities which are meaningful, faith on

employee's approach towards work and giving employees the feeling of ownership.

- Sense of competence

As per employee's knowledge, expertise and capability recognition must be given. Organizations should try to develop employee competencies through training and development and employee counseling.

- Sense of progress

Proper feedback is a must as it gives the feeling of accomplishment and keeping track of employees whether their moving in the right direction or not. If things are working out it will generate confidence among employees towards the choices made. Giving promotion, reward, award and opportunity to handle crucial assignments are key to employee progress.

- Happiness at work

Respondents are of opinion that everybody must have role clarity, positive work environment, no politics, no back biting or leg pulling etc in the organization.

- Career opportunities

There should be equal employment opportunities, growth opportunities, career and succession planning and responsibility must be given to handle higher projects.

- Learning facility

Training and Development activities designed to support new employee orientation, departmental training and

development, professional licenses and association memberships, tuition waivers, tuition reimbursements for job-related courses, continuing education courses and job-related workshops and seminars must be arranged for employees.

- Leadership opportunities

Heading a group or team, giving charge for overseas assignment, decision making authority and independent handling of challenging work must be given to the employees.

- Higher responsibility

Respondents said that there should be realistic targets for the employees; higher responsibility must come with effective supervision and designing reward system for successful handling of higher responsibilities.

- Open culture

Maximum respondents are of opinion that there must be scope for innovation, people orientation, Team work, constructive criticism, no back stabbing, leg pulling and harassments and atmosphere of appreciation in the organization.

- Open communication

To inform and educate people to the news, events, and realities of the organization and the marketplace, to keep trust, collaboration and sharing of ideas through meetings is the most for communication.

- Work life balance

Maximum employees are of opinion that

there must be work from home facilities, flexible work schedule, day care facilities for children, vacation, giving strict instructions not to check e-mail or voice mail during holidays and weekends, arranging virtual meetings and giving frequent breaks.

- Employee engagement

It can be achieved by employee's role clarity, giving ideas and expressing views, focused on goals, empowerment, involvement and commitment.

- Talent management

Talent can be managed by performance management, 360 degree assessments, executive coaching, leadership development, professional development, career development, recognition programmes, compensation, succession management, employee engagement and retention.

- Knowledge management

Respondents said that there should be scope for knowledge creation, development and sharing via technology.

- Autonomy

Respondents said that there should be freedom from external control, independence and privacy must be given to the employees, freedom to express views and methods to accomplish the work

Directions for further Research

The validity of findings of this research can

be tested through quantitative tools with a large sample size to draw a holistic conclusion about intrinsic motivational factors influencing employee retention.

Concluding Remarks

The result shows that the intrinsic work motivation is an important issue for employee retention and especially among generation Y employees in the organization. Effective employee motivation and retention of skilled and talented employees should be the main aim of management. Huge turnover creates problem for not only the employers but also employees and clients. A lower turnover means a positive attitude towards clients. Well pleased clients in return provide higher satisfaction scores which indirectly generate higher revenue. Now the time has arrived to think out of the box and focus on intrinsic motivational factors which can also affects employee retention if properly used by the management. In coming years maximum employee population will be dominated by generation Y employees therefore employers must design the motivational program keeping into account generation y employees' preference. Extensive researches are required to fill the gap and provide new insights to intrinsic motivation, its forms, applicability and measurement so that it can also emerged as a powerful tool in the hands of the organization to retain their generation y employees who are dynamic, creative and skilled.

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Appendix-1

- a) What will make you stay in this organization for the next 5 years without thinking of leaving?
- b) Are you satisfied with the current motivational packages that you are enjoying?
- c) How does your company reward outstanding performance?
- d) Does management trust your decisions?
- e) Has management expectation been clearly communicated to you?
- f) Have your responsibilities been communicated to you?
- g) Can a good manager –employee relationship cause employee to be retained?
- h) What is your opinion on good working environment?
- i) How well is your concerns related to personal and work life addressed by the management?

- j) What in your opinion accounts for the exit of main stream workers? strategy play a key role towards employee retention?
- k) Are you recognized for your hard work? r) Do you get support from management for your initiatives?
- l) Does team leaders support for employee's development? s) Does your company involve you in decision making?
- m) Does your company rightly use employee's talent? t) Does your organization believe in fair Compensation?
- n) Does your company focuses on good working condition to retain its employees? u) What is your perception about gen y's preference of work life balance?
- o) What is your opinion about Skill development as a retention strategy? v) Do you get Manageable amount of work in your organization?
- p) Does role clarity increase your efficiency of doing the work? w) Are you satisfied with your organization?
- q) Does employees' career growth x) What are the Gen y preferences



UNDERSTANDING DYNAMICS OF KMS ADOPTION IN INDIAN ITES ORGANIZATIONS

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ABSTRACT

The design of Knowledge management adoption depicts similarity to the design proposed in 'Technology Acceptance Model (TAM)' and 'Extended Technology Acceptance Model (TAM2)' holding varied adoption enablers, suggested by Davis 1989. The purpose of this paper is to identify the relationship between KM adoption enablers and demographic variables prevalent in Indian ITES organizations within Delhi NCR. Due to ordinal nature of data, 'multiple-ordinal regression' was applied. The demographic variables are considered independent while KM adoption variables/ enablers are considered dependent for this research.

The outcomes from of 'multiple-ordinal regression' showcase that maximum number of statistically significant outcomes were in case of the KM adoption enabler 'Perceived Usefulness' holding likelihood of lower cumulative scores in most cases with lowest scores from the independent variables '18-28 years' age group and 'Admin' department.

This research study has proposed a knowledge management adoption framework for Indian ITES organization that can be used as guidelines to develop KM adoption and augmentation strategies.

Keywords : Knowledge Management, Technology Acceptance Model, Multiple-Ordinal Regression

INTRODUCTION

Knowledge is the spine of any operation related to business and commerce since centuries. The need and usage of knowledge observed changes during past few decades. The advent of internet augmented the significance of knowledge based commerce. At present, it is accepted that the capability of any business concern is exceedingly dependent on management of knowledge (Prieto & Revilla, 2004). Even in case of future, the models of knowledge flow and its administration is destined to play an important role in building and sustaining competitive advantage (Keskin, 2005). Varied studies on knowledge management (Earl, 1994; Nonaka, 1994; Davenport and Prusak, 1998; Tuomi, 2000; Swanson, 2000), its processes (Leonard-Barton, 1995; Nonaka and Takeuchi, 1995; Grant, 1996; Lee, 1999; Malhotra, 2000; Davenport and Grover, 2001; Kim and Lee, 2001), design (Wiig et al., 1997) and other academic explorations (Edvinsson, 1997; Roos and Roos, 1997; Sveiby, 1997; Han et al., 2000) have authenticated the theoretical understanding.

As most of the corporates could not successfully use the knowledge-based resources, the number of failed initiatives are considerably more than successful initiatives (Perez & Pablos, 2003). Business organizations may get intertwined

in various efforts while implementing KM (Junnarkar, 1997). However, some corporate organizations have endeavored to control knowledge assets either through concentration of KM related tasks or by way of hefty investment in information technology infrastructure (Hansen and Oetinger, 2001). Majority of cases have showcased that the problem faced by business concerns is identification of pertinent reasons for adoption and implementation of knowledge management systems. An observation of research studies showcased that the variables were treated within limited scope that included either single organization (Yinglei Wang, Darren B. Meister, Peter H. Gray, 2013), single sector (Michael Brandt Jones, Bahaudin G. Mujtaba, Albert Williams and Regina A. Greenwood, 2011) or by relying on just one case study (Satyendra C. Pandey, 2013). None of the previous studies took into account the differentiation in operations of organizations belonging to varied industry sectors (Anli Suresh, 2013). As an example, the operations of an IT organization may be dissimilar from an organization belonging to Telecom. Hence, research studies taking into account varied industry sectors would produce sufficient results and insights for validation of existing results. In concurrence, this study aims to focus on Indian ITES sector within Delhi NCR.

1.1. About Indian Corporate Sectors

As per the annual report of corporate affairs ministry (2013-14), there are approximately 1.4 million registered organizations from varied business segments in Indian corporate sector. These organizations belong to sectors like manufacturing, business services, trading, construction and finance. The 2013-14 annual report from Ministry of Corporate Affairs showcases that service sector holds 61% of total share. It is observed that within service sector the IT and ITES forms a considerable.

Indian IT software and service companies have generated \$31 billion in 2007 with major clientele from United States and European countries. Mostly, the management of information and knowledge persists in companies that deal in back-end operations, data warehousing and consulting services using IT tools etc. Hence, focus on ITES sector for this research seems appropriate.

Inception of IT Enabled Service (ITES) sector

Extensive usage of knowledge management systems has been observed in case of companies engaged in delivering services. They achieved overall cost reduction and augmentation of customer satisfaction. The companies engaged in delivering services are categorized in three broad groups:

- IT Service (ITS)
- IT Enabled Services (ITES)

- Non-IT Service (NITS)

The need to improve service quality through the tools of ‘Information Technology’ resulted in the term ‘IT enabled services’ (*ITI Info*). These companies are involved in services like Research, Transaction processing, Data storage, analytics and consulting etc. Some prominent categories identified under IT enabled services are:

- Call Centres, BPOs, KPOs, LPOs etc.
- Back Office Operations
- Data Warehousing and Management Centres
- Logistics Management
- HR services
- GIS (Geographical Information System)
- Enterprise Resource Planning (ERP)
- Content Development, Documentation, Archiving, E-Publishing & Portals
- Business Intelligence & Consulting

The ITES sector contributes 77% towards total revenue while approximately 90% of its exports are from Hyderabad, Chennai, Kolkata, Mumbai, Delhi and Bangalore. The sector has improved their contribution in India’s GDP from 1.2% to 7.5% during 1998 (*NASSCOM, 2012*). Through numerous research studies and surveys conducted by research and consulting organizations it is found that ITES will witness massive growth in the upcoming decade. According to Mr. Sachin Pilot

(Union Minister of state for IT and Communications), the need for Indian IT and IT-enabled Services (ITES) is expected to be over \$300 Billion by 2020 (*Economic Times, June 2012*). This is bound to impact the level of information management. Hence, the need to recognize KM enablers that may trigger KM adoption is of pivotal importance.

Literature Review

Knowledge Concept and Taxonomies

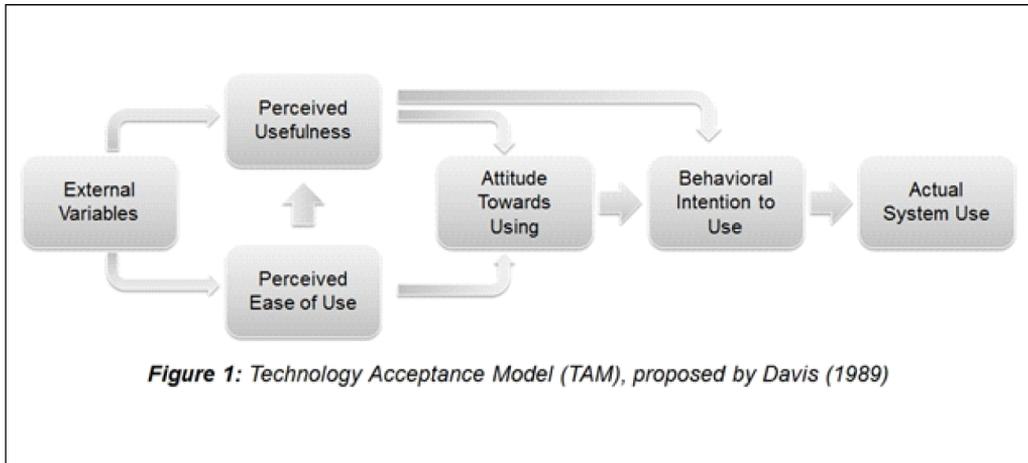
The definition of knowledge includes consciousness, awareness, data and information comprehension or understanding of anything. Gaining knowledge is the result of having experience of something, realization or discovery based on meaningful understanding of any subject or concept through theoretical or practical procedure (*Ein-Dor, 2006*). During ancient times, the conception, procurement, storage and distribution of knowledge was done within a small section of a civilization. The arrival of internet in 1980s triggered explosion of knowledge with intensification of its usage in 1990s thereby making the management of knowledge became all the more important. The consulting companies were among the first to recognize that centralized and unified information through database would serve a product with capacity to generate good revenue source in future for all companies across industries.

Previous studies on KM adoption

Over the last decade it was observed that

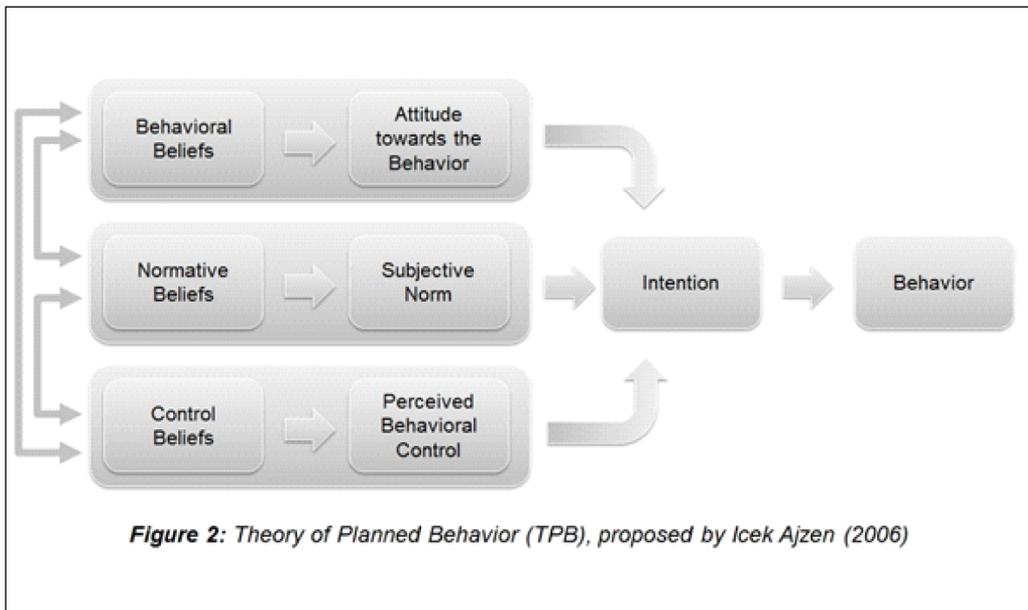
KM was being viewed as an integral function of a business concern. The performance of a business concern, was found comprehensively reliant on processes associated with knowledge management. Even though business strategies related to CRM, new product development, change management, innovation and governance are driven by KM processes, the effect of KMS adoption and its utilization has not been completely recognized. In majority of cases generality and guesstimate are used for establishing and validating theories. The lack of common framework with respect to KM gave way for this research with focus on Indian ITES organizations. Following the same it is important to first scrutinize prior research frameworks and theories.

Literature review includes understanding and identifying the enablers mentioned in prior research works and frameworks used in the earlier studies. Research works on adoption of KM during the last one decade are being considered at present for this research study. The technology acceptance model (TAM) with respect to user acceptance of any given system was conducted using 35 respondents during 2004 (*Money and Turner, 2004*). Some important enablers came out of TAM that witnessed to have influence on the decision pertaining to adoption of any given new technology. The enablers were 'Perceived Usefulness', 'Perceived Ease-of-use', 'Intention to Use' and 'Attitude towards Use' etc. which are also shown in Figure-1.



In concurrence, another model by the name ‘Theory of Planned Behavior (TPB)’ was introduced by Icek Ajzen in 2006 which supported TAM in creation of a KM adoption model. The enablers

suggested in TPB were ‘Subjective Norm’, ‘Attitude towards Use’ etc. For exploring KM adoption in Indian ITES sector, this research study uses enablers from both TAM and TPB.



Research Framework

The framework of this research includes adaptations from prior research studies and theories for identification of relationship between dependent and independent variables with respect to KM adoption in Indian ITES organizations. The Technology Acceptance Model (TAM) is perceived to be the most frequently used due to ease of expandability.

For this research, Technology Acceptance Model (TAM) and Theory of Planned behavior (TPB), shown in Figure-2, is used to evaluate their suitability in case of Indian ITES sector. The aptness of using such models was also validated by a similar research that was conducted by Luis Ernesto Prado Tamez during 2014 on KM adoption in Mexico. Since, KM adoption is not tested through the models in Indian ITES sector, it is anticipated that the insights generated from this research will be quite worthwhile within various components of ITES sector.

Methodology

With primary objective to recognize the relationship between KM adoption enablers and demographic variables prevalent in Indian ITES organizations within Delhi NCR, this study may support in identification of independent and dependent enabler that influence augmentation of KM adoption. The outcomes may also be used for assessing direct or indirect influence of KM based on the relationship of enablers on an organization's competitive advantage through appropriate investment strategies.

Data collection and sampling

Voluntary response surveys were used as the selection of respondents were based on non-random sampling further categorized into systematic, convenience, stratified and cluster sampling techniques. The population considered for this research includes members working in Indian ITES companies with minimum employee base of 1000. Within Delhi/NCR region it is assumed that the target population size would be over 100,000 if the survey is rolled out in 10 ITES companies. Therefore as per Yamane's rule the minimum sample size for guaranteeing satisfactory coverage of nominal 95% confidence intervals will be 400.

Formula

$$n_0 = N / [1 + N (e)^2]$$

$$n_0 = 100,000 / [1 + 100,000 * (0.05)^2] = 398.4$$

An online survey questionnaire was created on Google-Forms to convert research objectives into well-defined questions alongside appropriate categories of responses to reassure cooperation and motivation of participants. This research study employs 5-point Likert's scale for collection of data with range from 'Strongly Disagree' as point 1, 'Disagree' as point 2, 'Neutral' as point 3, 'Agree' as point 4 and 'Strongly Agree' as point 5.

Variables

Data for this research was collected using 5-point Likert's scale which is ordinal in nature; hence 'Ordinal Regression' is used.

As a part of predictive study, ordinal regression illustrates the association between one dependent variable with two or more independent variables. In this research, logit function is seems most appropriate. Therefore, impact on dependent variables (*KM adoption enablers as well as KM utilization areas*) will be evaluated based on the independent variables (*Gender, Age Group, Educational Qualification, Employment in the Organization and Department*).

On processing the data through SPSS (Version 13), two important tables were generated. The first table to be used for analysis is the one that holds parameter estimates. Major components of this table are 'Threshold' and 'Location'. The first order effect in ordinal regression are showcased in 'Thresholds' while coefficients of independent variables (*Gender, Age Group, Educational Qualification, Employment in the Organization and Department, used in this research*) are depicted in 'Location' estimates. The 'Location' estimates hold coefficients for the predictor variables.

Since the ten KM adoption enablers are treated dependent variables along with eight dependent variables of KM utilization, SPSS generated tables and charts that are used for analysis. Conducting ordinal regression on the data collected for this research generated output as shown in Table-2, Table-3 and Table-4.

Data analysis

Descriptive Statistics

As part of descriptive statistics, the data obtained from online survey showcase that in most cases the median scores obtained from KM adoption are either 4 (45% of responses are 'Agree') or 5 (45% of responses are 'Strongly Agree') with 2 (10% of responses are 'Disagree'), while an observation of mode scores depict that prominence of the option 5 (65% of responses are 'Strongly Agree') while option 4 (20% of responses are 'Agree') with few in option 1 (10% of responses are 'Strongly Disagree').

KMO and Bartlett's Test

To ensure that the factor analysis is suitable for research data collected, Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity was also calculated. The Kaiser-Meyer-Olkin (KMO) sampling adequacy statistics ranges between '0' and '1'. An outcome of '0' indicates that there is high number of inequitable correlations as against the sum of correlations; this means distribution of pattern correlations. On the other hand, if the outcome is close to '1', it would mean that the correlations are packed together thereby the analysis can provide suitable and consistent factors. It was recommended by Kaiser (1974) to have values above 0.5.

The outcome of the Kaiser-Meyer-Olkin (KMO), shown in Table-1 measure of sampling adequacy is 0.802, while the

outcome of Barlett's test of Sphericity is highly significant with ($p < 0.001$). Hence, the outcomes of both these statistical tests suggest that the factor analysis is suitable to carry out from the data collected through the online survey.

Bartlett's test is used for identifying if 'k' samples are from populations with identical variances. Identical variances across samples are known as homogeneity of variances. Statistical tests like analysis of variance presume that variances are identical across samples. Here, the Bartlett test can be used to validate the supposition. To be significant, the output needs to be a value less than 0.05 and to be highly significant the output value (p) should be less than 0.001 (Field, 2005).

The outcome of the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is 0.802, while the outcome of Barlett's test of Sphericity is highly significant with ($p < 0.001$). Hence, the outcomes of both these statistical tests suggest that the factor analysis is suitable to carry out from the data collected through the online survey.

Ordinal Regression Analysis

While correlation analysis of ordinal variables focuses on strength of the association between two or more variables, the ordinal regression analysis focuses on identifying reliance or causal association between a dependent variable and one or more independent variables. The correct way to conduct ordinal regression analysis is to use ordinal variables as dependent while using

continuous, ordinal or categorical (including dichotomous variables) as independent variables.

The ordinal regression can be classified into the below categories, (1) Simple-Ordinal Regression, with one dependent variable (*ordinal in nature*) and one independent variable (*Continuous or Categorical*) and (2) Multiple-Ordinal Regression, with one dependent variable (*ordinal in nature*) and at least two independent variables. In this research the Logit function is most appropriate. Therefore, impact on dependent variables (*KM adoption enablers*) will be evaluated through SPSS (*Version 13*) default function based on the independent variables (*Gender, Age Group, Educational Qualification, Employment in the Organization and Department*).

Discussion

Taking all independent variables into account, it was observed that maximum number of statistically significant outcomes were in case of the KM adoption enabler 'Perceived Usefulness' holding likelihood of lower cumulative scores in most cases with lowest scores from '18-28 years' age group and 'Admin' department thereby depicting that for every one-unit increase there are odds of 'Perceived Usefulness' to be on the lower side as compared to other groups. Likewise, the likelihood of higher cumulative score, statistically significant at 5%, is observed in case of 'Employment' with less than 2 years, 2 to 5 years and 5 to 10 years.

The KM adoption enablers 'Subjective Norm' holds second highest number of observations holding likelihood of lower cumulative scores in most cases with respect to 'Department'. Likewise, with respect to the independent enabler 'Employment', the likelihood of higher cumulative score, statistically significant at 5%, is observed in case of 2-5 years followed by graduation and post-graduation with respect to educational qualification.

The next KM adoption enabler with maximum number of statistically significant outcomes is 'Job Relevance'. Here, the likelihood of higher cumulative score, statistically significant at 5%, is observed only in case of the independent variable category 'Educational Qualification' with 'Graduation' holding highest odd ratio of 8.47 followed by 'Post Graduation' with odd ratio of 7.75. The independent variables of the category 'Department' showcased maximum number of observations with likelihood of lower cumulative score, statistically significant at 5%.

Varied reasons like target industry sector, target location, target population of survey, time-slot of survey etc. may have affected the score strength. This suggests that a similar research may not produce identical results if the any of the aforementioned elements are changed. The regression score may be totally different as compared to this study or even if they are similar the strength of scores may differ with change in target location, target population and time-slot of survey etc.

Conclusion

Theoretical implications

The academic implications of this research study includes understanding about the dependent variables such as 'Perceived Usefulness', 'Subjective Norm' and 'Job Relevance' and the level of their reliability on independent variables such as Age, Gender, Employment in Organization, Education and Department. It may also guide organization on success enablers and key performance indicators.

Managerial implications

This research would potentially aid in decision making process by ITES organizations with respect to selection of appropriate knowledge management system, its implementation process and its phases while evaluation of existing knowledge solutions keeping in view the availability of budget and target groups.

Research Limitations

Due to size and enormity of ITES sector at global level, this research focuses only on the ITES organization within Delhi NCR. A larger sample was not available due limited number of ITES organizations in Delhi NCR with employee base of over 1,000. Other research studies also had to face similar constraints. In the research study conducted by W. Money and A. Turner during 2004 witnessed a response rate of less than 20%. However, for this research 657 valid responses received through online survey are found sufficient, with respect to Yamane rule, to contribute

good outcomes with respect to KM adoption and utilization in ITES organization within Delhi NCR. The study may have biased opinion and inputs from respondents which is likely to impact the result of the research. Therefore, the findings may not be applicable across India and even at global level. The findings may not generalize across other sectors and industries. With rapid change in technology tools (Mobile applications, Cloud Computing etc.) the adoption and usage of KM may include other variables in future, which could not be covered in this research study.

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Appendix

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.802
Bartlett's Test of Sphericity	Approx. Chi-Square df	3224.549 45
	Sig.	.000

Table 1: Kaiser-Meyer-Olkin (KMO) Bartlett's Test of Sphericity.

	Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval		Odd Ratio	
						Lower Bound	Upper Bound		
Threshold	[Subjective_Norm = Strongly Disagree]	-1.52	0.847	3.218	1	0.07	-3.18	0.141	
	[Subjective_Norm = Disagree]	-0.976	0.847	1.327	1	0.25	-2.64	0.684	
	[Subjective_Norm = Neutral]	-0.12	0.848	0.02	1	0.89	-1.78	1.541	
	[Subjective Norm = Agree]	2.128	0.847	6.305	1	0.01	0.467	3.788	
Location	[Gender= Female]	-0.275	0.164	2.797	1	0.094	-0.6	0.047	0.76
	[Gender= Male]	0(a)	.	.	0	.	.	.	
	[Age= 18-28]	-0.3	0.362	0.683	1	0.409	-1.01	0.411	0.74
	[Age= 29-39]	-0.437	0.323	1.839	1	0.175	-1.07	0.195	0.65
	[Age= 40-50]	0(a)	.	.	0	.	.	.	
	[Employment= 2 to 5]	1.245	0.415	8.995	1	0.003	0.431	2.058	3.47
	[Employment= 5 to 10]	0.141	0.381	0.137	1	0.711	-0.61	0.887	1.15
	[Employment= Less Th]	0.192	0.417	0.212	1	0.645	-0.63	1.01	1.21
	[Employment= Over 10]	0(a)	.	.	0	.	.	.	
	[Education= Grad]	2.252	0.791	8.102	1	0.004	0.701	3.802	9.51
	[Education= PG]	2.235	0.789	8.014	1	0.005	0.687	3.782	9.35
	[Education= PhD]	0(a)	.	.	0	.	.	.	
	[Department= Admin]	-1.41	0.354	15.919	1	0.000	-2.1	-0.72	0.24
	[Department= Finance]	-3.523	0.349	102.13	1	0.000	-4.21	-2.84	0.03
	[Department= HR]	-2.072	0.296	48.983	1	0.000	-2.65	-1.49	0.13
	[Department= Legal]	-0.811	0.548	2.189	1	0.139	-1.89	0.263	0.44
[Department= Mktng]	-1.58	0.357	19.633	1	0.000	-2.28	-0.88	0.21	
[Department= Ops]	-2.091	0.231	81.786	1	0.000	-2.54	-1.64	0.12	
[Department= Support]	0(a)	.	.	0	.	.	.		

Link function: Logit.

a This parameter is set to zero because it is redundant.

Table 2: Parameter Estimates: Subjective Norm

		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval		Odd Ratio
							Lower Bound	Upper Bound	
Threshold	[Job_Relevance = Disagree]	-9.765	1.596	37.42	1	0	-12.89	-6.636	
	[Job_Relevance = Neutral]	-7.948	1.465	29.44	1	0	-10.82	-5.077	
	[Job_Relevance = Agree]	-3.933	1.456	7.298	1	0.01	-6.786	-1.079	
Location	[Gender= Female]	-0.099	0.198	0.252	1	0.615	-0.488	0.289	0.91
	[Gender= Male]	0(a)	.	.	0	.	.	.	
	[Age= 18-28]	-0.041	0.479	0.007	1	0.932	-0.979	0.897	0.96
	[Age= 29-39]	-0.09	0.44	0.042	1	0.838	-0.952	0.772	0.91
	[Age= 40-50]	0(a)	.	.	0	.	.	.	
	[Employment= 2 to 5]	-0.893	0.613	2.119	1	0.145	-2.095	0.309	0.41
	[Employment= 5 to 10]	-1.526	0.593	6.616	1	0.010	-2.689	-0.363	0.22
	[Employment= Less Than 2]	-1.136	0.615	3.408	1	0.065	-2.341	0.07	0.32
	[Employment= Over 10]	0(a)	.	.	0	.	.	.	
	[Education= Graduation]	2.136	0.967	4.884	1	0.027	0.242	4.031	8.47
	[Education= PG]	2.024	0.966	4.394	1	0.036	0.131	3.916	7.57
	[Education= PhD]	0(a)	.	.	0	.	.	.	
	[Department= Admin]	-5.111	1.057	23.38	1	0.000	-7.183	-3.04	0.01
	[Department= Finance]	-5.452	1.052	26.87	1	0.000	-7.513	-3.391	0.00
	[Department= HR]	-5.234	1.036	25.52	1	0.000	-7.266	-3.203	0.01
	[Department= Legal]	16.646	0	.	1	.	16.646	16.65	16,953,756.68
	[Department= Marketing]	-3.584	1.075	11.12	1	0.001	-5.691	-1.477	0.03
[Department= Operations]	-4.904	1.015	23.34	1	0.000	-6.893	-2.914	0.01	
[Department= Support]	0(a)	.	.	0	.	.	.	#VALUE!	

Link function: Logit.

a This parameter is set to zero because it is redundant.

Table 3: Parameter Estimates: Job Relevance



GROWTH, EQUITY AND POVERTY: TRENDS IN ODISHA

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ABSTRACT

Odisha has been traditionally associated with low Gross Domestic Product (GDP) and Human Development Index (HDI) scores compared to most states of India. However, since 2005 there has a significant turnaround in the States' Domestic Product (SDP), due to private sector participation in industrial activity in a massive way and mining activities. The paper makes an analysis of impact of growth on equity and performance of industries and agricultural productivity. Drawing reference to the higher financial devolution to the states by the 14th Finance Commission, the paper brings out how major social inclusion schemes like the Integrated Child Development Services (ICDS) are getting a short shrift due to sharp reduction in the centre's share to Centrally Sponsored Schemes (CSS). It underscores the importance of providing quality primary education and health care funded by the government and improving agricultural productivity through increased public investment in irrigation projects. Odisha can realize the full potential of its rich mineral resources by making it a preferred destination for key technology transfer and durable partnership with Original Equipment Manufacturers (OEMs) and design houses of the world.

KEYWORDS: GDP, HDI, SDP, ICDS, CSS, OEMs

INTRODUCTION

The State of Odisha is characterized by a vicious cycle of poverty, high levels

of unemployment and large swathes of Maoist activism in the tribal pockets. Besides, the social indicators in terms of HDI, Infant Mortality Rate (IMR),

Maternal Mortality Rate (MMR), malnutrition of children, Social Development Index (SDI) are deplorably low compared to developed states. This has confounded critics as the mineral resource base in terms of iron ore and bauxite is highest in the country and the seeds of industrialization and sea transportation through the Paradip Port were planted in the 1960s by Sri Biju Patnaik, the dynamic Chief Minister of Odisha. Fortuitously, post economic liberalization in the 1990s, there has been a significant spurt in the growth of GDP, compared to the four decades that preceded it. Besides, Odisha has also been at the vanguard of executing many of the socially inclusive schemes like National Rural Livelihoods Mission (NRLM), MNREGA which has immensely benefited large number of ST, SC and women from the quagmire of unemployment and hunger. Growth with equity seems to have worked in tandem to mitigate magically unacceptably high levels of poverty that afflict particularly the rural landscape and KBK (tribal belt) of Odisha.

This paper attempts to (a) analyze the trends of GDP, major sectors, and their contribution to high growth and poverty reduction, post 1994 (b) position with reference to industrial growth, agricultural productivity and social sector parameters, (c) exact impact of rhetoric

like cooperative federalism and higher devolution to the states and (d) bring up a road map for inclusive economic resurgence of Odisha. It also underscores the perils of unfettered free market operation that contributes to the widening chasm between affluent few and large chunk of population, who teeter in poverty.

ODISHA'S OVERALL PROFILE

Odisha has a total population of 419 lakh approximately, with STs constituting 95.9 lakhs (23%) located in 12 districts. The State runs its budget prudently, with a revenue surplus of Rs.4256 crores and a fiscal deficit of 1.38%, compared to the national fiscal deficit of 3.2%. It has very rich mineral reserves and both the public and private sector players are engaged in production of steel, aluminum in a significant manner. Industry contributes 38% of the GDP growth as against a stagnant national average of 32%. It is also witnessing substantial growth in private sector participation in opening up of colleges and universities in the engineering and MBA streams, making it an educational hub for students coming from West Bengal, Chhattisgarh, Bihar, Rajasthan and Jharkhand. There has also been significant improvement in terms of national highways and connectivity of roads to the villages. Private hospitals have been dotting the city of Bhubaneswar, which is being groomed now as a smart city, with its vibrant IT hub in the outskirts.

The new IIT, IIM and AIIMS sanctioned for Odisha has mainstreamed the state to the best of educational and health care. There has been a significant reduction in the scale of poverty and the growth of GDP since 2005 has made it a “Break Out State”.

GROWTH OF GDP AND POVERTY REDUCTION

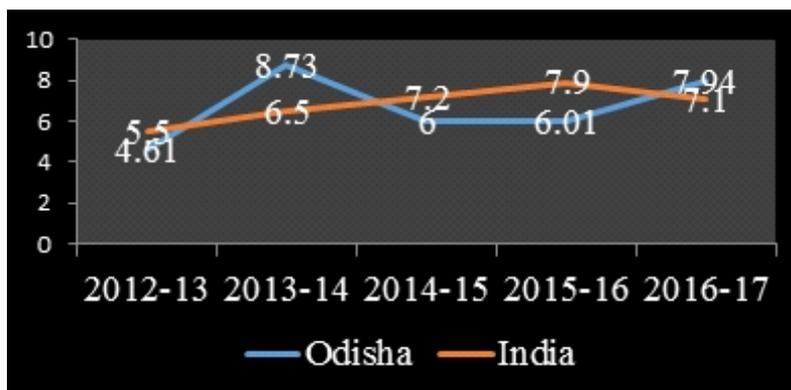
The trends of GDP growth show widely varying fluctuations in the period 1994-2003, before settling down to a very high growth trajectory since then. As against an average growth of 3.2% (1993-2003), the average GDP growth rate since then has been of the order of 8%. The under mentioned table with bring out the trends.

Table 1: GDP Growth Rates

Year	Growth Rate
1994-95	4.9
1996-97	- 6.9
1997-98	14.4
2000-01	- 2.6
2002-03	- 0.7
2003-04	14.6
2006-07	12.5
2009-10	8.5
2014-15	8.7
2015-16	7.94

The trends in real growth rate of Odisha & India since 2012-13 to 2016-17 is brought out below.

Figure 1: Trends in Real Growth Rate



Source: Odisha Economic Survey Report 2016-17

It would show that the all India trends is marginally better than Odisha.

Sectoral Share: India & Orissa

The sectoral share for India and share show interesting divergence as under:

Table 2: Sectoral Share at Current Prices (2011-12 base year)

Sector	Orissa		India
	2011-12	2015-16	2015-16
Agriculture	17.96	18.68	17.5
Industries	42.94	38.38	31.8
Services	39	42.9	50.7

Source: Economic Survey & Odisha Economic Survey Report 2015-16

It would be seen from the above that while contribution of agricultural sector is roughly similar for India and Orissa, it is significantly more in case of industries for Odisha, where the service sector is lagging behind all India trend. There is also a dip of 4% in mining activity in 2015-16 as compared to 2011-12; reducing the share of industries.

Social Development Indicator (SDI) & Policy Effectiveness Index (PEI)

In terms of Social Development Indicator (SDI), Odisha scores very poorly compared to other states, when we take parameters like health, education, basic amenities and economic deprivation. The following table brings out the interstate position.

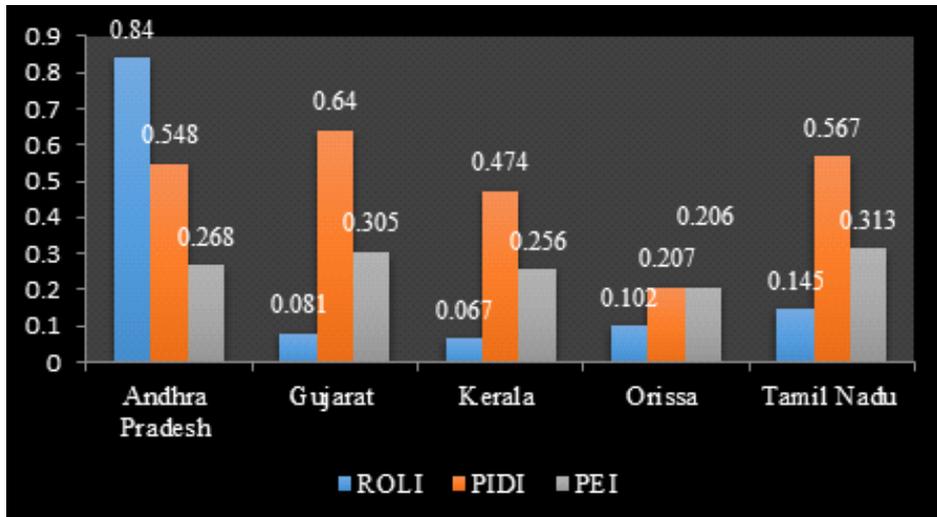
Table 3: Social Development Indicators: Ranking

State	Health	Education	Basic Amenities	Economic Deprivation
Andhra Pradesh	7	18	10	14
Gujarat	12	11	11	11
Himachal Pradesh	10	2	5	4
Kerala	1	1	6	9
Odisha	16	19	21	23

Source: Social Development Report 2012

Prof. Rajiv Malhotra has made a pioneering study on Policy Effectiveness Index (PEI) of various states, based on parameters like Rule of Law Index

(ROLI), Public Infrastructure Development Index (PIDI). The comparative position of a few states is as under.

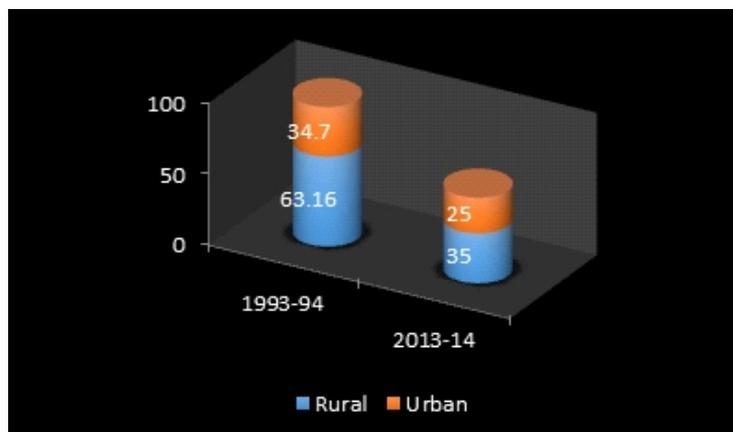
Figure 2: Policy Effectiveness Index

Source: India Public Policy Report 2014

It would thus be seen that in terms of infrastructure development, both Gujarat, Andhra Pradesh and Tamil Nadu have made significant strides, compared to Odisha.

However, Odisha's consistent high growth

combined with effective implementation of mega schemes like MNREGA, NRLM, NULM and PMGSY have helped significantly in generating employment and the position on poverty reduction for rural and urban India is summarized below.

Figure 3: Poverty Reduction after Liberalization

Source: Odisha Economic Survey Report 2015-16

EMPLOYMENT PROGRAMMES IN ODISHA

Since its inception, till the end of March 2015 64.7 lakh households including 12 lakh SC, 18 lakh ST have been issued job cards, women labourers constituted 34% of work created under MNREGA. The fund utilization was around 99.6% under MNREGA. The National Rural Livelihoods Mission (NRLM) launched in 2012 tries to enable the rural poor household access to gainful self employment and skilled wage employment opportunities. Around 70% of the funds was utilized in this programme. The Aam Admi Bima Yojana (AABY), a central sector scheme is administered by Life Insurance Corporation of India (LIC) for the benefit of landless agricultural labour households. It is proposed to cover 2 lakh households of MGNREGS workers. Urban poor is a preaching challenge in Odisha due to unrelenting migration to the cities. National Urban Livelihoods Mission (NULM) seeks to provide employment through skill training capacity building training centre to urban homeless and support to urban street vendors. The state employment mission plans to enable youth to become employed through market link vocational training and enterprise training. Under this programme women are also brought in the ambit of opportunities

through self help groups (SHGs). A total of 5.66 lakh women self help groups have been formed covering 68 lakh members out of which 5.2 lakh SHGs have been credit link.

INDUSTRIAL GROWTH & AGRICULTURAL PRODUCTIVITY

Odisha has been fortunately endowed with rich mineral resources like iron ore, bauxite and coal. It has thus spurred growth of steel plants both in the public sector, Rourkela and in the private sector like Bhushan steel. NALCO has been another major feather in the cap of Odisha, besides BALCO. Ironically states like Chhattisgarh and Jharkhand, who are also in the top of the pecking order of these mineral resources, continue to languish in poverty like Odisha.

What is particularly distressing is the mismatch between Odisha's resources and production; particularly in steel. While Odisha has 40% of iron ore deposits, it produces only 10% of steel production of India, in bauxite also, the resource production gap is around 25%. The position of employment in organized manufacturing shows a discouraging trend, with private sector accounting for only 13% of the employment. The industrial profile is placed below.

Table 4: Industrial and Mining Profile

Type of Industry	Number	Capital Investment (Rs. Crore)	Employment (Lakh)
Large	252	92786	1.18
MSMEs	214087	6549	3.63
Mines	250	54511	0.49

Source: Odisha Economic Survey Report 2016-17

It is, therefore, redeeming to learn that the Odisha government plans to invest around 28.7 billion dollars by 2027 so as to create employment opportunity for 3 lakh in manufacturing. The other initiative is to integrate and develop coastal areas and freight corridors as part of Sagarmala project. 100 startups, handicraft training centres are also on the anvil.

TRICKLE DOWN THEORY & THE REALITY

It was Robert Solow (1956) who advocated the trickle down theory based on the assumption that “A rising tide will lift all the boats”. Adam Smith, the apostle of free market believed that free market forces as if by an invisible hand will promote welfare of all. Sadly, the global financial crisis in 2007-08 brought out how an

unfettered market, bereft of proper regulation by the government, can accentuate income inequality, public discontentment, high unemployment, forcing the government to resort to bail out packages for the banking sector. To quote Prof. Joseph Stiglitz “A rising tide, followed by a storm would smash weak boats into smithereens”. Indeed, the weak and the vulnerable need the guiding hands of the government to promote welfare of all, as Smith had rightly underscored as the legitimate remit of a welfare state.

A major concern for a poor state like Odisha where large no of people stay in the village is the low level of agricultural productivity. The following table would bring out that comparative productivity at all India level with Odisha for major crops.

Table 5: Yield Rate of Principal Crops (2014-15)

Crop	All India Productivity (KG per hectare)	Odisha	Difference %
Rice	2390	1491	-37.61
Wheat	2872	1347	-53.09
Gram	875	775	-11.43

Source: Odisha Economic Survey Report 2016-17

It would be seen that in major cereal crops, the difference in productivity is as high as (38% -53%). The rural landscape of Odisha is also severely distressed due to

high levels of landless population, casual workers and a large number earning less than the minimum wage as the following table would show.

Table 6: Rural Landscape: All India & Odisha

Parameter	All India	Odisha
Casual Employment	38.3	39.4
Government Jobs	5	4.3
Monthly Income <5000	74.5	87.9
Kisan Credit Card	3.6	1.5
Irrigated Land	25.5	9.9
Unirrigated Land	29.6	37.5

Source: Socio Economic & Caste Census Report, 2011

COOPERATIVE FEDERALISM & HIGHER DEVOLUTION OF FUNDS

One of the spin offs of the 14th Finance Commission report has been the significant

increase in the share of taxable resources (42%) of the centre to the states as against 32% by the earlier commission. The additional benefit to different states is enumerated below.

Table 7: Additional Fourteenth Finance Commission Transfers (in 2015-16 over 2014-15)

State	Benefits from FFC (in Crore)
Andhra Pradesh (United)	14620
Bihar	13279
Chhattisgarh	7227
Gujarat	4551
Kerala	9508
Odisha	6752
Tamil Nadu	5973
Uttar Pradesh	24608
West Bengal	16714

Source: Fourteenth Finance Commission Report, GOI

However, what this higher devolution masks is decrease in the share of Centre's

share in the centrally sponsored schemes like the ICDS & Anganwadi workers. As

against the earlier central share of 80% in such schemes, post 2015-16, it has been reduced to 50%. Since there is no caveat to the states that the increased devolution of 14th Finance Commission award should not stifle allocation to such welfare schemes for children and lactating mothers,

many states like Odisha have denied even the modest salary paid to these workers, forcing them to go on a strike.

The following table would bring out the dynamics of the change in resource share for anganwadi workers.

Table 8: Anganwadi Program: Allocation, Wage and Resource Sharing

Parameter	2008-09	2011-12	2014-15	2015-16	2016-17	2017-18
Centres (in lakhs)	9.32	14	14	14	14	14
Workers (in lakhs)	18	22	22	22	22	22
Allocation (in Rs. Cr.)	6300	10000	16253	15433	14560	15245
Wage of Workers (in Rs.)	1500	3000	3000	3000	3000	3000
Number of Children Covered (in lakh)	629	700	700	700	700	700
Number of Pregnant & Lactating Mothers (in lakh)	132	150	150	150	150	150
Central Plan Responsibility (in Rs. Cr.)	5670	9000	14627	7716	7280	7622
State Plan Responsibility (in Rs. Cr.)	630	1000	1625.3	7716	7280	7622

Source-Budget Document, 2017-18, Government of India

It would clearly demonstrate that the wage of anganwadi workers is less than minimum wage and the share of states has increased significantly.

THE WAY FORWARD

Odisha is on a high growth path; and it has rightly embarked upon a mix of high growth and sensible social inclusion schemes. But it has to invest more in creating irrigation potential, ramp-up its manufacturing activity and improve agricultural productivity. The quality of government schools remains abysmally poor, in terms of both basic infrastructure and teaching, The Annual Status of Education Report (ASER) 2015 brings out

the poor outcomes in terms of reading, writing and numeracy ability, enticing 30% students to opt for very costly private schools. The picture is equally grim in college and university education where the private sector has become the piped pipers. Odisha has become the educational hub of the east. However, there are very little yen for academic excellence or pursuing frontline research. The skilling initiatives remain rudimentary, yet significant for a larger number of school drop outs. The private sector is also investing handsomely in private hospitals which remain beyond the financial reach of the poor. The goal of quality health care

at affordable cost remain a pious platitude, just as quality, value based primary education, a goal set by the Oslo summit. Odisha is still not an attractive destination for investment or for inflow of Foreign Direct Investment (FDI), due to the fiasco over investment by many Multi-National Corporations (MNCs) and large manufacturing houses. Despite political stability, lack of dynamism seems to deny Odisha to reap its true potential in terms of quality education, skilling, productivity and a manufacturing hub of India. Just as Chennai has become the automobile hub of India, Ludhiana the epicenter for garment, Odisha has all the potential to become the steel hub of India.

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EXPORT PERFORMANCE OF SPICES IN INDIA: AN EMPIRICAL STUDY

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ABSTRACT

Spices has been a prime source of livelihood for millions of people and above 3 million farmers are engaged directly or indirectly in spices cultivation, processing, manufacturing grading, marketing and other allied activities. So the spices industry is a prominent place over the past seven decades. India is being a world largest producer and exporter. The sustainability of Indian spices industry is mainly depends on exports. India is now facing stiff competition from many developing countries. The Indian spices processing industry have the various problems like availability of raw material, unscientific production methods, Marketing problems etc. The world exports of spices fluctuated during the period under study. Indian spices exports have more than doubled in between 2008 to 2015. Thus many reasons can be attributed to the fluctuation of exports during this period, such as increase in food prices, inflation, world recession etc. However the actual exports gained momentum after 2011. The present paper reviews the export performance of Indian spices

Key words: Spices, Exports, Gross Value Added, Gross Domestic Product, Tariff barrier

INTRODUCTION

Agriculture plays a vital role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. Agriculture, along with fisheries and forestry, is one of the largest contributors to the Gross Domestic Product (GDP). Spices entered in to human history around 5000 years before Christ and spice trade has a legacy

of 5000 years. Spices is one of the economically and commercially significant agriculture crops in the world. Today, Indian spices are the most sought-after globally, given their exquisite aroma, texture, taste and medicinal value. Traditionally, spices in India have been grown in small land holdings, with organic farming gaining prominence in recent times.

Spices may be dried fruits, roots, seeds

or barks of vegetable substance primarily used to flavour, colour or preserve food. “Spices and Herbs are dried parts of various plants cultivated for their aromatic pungent or otherwise desirable substances, the dominant spices of trade including cardamom, chilli, cinnamon, cloves, ginger and pepper.

In India, different states are known as different spices. They are produced in all the states and union territories. Andhra Pradesh and Telangana is known for ginger, turmeric, chilli, and Mustard, Gujarat for Cumin, Dill seeds, fenugreek, fennel, Chilli and garlic. Himachal Pradesh for ginger, Haryana is known for garlic, Karnataka for pepper, ginger, cardamom (small), ginger, chilli, turmeric and garlic, Orissa for ginger, chilli, turmeric and garlic. Kerala is known for pepper, ginger, chilli, turmeric, nutmeg and mace, Clove. The majority of Indian spices production is undertaken in very small holdings, often on hilly tracts of land. It is that 2.5 to 3.0 million small holders cultivate one or more spices

As per estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) was 15.35 per cent of the Gross Value Added (GVA) during 2015–16 at 2011–12 prices. India is the largest producer, consumer and exporter of spices and spice products. India’s fruit production has grown faster than vegetables making it the second.

Review of literature

Basu, P.K. suggests in his research thesis

“Foreign Trade Policy in India Since The Plan Period (1951-85)”, formulation of a national export policy incorporating term strategy and an appropriate organisational set up. Further the researcher suggests that, to achieve the export goal, planning product mix for country’s export, prioritising commodities and markets for promotion of exports, strengthening marketing efforts, liberalising exchange control system and policy towards channelization of foreign trade, negotiation for reduction of tariff and non tariff barrier, economic co-operation among developing countries to secure better terms of exports of primary commodities are essential and necessary.

Major technological developments in electronics, computer science and synthetic material have had substantial adverse effects on the consumption of natural raw material. This trend may continue and future technological innovations could well lead to the virtual collapse of a number of traditional raw materials markets. As a result of this declining trend in commodity exports, there is bitter competition among developing countries to earn much needed foreign exchange either by underselling or subsidising their commodity exports. If any developing country is reluctant to do so, the importing developed countries or their TNCs take counter measures like country substitution, commodity substitution, releasing previous stocks, recycling and ocean bed exploration so as to bring down prices of commodities and raw materials exported by developing countries.

Raffer, (1987) The emerging unfavourable conditions, for the commodity exports of developing countries, have a mixed impact on their economies. In general, the commodity export sector became an instrument for transmitting recession from industrial centers to peripheral economies and thus becoming a major source of its stability (Maizels, 1987) But the shocks are being absorbed and some of the developing countries are slowly shifting from exports of raw commodities to process and semi processed commodities and intermediate manufactured goods. Maizels aptly observed that the previous close linkage between commodity exports and balance of payments has been declining and the traditional role of commodity exports as an “engine of growth” for developing countries in general is marginalizing (Maizels 1987) .For example ,for all developing countries ,the share of agricultural commodity trade in total exports was 50percent in 1965 and it declined to 23percent by 1980 .The same trend is also observed in the Indian exports mix as 68.4percent of Indian exports consisted of food products and raw materials in 1938-1939 , decreased to 33.0percent by 1980 and the share of manufactured items increased significantly over the same period from 30.0 to 58.8percent .But the share of tobacco exports remained more or less constant (Gill and Ghuman ,1982)

According to Bhagwati and Srinivasan (1983), trade liberalization leads to trade diversification by altering the product

composition for existing production towards higher value-added products. There is a strong connection between trade liberalization and trade diversification. The export promotion strategy promotes intra-industry specialization and as a result, intra-industry trade in manufactures among developing countries, and between them and the industrial countries develop significantly. Sen (2000) has made a critical appraisal of the import substitution and export promotion strategies adopted by the governments.

Morrissey and Filatotchev (2001) have analyzed implications of globalization and trade for exports from marginalized economies. If producers in developing economies are brought in to the commodity chain merely as contract suppliers, they may continue to be marginalized by globalization. According to Mansoob (1997) protectionism in the developed economies directed towards the goods of the developing economies is not going to promote the interests of unskilled workers of the former.

Research problem

Research studies on export performance of various products of general consumption across the world have been superfluous. These are considered to be of mutual benefit for the producers and the consumers countries across the world. Such category includes Foods, beverages and utilities of household consumption. However, there is one particular produce which has a greater monetary value even

though it is not known for common good. Export has assumed an important place in the development process of any economy. For achieving rapid growth, a minimum of foreign exchange is necessary for a developing country like India. Spice exports from India are expected to reach US\$ 3 billion by 2016–17 (Spices Board -2016) due to creative marketing strategies, innovative packaging, strength in quality and strong distribution networks. The spices market in India is valued at **Rs 40,000 crore** (US\$ 5.87 billion) annually, of which the branded segment accounts for 15 per cent India is the largest producer, consumer and exporter of spices, with a 46 per cent share by volume and 23 per cent share by value, in the world market. The Indian spice export basket consists of around 50 spices in whole form and more than 80 products in value added form largest **fruit** producer in the world (Spices Board -2016). The sustainability of Indian Spices industry is mainly depends on exports. India is now facing stiff competition from many developing countries.

Need for the study

There have been several regulations in different countries to export of agriculture commodities. These regulations have caused the reduction of spices exports. This results welfare losses in spices exporting countries, as a result of decrease spices production. Welfare losses include a decrease foreign revenue, incase unemployment unfavorable terms of trade and loss of revenue to the Government. In addition, this situation increases poverty

levels, and a reduction in social welfare services, which may calls unrest among they people, it is therefore very necessary to know the trends in the Export performance of spices, that can help in understanding the kind of impact it will have and its social political consequences, this study therefore attempted to find out the trends in export performance of spices from 2001-02 to 2015-16.

Objective

The main purpose of the study is to find out whether they have been an increase or decrease in the export of spices. The second purpose is to inter possible causes for variations in spices exports from 2001-02 to 2015-16.

Performance evaluation

To analyse the Export performance of Indian spices has to collect the secondary data from the Spices Board, Annual Reports from 2001-02 to 2016. In this section we consider the following objectives:

- To examine the average growth of the quantity of spices
- To find out the average growth of value of spices
- To examine the functional relationship between the Value and quantity of exports

Hypothesis

In view of the proposed objectives, the researcher has formulated the following hypothesis (for the study).

Null Hypothesis (H_0): There is no functional relationship between value and Quantity of exports

Alternative Hypothesis (H_1): There is a functional relationship between value and Quantity of Exports.

Research Methodology

Research design is the framework of the research study. It lays out the structure, procedures and data analysis of the research. In this study descriptive and analytic research design has been found to be most suitable type of research design. In this way, the trends in Export performance of Spices are described with the help of statistical tools.

Data Collection Method

The data used for present data is based on secondary sources. The secondary data have been collected from the publications of Indian spices Board Ministry of Commerce Government of India viz, Annual reports Brochures and Websites.

Data Analysis Technique

The researcher has used the statistical tools like Ordinary Least Squares (OLS), Regression analysis to find out region wise growth rates, and worked out find the behavior of the trade variables under the study. In addition routine descriptive statistics, like frequency, mean, Standard Deviation (SD), Shapiro-Wilk normality test were used. The computer software's used are R 3.2.1 version and MS-Excel has been used for computation. Analysis

of growth rates are worked out by using the linear function and worked out find the behavior of trade variables under the study. The following sections discuss the result analysis of three objectives respectively.

Results and Discussion

To achieve the above objectives, the following statistical techniques have been used:

To establish the functional relationship value and quantity of the exports of spices, here fitted a linear function Y (value of species) = $A + B$ (Quantity of spices) as shown below table-1 and 2.

In order to assess trend of the export performance of spices, the average growth of Quantity in spices is 4,68,437.7 tones and the average growth value of spices is 5,932.97 crores. Initially, before establishing the relationship between the value and Quantity of spices, let us find out the normality of two variables to apply a parametric or a non-parametric correlation tool.

The theory states that both the variables in correlation should be normally distributed. If any one of them is not normally distributed the Karl-pearson correlation is not appropriate (Gerrish & Lathlean, 2015). So it is better to apply nonparametric test of correlation i.e., spearman rank correlation for better results. It is observed that both the spearman's rho and Kendall's tau are the best tools for examining the coefficient of correlation in the absence of normality in the analyzing data. They best suit when the

data is ordinal in nature (Snyder & Mangrum, 2005).

The data has tested the normality of two variables using Shapiro-wilks test. From the p-values i.e., 0.1151, value of Quantity of Spices and 0.009881, value of species, it is clear that, one of the variables i.e. Quantity of spices is normally distributed and the other i.e., value of species is not. By this, it is concluded that a parametric correlation tool named Karl Pearson Coefficient of Correlation cannot be applied. Thereby, an equivalent non-

parametric test named Spearman's Rank Correlation is used. From the results, it is observed that the Spearman's Rank correlation (ρ) between Quantity of Species and Value of Spices is 0.974 at 1% of level of significance. This values states that there is a strong correlation between the two variables. From this, we can state that our results do not accept the null hypothesis (H_0). Therefore, it states that there is a significant functional relationship between Quantity and Value of Spices.

Table 1: Correlations

Test	Quantity/value	Correlation Coefficient	Quantity	Value
Kendall's tau_b	quantity	Correlation Coefficient	1.000	.974**
		Sig. (2-tailed)	.	.000
		N	13	13
	value	Correlation Coefficient	.974**	1.000
		Sig. (2-tailed)	.000	.
		N	13	13
Spearman's rho	quantity	Correlation Coefficient	1.000	.995**
		Sig. (2-tailed)	.	.000
		N	13	13
	value	Correlation Coefficient	.995**	1.000
		Sig. (2-tailed)	.000	.
		N	13	13

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

Even, Kendall's tau is also used by the paper to establish the results obtained by Spearman's Rank Correlation, as stated in the above Table 1.

As there is a correlation, we can apply regression in order to examine the impact of Quantity and the value of Spices. After running the data in R 3..1 version, the

results have come up with the following regression equation, used for finding the expected values as well as for predicting the future value of species based on our

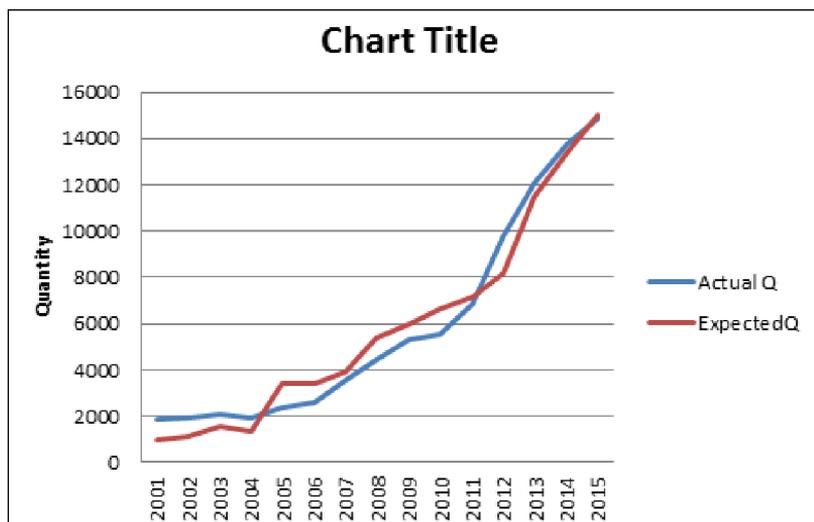
exports of quantity of spices. The following table -2 exhibits the results in detail.

$$\hat{y}(V) = (-4082.99 + 0.021382(Q)) \text{ --- Regression Equation}$$

Table 2: India Spices exports from 2001-02 to 2015-16

Year	Quantity	Value	$\hat{y}(V) = (-4082.99 + 0.021382(Q))$		Actual Q	Expected Q	Residuals	
2001-02	235916	1833.53	961.37	2001-02	1833.53	961.3659	872.1641	
2002-03	243203	1940.55	1117.18	2002-03	1940.55	1117.177	823.3735	
2003-04	264106	2086.71	1564.12	2003-03	2086.71	1564.124	522.5855	
2004-05	254382	1911.6	1356.21	2004-05	1911.6	1356.206	555.3941	
2005-06	348524	2350.52	3369.15	2005-06	2350.52	3369.15	-1018.63	
2006-07	350363	2627.63	3408.47	2006-07	2627.63	3408.472	-780.842	
2007-08	373750	3575.75	3908.53	2007-08	3575.75	3908.533	-332.783	
2008-09	444250	4435.5	5415.96	2008-09	4435.5	5415.964	-980.464	
2009-10	470520	5300.26	5977.67	2009-10	5300.26	5977.669	-677.409	
2010-11	502750	5560.5	6666.81	2010-11	5560.5	6666.811	-1106.31	min
2011-12	525749	6840.7	7158.58	2011-12	6840.7	7158.575	-317.875	
2012-13	575270	9783.42	8217.43	2012-13	9783.42	8217.433	1565.987	max
2013-14	726613	12112.76	11453.45	2013-14	12112.76	11453.45	659.3108	
2014-15	817250	13735.39	13391.45	2014-15	13735.39	13391.45	343.9405	
2015-16	893920	14899.68	15030.81	2015-16	14899.68	15030.81	-131.127	

SOURCE: SPICES BOARD COCHIN, 2016



From the above chart it has been clearly observed that the actual export of Indian spices declined as against expected during 2004 to 2011. As per the report of, the world economic situation and prospects United Nations 2011, global market underwent many trials. Thus many reasons can be attributed to the decline of exports during this period, such as increase in food prices, inflation, world recession etc. However the actual exports gained momentum after 2011, with world economy stabilizing and increase in the production.

Conclusion

It can be concluded from the above discussion, an attempt was made to present the importance of the study, various research studies conducted on export performance Indian spices across the world. Further, the findings of the study observed that the previous close linkage between commodity exports and balance of payments has been declining and the traditional role of commodity exports and also the emerging unfavourable conditions, for the commodity exports of developing countries, have a mixed impact on their economies. Some of the developing countries are slowly shifting from exports of raw commodities to process and semi processed commodities and intermediate manufactured goods. The above discussion is that India is performing well as far as exports of spices are concerned. It seems that various factors appear to play a larger role determining the performance of exports. Still it has the

potential to perform better under such circumstances the GOVT should design supportive policies and development of strategies for spices exports.

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POLITICAL LEADERS & PARTIES AS BRANDS : A THEORETICAL PERSPECTIVE

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ABSTRACT

Universally, there doesn't exist a predominant perception as to whether political parties or political leaders could be treated as brands on lines with commodities. This paper attempts to theoretically establish a relationship between these two terms, namely brand and political parties or leaders. Further it details the various bases on which consumer-citizens develop an understanding about political brands. It builds upon this to talk about the formation of political brand images in the eyes of consumer-citizens which results from the interactions between the leaders, their parties and the ideologies or policies. Following this, the paper talks about the tentative benefits for the consumer-citizen which might result because of the political branding phenomenon. The consumer-citizen, swayed by the benefits arising out of political brands, gets motivated to know more about it, getting in touch in the process and eventually makes the decision with regard to the same. The modern consumer is at the focal point of this research paper and the choices which s/he has with regard to vouching for a particular political party or leader makes for a compelling case for them being considered on lines with a brand.

Key words: *political brand, political marketing, consumer-citizen, leader, party.*

INTRODUCTION

Politics is one area which traditionally has not been much associated with the field of

marketing and its related concept branding. This is because of many reasons which would be mentioned later in the paper. At

the same time, there are thinkers who find merit in the analogy of politics and marketing and by extension branding.

Newman & Seth (1985) talk about how political marketing educates the voters about the various political parties and leaders thus leading them to making an informed choice. O’Cass and Pecotich (2003) are of the view that voting decisions being made by the consumer-citizens are much influenced by their learning of the contestants and their affiliates which in turn depends on their understanding of political marketing.

When one talks about branding (a part of the overall marketing concept), politics is one field which doesn’t instantaneously come to mind. This is so because traditionally politics has not been associated with the domains of marketing and branding. However, with time, branding has been increasingly associated with such phenomena which are societal in nature. One such non-traditional field has been that of politics.

Some more non-traditional fields which have been considered as brands in the western nations have been the Roman Catholic Church (Zinkin, 2004) as well as the popular universities (Jevons, 2006). This is so because the concept of branding is increasingly being associated with all such phenomena which involve some sort of consumerism and choices on the part of the consumer.

Thus, it ought to be a logical assumption that politics be associated with branding

as it involves choice on the part of the consumer-citizen and politicians tend to garner support for their electoral cause by engaging in exchange of ideas. This sort of development is akin to the one found in the case of marketing where the marketer engages the consumer in such a way that the product on offer is considered.

On the other hand are those who don’t consider politics as a natural extension of the phenomenon of marketing and its subset branding. Thinkers like Henneberg (2006) and O’Shaughnessy (2007) are of the view that the principles which drive a commercial marketplace could not be applied to the field of politics. This is so because leaders, on the virtue of being human beings, could not be treated akin to products.

Scammell (1999) and Needham (2005) opine that treating politics on the lines of marketing could lead to heightened confrontation, a tendency to disengage from the founding principles of practicing politics, extreme commercialization of a pure activity like an election, expectation of conformity to set-standards on line with commercial marketing which undoes the very purpose of politics which is based on the concept of differing views amongst the parties and leaders.

Further, Lilleker and Negrine (2003) are of the view that treating politics on par with a commercial concept like marketing would lead to the narrowing of the political agenda as a certain level of congruency would be expected on lines with target-

driven principles of marketing which would do injustice to the golden rule of politics, 'Agree to Disagree'.

Moreover, as per Needham (2005), considering politics similar to marketing might lead to disenchantment on various levels as far as the hierarchy of a political outfit goes. This is so because politics being an arena where every individual member has got the right to disagree and express their views. However, the scope of dissent doesn't find much relevance and acceptance when it comes to the field of marketing. In politics, having an opposition is necessary to keep the ruling party in check. Such a concept is not required in marketing and even if so, the extent and relevance of it is no match to that found in politics.

What is to be understood here from the above discussion is the aspect that many thinkers consider politics and marketing as two compatible concepts. They come up with their reasons whereby they justify how political marketing is a realistic proposition and has come to influence the arena of politics. Then there are the detractors of this notion who denounce the alliance of politics and marketing based on their reservations on the same owing to such factors which don't go hand-in-hand in the two said domains.

The point of interest here is the fact that branding as such exists in two formats, namely brand management and a consumer-centric approach. It is the first school of thought which has come under

criticism by those who are not convinced by the idea of political marketing or political branding. This is because brand management talks about developing the identity of a specific brand by applying the practices of branding in a marketplace thus testing its efficacy. It goes without saying that if one transfers the practices from one market to the other without giving much thought to it, would lead to obvious problems the consequences of which could be far-reaching.

On the other hand, there is the consumer-centric approach of marketing which talks about the experiential learning which consumers engage in when they come in contact with a particular brand and in the process are motivated to show their allegiance to the same. It is this approach which advocates the coming together of politics and branding thereby resulting in political branding. This holds significance because this aspect of branding has much to do with the preferences formed in the minds of the consumers owing to their experience with that brand. They take help of mental shortcuts to arrive at a decision with regard to that brand, developing an emotional connect in the process. The field of political branding functions in similar fashion and the advocates of the same vouch for this approach towards political branding.

Purpose

This paper deals with the aspect of political branding and provides inputs on it thereby highlighting the various characteristics related to it and how understanding the

same could help the party, leader and the voter in developing a rapport which would eventually lead to a favorable perspective for all of them.

Further, the purpose of writing this research paper is to delve into the notion whether political parties and leaders could be equated with products (though purists have not been in the favour of the same since the concept was introduced in the 1970s). As highlighted above, the real problem lies in how you go about defining brands, from the perspective of brand management, wherein you try unsuccessfully to replicate the learning of one marketplace on another or with a consumer-centric approach, where a lot of thought goes into identifying what all tick the right boxes in the ready reference of consumer-citizens as far as their voting preferences are concerned.

This paper aims to develop an understanding as to what prompts the voters to decide in a particular fashion as to which political brand they prefer over others. It would highlight the connectedness which reportedly exists among the leader, party, policies and the voter and how the phenomenon of political branding helps to interlink them better.

Approach

This paper goes about defining political branding and how it has come to reshape the realms of politics. To reach to such an explanation first we need to understand what makes a brand.

A brand is defined as ‘A name, term, sign,

symbol, or design, or a combination of them which is intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors’ (AMA, 1960).

Keeping the above definition in consideration, political parties and leaders clearly fit the bill. These entities have high recall value. Even when we talk about a democracy like India where a substantial number of electorate resides in rural areas, the party symbol and leader’s face help them in deciding whom they would vote for. The recall value of a political party symbol is as good as the party manifesto as far as the rural electorate is concerned. What is of significance here is to understand the fact that with time and over the course of voting in different elections, voters develop some sort of bonding and affiliation with a certain political brand which gets reinforced in their minds thereby differentiating themselves from the rival brands hence giving them the edge over the competitors.

Schneider (2004) is of the view that the value which political brands bring with themselves leads to accuracy and consistency among the voters thereby making the respective brands more bankable and trustworthy. This becomes possible due to the awareness of the voters about that specific political brand.

French and Smith (2008) are of a similar view but at the same time they are also of the opinion that it is not necessary that the electorate would have a uniform

knowledge about the political brands in fray. This leads to an uneven situation where one political brand might be better known than its rival brands.

As has been observed by many and is evident from the current trends being formed and surveyed in the build-up to the Presidential election in US of A, despite the billion-dollar campaigns on the part of both the nominees, the average electorate is losing interest in the election process and is increasingly being disengaged to it. This is so because the choice of nominees on the part of both the principal parties, namely the Republicans and the Democrats, has been far from convincing. For many of them, it is like choosing between lesser of the two evils.

Those who have traditionally supported the Republicans are not convinced that Donald Trump is the best which the party could have come up with given the self-contradictory nature of his speeches, the controversies surrounding his personality and the non-seriousness which he evokes. The case of Hillary Clinton is not much better either. The recent e-mail scandal has massively eroded the trust of her followers, not that they had much trust on her in the first place. Both these brands are considered to be weak political brands especially keeping in the mind the charisma of brand Obama who for two straight terms dominated the political landscape of that nation.

On the other hand, there are the partisan voters, those who throw their weight

behind the political brands which they follow (French and Smith, 2008). For them, the political brand followed by them is the one which is the better one over the other. Often in such a scenario, logic takes a back seat and blind-following comes to the fore. The die-hard believers turn a blind eye to the shortcomings of their favoured political brand and even if they criticize it, they do it in milder terms. They are highly unforgiving of the rival political brands. Similar is the scenario for the supporters of a particular political brand in the Indian context as well. They would highlight the misdeeds of the rival political brands without saying anything about the shortcomings of the political brand whose cause they espouse.

John et al (2006) are of the view that the ways in which consumers respond to brands on various occasions characterizes the phenomenon of political branding as it very well captures the variations which are to be found in the domain of consumer behavior.

As per Keller and Lehmann (2006), the existing literature on branding, over the course of past two decades or so, has done well in terms of adopting a consumer-centric approach as it has brought to the fore the human element which goes into the making of a brand. The anvil of the phenomenon of political branding has assumed significance thanks to the coming together of consumerism to the field of branding. In other words, political branding talks about how the human element of the choosing of

representatives bears resemblance to the phenomenon of consumerism.

Further, it came to the attention of the contributors to the field of political branding that human beings, when behaving as consumers, have an in-built mechanism of getting to know the benefits which arise out of the preference for one brand over the other. Also, they are to accustom themselves as they become inundated with hoards of information and complex maze of communication. Likewise, the consumer-citizen is faced with the choice to be made, to buy or not to buy (read to vote or not to vote). The increasingly meddling nature of technology in the form of social networking has made the task all the more difficult for the voters as they are bombarded with content flashing non-stop from myriad sources.

An experiential-learning approach has been dealt with in this paper whereby the voters are treated on lines with consumers. This approach has been considered because it opens up the horizon for discussion by bringing into consideration such widely-used concepts as consumer behavior and branding together. As highlighted above, this paper takes into reckoning the appropriateness of political parties and leaders as brands.

The paper highlights a significant trait of political activities which is the learning of consumers about the political brands in fray and more importantly how they use that learning in making informed choices with regard to the political brands. A consumer-

oriented approach has been taken in this regard which builds upon the consumer behavior aspect related to political brand.

The paper also highlights the relevance of justifying political parties and leaders as brands. Next, the paper goes about explaining the notion of considering political parties and leaders as brands from the perspective of consumer theory, as was the case earlier in the discussion. Further, the interface among the party, its policies and the leader have been considered as to how they together lead to the idea of political brands.

From there, the paper has delved upon the benefits which the phenomenon of being a political brand accrues upon the consumer-citizen owing to its consumer-centric approach which in turn encourages the electorate to vote in a certain fashion thus endorsing the political brand. Finally, the paper talks about the future implications as related to the field of political branding and how the current political parties and leaders could benefit from the same.

Findings

The implications of the concept of political branding are far-reaching and have been brought to the fore, to a certain extent, during the course of this research paper. The paper highlighted the various aspects related to the phenomenon of political branding and how it has both supporters and detractors who have their separate views on the relevance and logic of considering politics and branding together.

During the length of the paper, it was discovered that voters look for mental short-cuts (known as heuristics) whereby they could decide which political brand they would prefer over others. Also, it was understood that informed voter is in a position to make better choices as they are able to differentiate among the brands.

Further, it came to light that in the western democracies, voters are losing interest in the overall electoral process due to weak political brands as is evident in the ongoing Presidential election in US. This is so because they are listless owing to the hopelessness surrounding the choice of nominees of either party. At the same time, the paper also highlighted the concept of partisan voters who stick to their respective political brands even if they know that they are not up to the mark. They choose to ignore the imperfections for the die-hard believers that they are.

Next, the paper showed that political branding helps the voters to decide on their choices because they become aware of the alternatives and reinforce their beliefs towards a particular political brand. This is so because political branding enables the voters to learn the benefits which accrue by following a particular brand over others.

Another aspect which was the outcome of the discussion undertaken in this research paper was the dependability which results owing to the phenomenon of political branding. This is so because once the voters start preferring one political brand over its competitors, the recall value

and winning ability improves.

Value

This research paper would prove to be of value in the area of studying political brands and the various aspects related to it. A reader who intends to develop an understanding with regard to how politics and branding are related to each other and more importantly how thinkers agree as well as disagree with the two phenomena going together, would find this research paper of value.

Also, the research paper would be of value to those who are of the view that political leaders and parties could be treated as products or not and what is the underlying merit of the same. They would come to the understanding as to what goes into the making of a political brand and how it benefits the party or the leader who is a part of the same.

The paper would add to the existing knowledge base of those who intend to see politics in the contemporary times and how it has been shaped by the consumer-centric approach to it thereby resulting in the phenomenon of political branding. They would come to realize that essentially, political branding comes into the picture owing to a consumer-oriented approach whereby the voters are treated as consumer-citizens who buy into the philosophies of their respective political brands.

Further, the paper would be valuable in the context that it explains how having a

branding approach towards politics brings a certain level of certainty, bankability and assuredness to it thus making it easier for consumer-citizens in terms of making choices as they are better placed to make informed decisions due to the better positioning of competing political brands. Also, because of the heightened interest and information levels, the consumer-citizens feel motivated to exercise their franchise.

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IMPACT OF AD-SKEPTICISM ON CONSUMER CYNICISM

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ABSTRACT

With the focus of the companies shifting more towards an advertising dominated promotion strategy, the importance of the research efforts in this field cannot be overstated. Whether this hyper-advertising is really needed by the companies today or not needs to be studied. Similarly, how do we define the negative feeling toward advertising based on its antecedents like dimensions of personality and an individual's consumption experience; and its effect on the trust or distrust towards the marketplace should be analyzed in detail. Drawing on the concepts from relevant areas, a model of the impact of consumer's personality and consumption experience on his skepticism toward advertising, and subsequently its effect on his cynical behaviour has been theoretically developed.

INTRODUCTION

Advertising has become the backbone of today's marketplace communication. No product promotion is considered to be complete in today's world without its advertising component. But is too much advertising not creating a clutter in the consumer's mind and life? Can advertising truly always be beneficial to the company or the brand that it's trying to cater to, or might it actually result in having a deteriorating effect on the sales of the product because of the negative connotation that is attached to it. Not every individual is bound to like the advertisements being bombarded at him

all through the day, and not every consumer is going to believe the claims that are being made by the products in these advertisements. As all individuals have their own personality traits, they are bound to react differently to any situation they face in life, including their reactions toward advertising in general. Similarly, each consumer has a different consumption experience over a series of transactions that he has made in his entire lifetime. And these consumption experiences, whether positive or negative, whether in tandem with the advertisement claims, or in reverse, will also have an effect on how he perceives the advertising world. On similar lines, every person is expected to

have a varying opinion about the marketplace in general, as to whether the companies are honest or do they believe only in making profits, even at the cost of their consumers. In the present study we are trying to analyze the impact of an individual's personality and consumption experience on the way he perceives advertising, and whether this perception about advertising in general is influencing his thoughts and feelings about the whole marketplace.

Literature Review

AMA defines advertising as "any announcement or persuasive message placed in the mass media in paid or donated time or space by an identified individual, company, or organization". According to Kotler and Keller (2011), advertising is "any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor". Advertising is the most visible and the most frequently used tool of promotion adopted by any company or firm (Coulter, Zaltman and Coulter, 2001). Barksdale and Darden (1972) concluded from their study that many respondents found advertising to be unbelievable and unreliable source of information, and felt that it projected an unreal picture of products advertised. As the consumers are bombarded with a continuous flux of advertisements, they are bound to form some attitude toward them, and as expected these attitudes can be both positive or negative. Swanson (1975) found that there had been an increase in

the cynicism towards advertising, and a reduced credibility ascribed to it. Pollay and Mittal (1993), in their research, have identified seven factors, three personal utility factors and four socio-economic factors, that can shape a consumer's attitude. Based on these seven factors, they have classified the consumers into various categories based on the attitudes that the consumers can display toward advertising, such as contended consumers, compromised concerned, conflicted Calvinists, deceptiveness wary, degeneracy wary and critical cynics (Pollay and Mittal, 1993). According to them, critical cynics are those who disagree that advertisements fulfil any of the three personal uses, and who have no compensating perceptions about their economic benefits too (Pollay and Mittal, 1993). Coulter, Zaltman and Coulter (2001) used Zaltman Metaphor Elicitation Technique to again study the consumer attitudes toward advertising. According to them, these "attitudes are a function of the consumer's perceptions about the various aspects of advertising" (Coulter, Zaltman and Coulter, 2001). Deriving from Pollay and Mittal (1993), they studied these attitudes related to economic effects, personal uses and societal effects of advertising. In their study, they also classified the consumers into three groups on the basis of these attitudes shown - ambivalents, skeptics and hostiles. The hostiles had very negative impressions about advertising, and did not see any positive value attached to it, neither in personal uses, nor in economic or societal

values fulfilled (Coulter, Zaltman and Coulter, 2001). This third group of hostiles was found to be quite similar as the critical cynics group discovered by Pollay and Mittal (1993). This negative attitude towards advertising, once developed, is bound to impact a consumer's future assessments too. Darke and Ritchie (2007) have found that deception through advertisements make consumers distrustful of other future advertisements also, not necessarily only for that same brand. Thus, it becomes quite imperative to study the impact of advertising on consumer cynicism. Obermiller and Spangenberg (1998) define ad-skepticism as disbelief toward advertising claims; however, their use of the word 'skepticism' was limited only to the sense of disbelief, and they didn't take the motives of advertisers, value of information provided by advertising, appropriateness and intrusiveness of advertising into account while constructing their scale (Obermiller and Spangenberg, 1998). According to them, ad-skepticism is a belief about advertising, and it is bound to affect a consumer's attitude toward the general marketing and business practices (Obermiller and Spangenberg, 1998).

H1: A consumer's skepticism towards advertising will have an effect on his cynicism towards the marketplace.

Dean, Brandes and Dharwadkar (1998) have defined cynicism as an attitude composed of beliefs, affect and behavioural tendencies. The organizational cynics believe that their workplace lacks

rectitude, and they show contempt, anger, distress etc. toward the organization, and finally their behaviour takes a negative and disparaging route (Dean, Brandes and Dharwadkar, 1998). Andersson and Bateman (1997) have assumed implicitly in their hypothesis that employees who are cynical at their workplace, generally show cynicism toward life experiences. Applying similar considerations in the consumer cynicism research field, Chylinski and Chu (2010) have summarized cynicism as a process which relates the three components - cognitive, affective and behavioural reactions. Odou and Pechpeyrou (2011) have considered four different types of consumer cynicism - defensive, offensive, subversive and ethical, and have tried to integrate these four types and relate them to resistance and anti-consumption behaviour. For the present study, the defensive cynicism is being taken into consideration which is proposed to be a coping psychological strategy against the firm's persuasion attempts, where the consumers interpret advertising as being deceiving and distrustful (Odou and Pechpeyrou, 2011). This defensive cynicism is evident in the individual purchase actions of a consumer when he starts distancing himself from the brand or the product. According to Chylinski and Chu (2010), consumers develop cynicism towards a particular firm when they interpret the firm's actions to be incongruent with their own goals and values, and this cynicism rises with repeated goal or value incongruence.

Helm, Moulard and Richins (2015) while developing their scale to measure a consumer's cynicism toward the whole marketplace, defined consumer cynicism as an attitude, which perceives firms to be opportunists, and believes that this opportunism leads to the creation of a harmful marketplace. While the scale developed by Chylinski and Chu (2010) measured consumer cynicism behaviours directed at a particular firm, Helm, Moulard and Richins (2015) developed a scale which measured the cynicism attitude towards the marketplace (Helm, Moulard and Richins, 2015). The three facets of consumer cynicism that were identified by them during scale development were general opportunism displayed by firms, opportunism displayed by the firms that were specifically directed at the consumers, and the deceptive marketing practices adopted by the firms (Helm, Moulard and Richins, 2015). While trying to prove the convergent validity of their scale, they found a positive correlation between consumer cynicism and the SKEP scale developed by Obermiller and Spangenberg (1998).

As numerous studies predict consumer cynicism arising as a result of a company's advertising strategies, one important observation that ensues is - all consumers are not equally likely to become cynics towards advertising. There must be some factors that must be impacting a consumers' beliefs about advertising and are consequential in shaping their attitude. Obermiller and Spangenberg (1998),

while developing their scale for measuring ad-skepticism, considered two antecedents that affect ad-skepticism - personality traits and consumption experiences. While age and education (intelligence) were proposed as the factors that determine consumption experiences, cynicism and self-esteem were considered as the personality traits that would affect skepticism toward advertising. According to their findings, there was an increase in ad-skepticism with the age of the respondents, as age was used as a surrogate to measure the quality of accumulated customer experiences. While the impact of cynicism trait was not validated, the self-esteem trait showed a positive correlation with ad-skepticism, proving that people with higher self-esteem show more skepticism (Obermiller and Spangenberg, 1998). As personality plays an important role in determining a person's attitude toward a target, and since consumer cynicism is considered as an attitude, it is logical to hypothesize that an individual's personality traits will be a major factor that will impact his cynicism towards advertising.

H2: A consumer's personality traits will impact his skepticism toward advertising.

H3: A consumer's consumption experience will have an impact on his ad-skepticism.

In the earlier times, there was no concrete convergence on the particular definition and dimensions of personality as a

construct, but over the years a clearer picture has emerged with most of the personality psychologists conforming to five broad dimensions that can be included in structure and concepts of personality. Researchers have agreed upon these five robust factors, even though there is some variability in the taxonomy that has been used in representing these factors. McDougall (1932), in his pioneering work on the categorization of personality traits, has identified five discernible yet inextricable factors comprising the personality construct - intellect, character, temperament, disposition and temper. According to him, all individual personalities are disparate and compound, yet the basic elemental factors consisting of all these personalities are same (McDougall, 1932). The most noteworthy and doctrinal contribution to this taxonomy is credited to Norman (1963), whose labels of the five factors - "Extraversion", "Emotional Stability", "Agreeableness", "Conscientiousness" and "Culture" have been cited as, in due course, as the "Big Five" (Barrick and Mount, 1991). The reason for selecting this taxonomy for our present study is that it is a universally accepted framework (Judge and Zapata, 2015). There are many well established scales for measuring the Big-five personality dimensions; however, all of these are time-consuming and not practical for the present study's scope. According to prior research, when situation is not ideal for surveying using long instruments, shorter scales have their own advantages

even though they are not as accurate as their longer versions (Gosling, Rentfrow and Swann Jr., 2003). They help in eliminating the redundancy and its associated distress and weariness while answering the questionnaire as stated by Robins et al. (2001) (Gosling, Rentfrow and Swann Jr., 2003). Based on their research, Gosling, Rentfrow and Swann Jr. (2003) came up with a ten-point personality scale which was tested for convergent and discriminant validity and test-retest reliability, in which they adopted a similar terminology as used by Norman (1963), where the five personality dimensions considered were coined as "Extraversion", "Emotional stability", "Agreeableness", "Conscientiousness" and "Openness to experience" (Gosling, Rentfrow and Swann Jr., 2003).

Even though the word 'cynicism' has been frequently associated with a consumer's attitude towards advertising, not much work has gone into the study of this term in the advertising and consumer behaviour space, especially not much empirical study has been done to quantify the impact of advertising on consumer cynicism. As all consumers are not expected to show uniform cynicism, the effect of various moderating factors on the impact of beliefs about advertising on consumer cynicism have to be taken into account. As Obermiller and Spangenberg (1998) have proposed, these factors can either be situational or dependent on the particular consumer. The individual factors that are being taken into consideration are

knowledge or perception of the consumer of what the advertiser is trying to achieve through its advertisements (consumer perception knowledge), and the motivation or involvement level of a consumer while experiencing the advertisement (Obermiller and Spangenberg, 1998). If a person has a better knowledge about an advertiser's intention, he is expected to be more cynical about a particular advertisement. Similarly, higher involvement with an advertisement is going to increase the cynicism of a consumer if his consumption experience is negative. In addition to these individual moderators, the situational moderators that will determine the impact of advertising on consumer cynicism are the product or claim type and the medium of the advertisement. While studying the moderating effect of product/claim type, it is suggested that the three types of product - search, experience and credence, will trigger different levels of cynicism in a consumer (Obermiller and Spangenberg, 1998). Consumers would be most cynical about credence goods claims, moderately cynical of experience goods, and the least cynical about the search goods claims (Obermiller and Spangenberg, 1998). Similarly, the different mediums of advertising will impact consumer cynicism to different extents. While a less intrusive medium like print media might generate a lesser degree of consumer cynicism, a more intrusive medium like television advertisement will affect a consumer to a higher extent.

H4: Knowledge/expertise of a consumer will act as a moderator on the effect of advertising on his cynicism.

H5: Motivation/involvement of a consumer will have a moderating effect on his cynicism.

H6: Product/claim type will moderate the impact of advertising on consumer cynicism.

H7: Medium of advertisement will act as a moderator on consumer cynicism.

Method

The current study aims at verifying the impact of advertising skepticism on a consumer's cynicism, and the moderators as proposed in the hypothesized model have not being pursued in the present research.

Sample:

The questionnaire was distributed to 528 employees of a particular organization, out of which 302 were returned, signalling a response rate of 57%, and 255 responses were finally considered for our study after eliminating incomplete and erroneous entries. The sampling method used was convenience sampling as the organization under consideration was easily accessible for data collection.

Measure:

The questionnaire for the study was designed based on literature review done. The questionnaire had 2 sections. The first section dealt with capturing demographic details of the respondents like gender, age

and education level, which will capture the variable - consumption experience. The subsequent section had 27 items meant for operationalizing the 3 constructs which are part of the research model. All statements were presented on a 7-point extended Likert scale with 1 being “Strongly Disagree” to 7 being “Strongly Agree”. This section consisted of questions generated from 3 different scales - Ten-Item Personality Inventory (TIPI) scale (Gosling, Rentfrow, Swann Jr., 2003) for measuring the personality traits of an employee; SKEP scale (Obermiller and Spangenberg, 1998) for measuring the customer’s skepticism toward advertising; and the items included in the Consumer Cynicism scale as developed by Helm, Moulard and Richins (2015) to measure a consumer’s general cynicism toward the marketplace.

Analytical Techniques:

Descriptive research design was employed to study the impact of customer’s personality dimensions and his consumption experience on his skepticism toward advertising, and subsequently on his cynicism toward the marketplace. A factor analysis was done for SKEP and Consumer Cynicism constructs, but not for Personality construct as it consists of two items per sub-component. Internal consistency reliability of the items was tested using Cronbach alpha value. Box plots were generated to analyze the descriptive statistics of the data collected. Normality of the data was tested by using Shapiro-Wilk’s test, and plotting the

probability density function. The relationship between personality traits and advertising skepticism was analyzed using Pearson’s correlation coefficient to ensure that the constructs do not show multicollinearity with a correlation of more than 0.9 magnitude. Linear regression analysis was done between various constructs to find out the strength and significance of the relationships between them. The model validity was tested, and its goodness of fit analyzed.

Data Analysis

The general characteristics of the 255 respondents are given in Table 1. Factor analysis using principal component analysis and varimax rotation was done for ad-skepticism and consumer cynicism constructs after data was gathered. The 9 item SKEP data was submitted to PCA. A single factor was extracted with Eigen Value of 5.862, and consisted of all the 9 items (SKEP 1, 2, 3, 4, 5, 6, 7, 8 and 9). The factor explained 65.136% of variance which is above the minimum acceptable value of 50%. The factor analysis (PCA) of the 8 item Consumer Cynicism data resulted in the extraction of two factors consisting of 4 items from the scale. After two iterations, deleting the items for cross-loading, two factors were extracted with Eigen Values of 2.350 and 1.047. The first factor with items (CYN 7 and 8) comprises of the components which show that companies are willing to do anything to improve their profit margins; and the second factor consisting 2 items (CYN 1 and 3) reflects the capability of the

company deceiving the consumers and going against law. The 2 factors explained 84.919% of variance which is again above the minimum acceptable value of 50%.

A reliability test was done on the reduced scales of the constructs. The Cronbach Alpha score for the personality, ad-skepticism and consumer cynicism constructs was found to be 0.772, 0.931 and 0.762 respectively. The Cronbach alpha scores of the factors comprising the three constructs which are given in Table 2 were found to have a value > 0.7 for all the factors, thus, guarantying that the scales used for the research are reliable and internally consistent. However, the Cronbach Alpha score for age and education factors was found to be below the desired level. This might be because of the reason that these two parameters are not an appropriate indicators of a consumer's experience. Henceforth, these two parameters are dropped from the data analysis and some other variables capturing the consumption experience will be considered in any future research.

The descriptives of the various variable data are mentioned below in Table 3. The analysis of the box plots of these constructs as shown in Figures 2, 3 and 4 establish that there are no outliers present in the data. The density functions of the constructs were also plotted in Figures 5, 6 and 7 to gather an idea about how their probabilities are distributed.

To ensure that the model doesn't get impacted from multi-collinearity, the

Kendall rank correlation coefficient was calculated between gender, age and education of the respondents, as these are dummy variables, and the scores were found to be less than 0.9 in all the cases. Similarly, the correlation coefficients between personality, ad-skepticism and consumer cynicism were also found to be lower than 0.9 in every case as given in Table 4, thus, no further handling of variables was needed.

Shapiro-Wilk's test was conducted for various data sets, and it was found that none of the variables satisfied the requirements to be classified as normal distribution. The personality Shapiro test resulted in a p-value of 0.0043; for ad-skepticism, it was $5.434e-07$; and for consumer cynicism, the p-value came out to be 0.00015. As all the three p-values are below the desired level, thus parametric tests cannot be applied for them, and instead, non-parametric tests were conducted for the same.

The Wilcoxon rank sum test with continuity correction for consumer cynicism based on the gender of the respondent resulted in $W = 4570$ with a p-value of 0.7299. As this p-value > 0.5 , we do not reject the null hypothesis, and thus, no significant difference was found in the consumer cynicism level between the two genders. Similarly, as we have dropped age and education as variables which can accurately measure a consumer's experience due to poor reliability scores, they were used only to compare the consumer cynicism based on the groups

according to them. To compare the group medians, we used Kruskal-Wallis test, as the group samples are independent of each other. The p-value for the Kruskal-Wallis test of consumer cynicism based on the groups created according to the age and education of the respondents was 0.5227 and 0.2476. Fligner-Killeen test of homogeneity of variances for consumer cynicism based on age, resulted in p-value of 0.4538 and based on education, gave a p-value of 0.664. As both the p-values are more than 0.05, we can validate the results of the Kruskal-Wallis test, and thus, the medians of the various groups according to age and education are assumed to be equal.

While plotting the regression line between consumer cynicism and ad-skepticism through the origin represented in Figure 8, the estimate value of β , i.e., ad-skepticism coefficient estimate was found to be 0.407490, and the other findings are summarized as adjusted R-squared = 0.971, F-statistic is 8543 on 1 and 254 DF with a p-value $< 2.2e-16$. The p-value of the Shapiro-Wilk's test on the residuals was found to be 0.99087, which is > 0.05 . To predict the stability and usability of the regression equation, regression diagnostics were run on the model. There was no fixed pattern found in the residual values plot, thus, confirming that the model does not suffer from any heteroscedastic variance. The points in the Normal Q-Q plot were found to be more or less lying on the predicted line, and thus, we can safely claim that the residuals form a normal

distribution in this case. The same was also confirmed by the Shapiro-Wilk's test on the residuals, as already mentioned in the previous paragraph. No fixed pattern was found in the scale location plot too, thus, further strengthening the viability of the model. Finally, no overtly detectable outliers were found to be there in the leverage plot. All these findings are shown in Figures 9, 10, 11 and 12. A cross-validation test was run on the linear model between consumer cynicism and ad-skepticism using both 3-fold and 10-fold cross-validation techniques as shown in Figure 13. The model was found to be significant with F value of 8543 and p-value $< 2e-16$. The overall mean square was 8.93 (for 3-fold validation) and 8.94 (for 10-fold validation).

As an appropriate linear regression model could not be fitted to explain the relationship between personality and ad-skepticism, a non-linear regression was carried out to find the desired relationship. An exponential non-linear least squares model (ad-skepticism $\sim a * \text{personality}^b$) was fitted to the data, and the results are summarized as - estimate of 'a' = 0.99525, estimate of 'b' = 0.76464, both with significant p-value of $5.37e-08$ and less than $2e-16$ respectively. The residual standard error was found to be 2.869 on 253 degrees of freedom, and the achieved convergence tolerance was $8.883e-06$. The regression is shown in Figure 14. When the regression diagnostics were run and the residuals were plotted as given in Figure 15, they were found to be

approximately normally plotted (Q-Q plot), without any evidence of autocorrelation or heteroscedastic variance. Both the Shapiro-Wilk test and Runs test resulted in p-value greater than 0.05, further proving the normality and no-autocorrelation of the residuals. The predicted non-linear least squares model was cross-validated using leave-one-out cross validation technique and the plot was fitted to the data points. The leave-one-out mean square error was found to be 8.29957, whereas the mean square error value was 8.16644. The cross-validation plot is given in Figure 16.

Findings and Discussions

The objective of the current study was to analyze the impact of a consumer's personality traits and his consumption experience on the skepticism that he shows toward advertising in total, and in turn its impact on his general cynicism toward the marketplace. A model was developed by using the big-five personality dimensions, the SKEP scale for measuring ad-skepticism, and the consumer cynicism scale. Results from the empirical research provide support for the following hypotheses that were being tested.

Employee's personality was found to have a correlational impact on his skepticism toward advertising, but instead of finding a linear regression between personality and ad-skepticism, a non-linear effect was predicted between the two. The relationship followed a non-linear curve, in which ad-skepticism was found to be

dependent on an exponential function of personality.

Though, personality was found to have an effect on ad-skepticism, same could not be concluded with respect to his consumption experience, which was being measured with the help of his age and education levels. This might be because of the variables - age and education level, may not be appropriate for capturing a consumer's experience. A person of considerable lesser age and still in his earlier stages of education might have gained significantly more consumer experience than his older and more educated counterpart due to changes in the buying scenario.

Till date research has proposed the fact that a consumer's skepticism toward has an effect on his cynicism level. Substantiating this concept, it was found that a person's ad-skepticism has a correlational effect on his consumer cynicism. There exists a linear regression between the ad-skepticism and consumer cynicism constructs according to the findings of present research.

Even though age and education were not found to have any correlational impact on a consumer's ad-skepticism, still while studying the effect of the demographic variables of a consumer on his cynicism levels, it was concluded that an employee's gender, age and education level didn't have a significant differentiating impact on his consumer cynicism among the various groups.

Conclusion

The study investigated the impact of a consumer's personality and his consumption experience on his skepticism toward advertising, and in turn, its impact on his cynicism toward the marketplace. It was found that the personality of a person affects his ad-skepticism in a significant way, though not in a linear relationship, but rather in a non-linear manner. The consumption experience of the individual as measured by his age and education, was however found to have no impact on his skepticism toward advertising in general. Similarly, the skepticism of a consumer toward advertising was also found to impact his cynicism levels toward the general marketplace linearly. If these relationships can be understood perfectly by a company, then it can definitely improve its market position by coming up with appropriate advertising strategies, and also making sure that it doesn't over-burden the audience with its marketing campaign and communications.

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Appendix

I. Questionnaire:

A. Demographic data

1. What is your gender?
 - (a) Male (b) Female
2. Which of the following categories describe your age?
 - (a) 21-30 (b) 31-40 (c) 41-50 (d) 51-60
3. What is your education level?
 - (a) Below 10th (b) 10th pass (c) 12th pass (d) Graduate (e) Post graduate (f) Doctorate

B. Personality dimensions (TIPI Scale by Gosling, Rentfrow and Swann Jr., 2003)

(Rate on a scale from 1 to 7 where “1 - disagree strongly, 2 - disagree, 3 - disagree somewhat, 4 - undecided, 5 - agree somewhat, 6 - agree, 7 - agree strongly”)

I see myself as:

4. Extraverted or enthusiastic.
5. Critical or quarrelsome.
6. Dependable or self-disciplined.
7. Anxious or easily upset.
8. Open to new experiences or complex.
9. Reserved or quiet.
10. Sympathetic or warm.
11. Disorganized or careless.
12. Calm or emotionally stable.

13. Conventional or uncreative. (Rate on a scale from 1 to 7 where “1 - disagree strongly, 2 - disagree, 3 - disagree somewhat, 4 - undecided, 5 - agree somewhat, 6 - agree, 7 - agree strongly”)
- C. Advertising skepticism (SKEP Scale by Obermiller and Spangenberg, 1998)
- (Rate on a scale from 1 to 7 where “1 - disagree strongly, 2 - disagree, 3 - disagree somewhat, 4 - undecided, 5 - agree somewhat, 6 - agree, 7 - agree strongly”)
14. We can depend on getting the truth in most advertising.
15. Advertising’s aim is to inform the consumer.
16. I believe advertising is informative.
17. Advertising is generally truthful.
18. Advertising is a reliable source of information about the quality and performance of products.
19. Advertising is truth well told.
20. In general, advertising presents a true picture of the product being advertised.
21. I feel I have been accurately informed after viewing most advertisements.
22. Most advertising provides consumers with essential information.
- D. Consumer Cynicism (Consumer cynicism scale by Helm, Moulard and Richins, 2015)
23. Most companies do not mind breaking the law; they just see fines and lawsuits as a cost of doing business.
24. Most businesses are more interested in making profits than in serving consumers.
25. Companies see consumers as puppets to manipulate.
26. Manufacturers do not care what happens once I have bought the product.
27. If I want to get my money’s worth, I cannot believe what a company tells me.
28. Most companies will sacrifice anything to make a profit.
29. To make a profit, companies are willing to do whatever they can get away with.
30. Most businesses will cut any corner they can to improve profit margins.
- II. Tables:**
1. Descriptive of the Respondents

VARIABLES	CATEGORIES	NUMBER OF RESPONDENTS
Gender	Male	45
	Female	210
Age	21-30	52
	31-40	82
	41-50	59
	51-60	62
Education	Below 10th	17
	10th pass	158
	12th pass	36
	Graduate	38
	Post Graduate	5
	Doctorate	1

2. Reliability Analysis

CONSTRUCT	FACTORS	CRONBACH ALPHA
Personality	Extraversion	0.883
	Emotional Stability	0.913
	Agreeableness	0.797
	Conscientiousness	0.805
	Openness to experience	0.728
Ad-skepticism	SKEP	0.931
Consumer Cynicism	CYN Factor 1	0.902
	CYN Factor 2	0.726

3. Descriptive Statistics

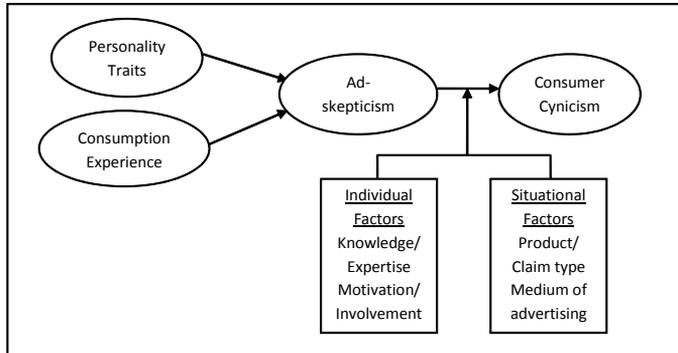
CONSTRUCT	MINIMUM	MEDIAN	MEAN	MAXIMUM	SD	VARIANCE	IQR
Personality	24	44	45.28	67	9.597	92.109	14
Ad-skepticism	16	42	41.17	59	10.107	102.143	15
Consumer Cynicism	7	17	17	26	4.296	18.453	6

4. Correlation Matrix

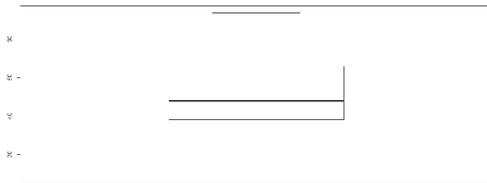
	PERSONALITY	AD-SKEPTICISM	CONSUMER CYNICISM
PERSONALITY	1	0.669	0.569
AD-SKEPTICISM	0.669	1	0.751
CONSUMER CYNICISM	0.569	0.751	1

III. Figures:

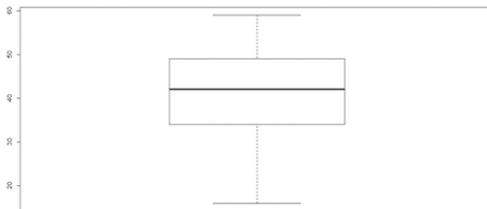
1. Hypothesized Model



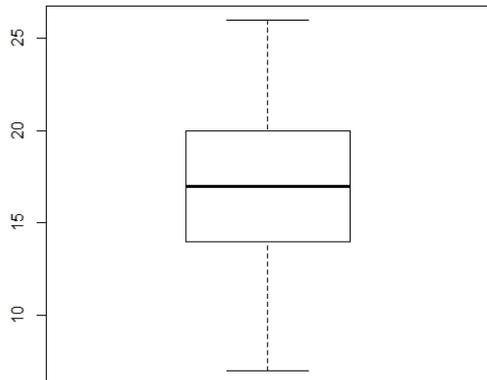
2. Personality Box Plot



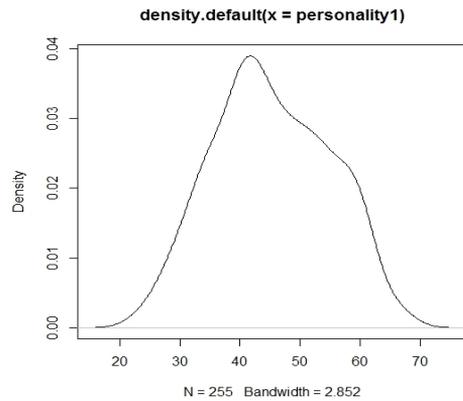
3. Ad-skepticism Box Plot



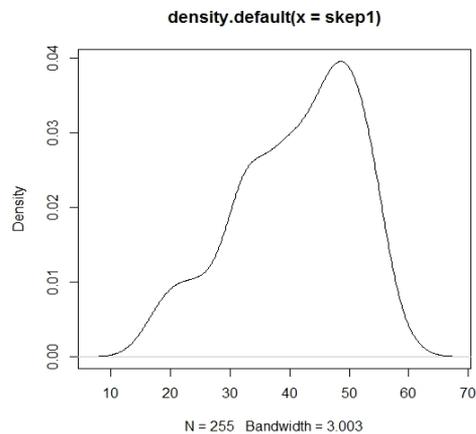
4. Consumer Cynicism Box Plot



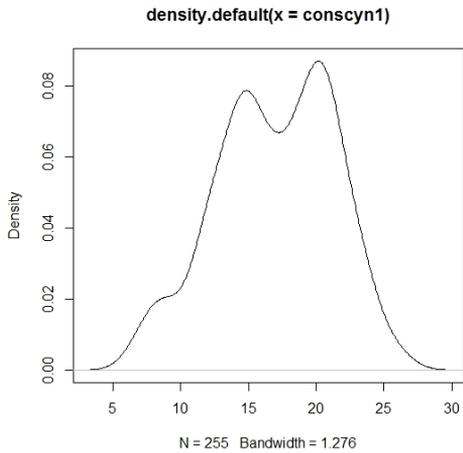
5. Personality Density Function



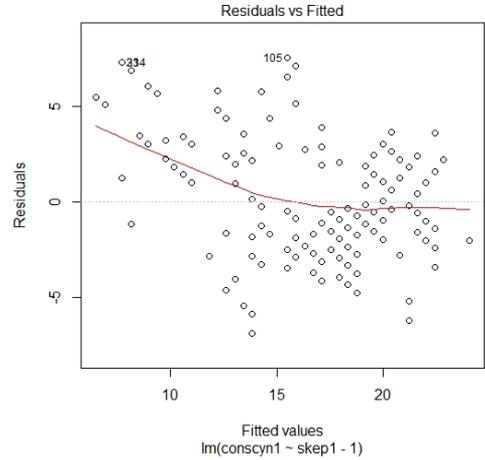
6. Ad-Skepticism Density Function



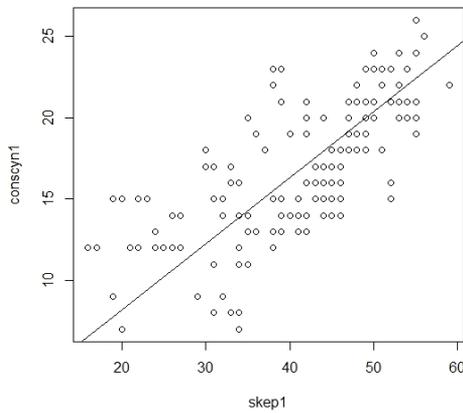
7. Consumer Cynicism Density Function



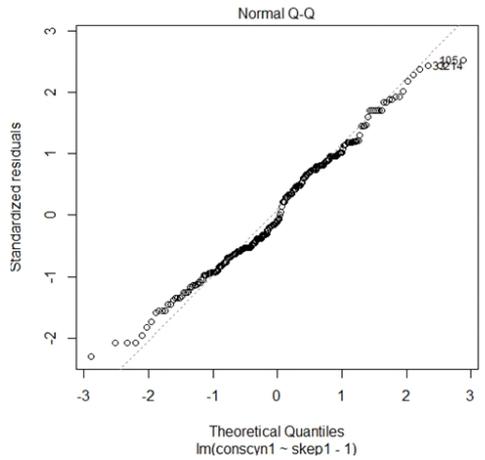
9. Consumer Cynicism - Ad-skepticism Residual vs. Fitted Plot



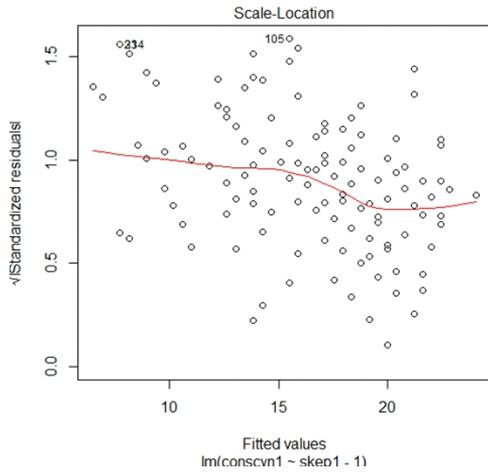
8. Consumer Cynicism - Ad-skepticism Regression Line



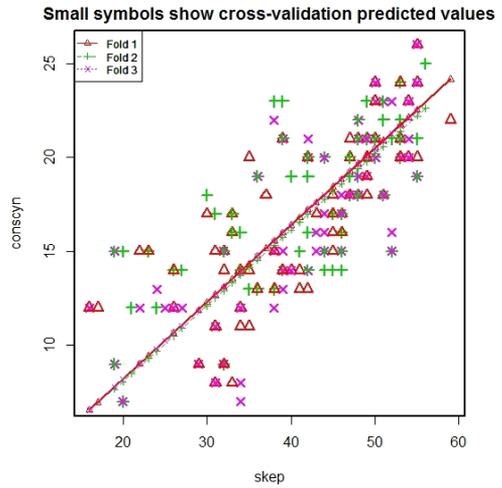
10. Consumer Cynicism - Ad-skepticism Residual Normal Q-Q Plot



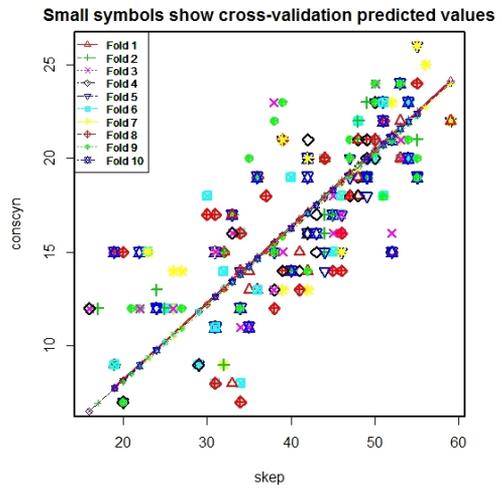
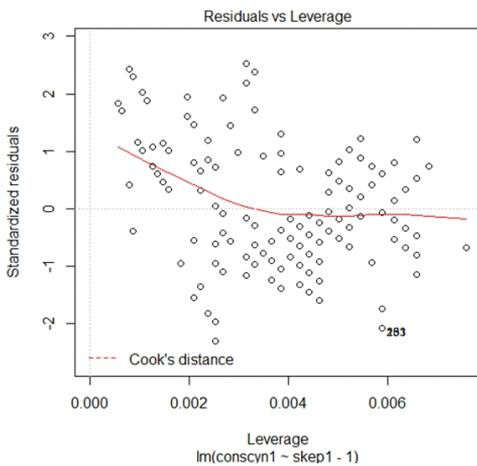
11. Consumer Cynicism - Ad-skepticism Residual Scale Location Plot



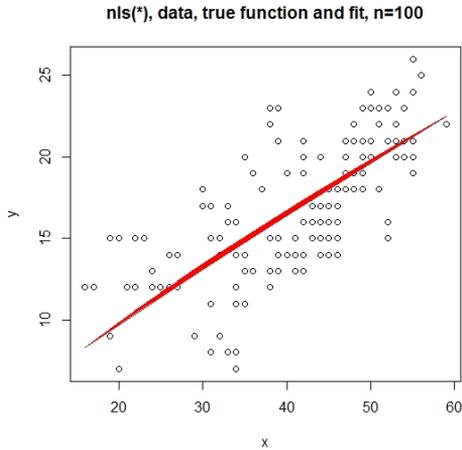
13. Cross-validation of Consumer Cynicism - Ad-skepticism Linear Model



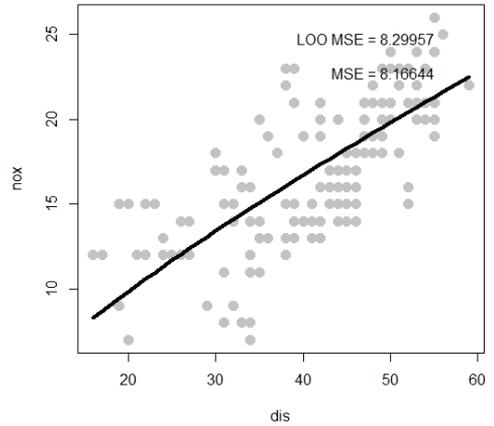
12. Consumer Cynicism - Ad-skepticism Residual vs. Leverage Plot



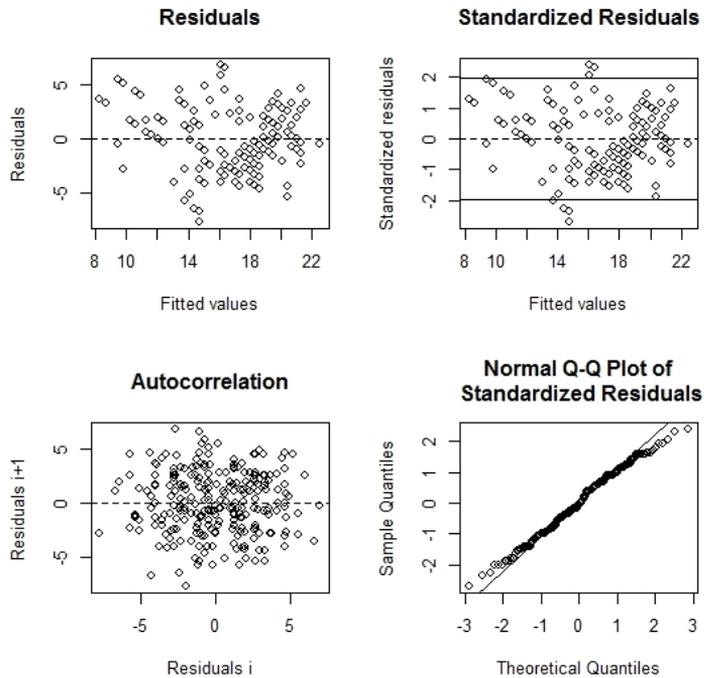
14. Ad-skepticism - Personality Non-Linear Regression



16. Cross-validation of Ad-skepticism - Personality Model



15. Ad-skepticism - Personality Residual Analysis



FINANCIAL LITERACY IN THE UNORGANIZED SECTOR IN PURBA MEDINIPUR DISTRICT OF WEST BENGAL

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ABSTRACT

The study attempts to look into the status of financial literacy in the unorganized sector of Purba Medinipur district of West Bengal. The focus is to identify any degree of association between the different variables that represent demographic factors and the level of financial literacy. For having a heterogeneous sample representing different parts of the district, multistage sampling method has been applied. First, five blocks of Purba Medinipur district have been chosen, following which one village has been chosen from each of them. Then, ten respondents from each village have been interviewed with the help of a questionnaire. Fisher's Exact Test is used to examine the significance of the association between the two kinds of classification as the sample sizes are small.

Key words: *Financial Inclusion, Demographic Factor, Unorganized Sector, Fischer's Exact Test.*

INTRODUCTION

Financial literacy is the ability to understand finance. It refers to the ability to make informed judgments and to take effective decisions regarding the use and management of money. A combination of awareness, knowledge, skills, attitude and

behaviour is necessary to arrive at sound financial decisions and ultimately achieve individual financial well-being. It pertains to that literacy that allows an individual to make informed and effective decisions after understanding their financial implications. Financial literacy is mainly

used in connection with decision-making at the personal level. It often covers the knowledge of properly making decisions pertaining to personal finance areas like real estate, insurance, investing, saving, tax planning and retirement and involves intimate knowledge of financial concepts like compound interest, financial planning, investment schemes, consumer rights, time value of money etc.

OECD (2005) defines financial education as “the process by which financial consumers/investors improve their understanding of financial products and concepts and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being.” This concept is not restricted to the investors only. Rather, it is the requirement for anybody. It is becoming even more essential for any family trying to decide how to balance its budget, buy a home, fund the children’s education and ensure an income when the earning member retires. Now-a-days, consumers are not just choosing between interest rates on two different bank loans or savings plans, but are rather being offered a variety of complex financial instruments for borrowing and saving, with a large range of options. Hence, without financial education, the best choice cannot be made. Moreover, as life expectancy is increasing, the requirement of pension is

becoming important. It will not only be possible for individuals to choose the right savings or investments for themselves without financial literacy but also they may be at the risk of being cheated. But, if individuals become financially educated, they will be able to do better financial planning and will maintain a balance between savings and expenditure. The term ‘financial education’ is extremely relevant for the informal sector of the country since they are the most vulnerable class and require the most prudent decisions so that their limited wealth can generate returns that will help to manage all aspects of life satisfactorily. Hence, from the basic concept of financial education, there is no doubt in saying that it is important for all classes but is extremely vital for the unorganized class of the society.

Small, informal enterprises play an important role in shaping the growth of a developing economy undergoing a process of structural reforms. The informal sector as defined in the resolution of the 15th International Conference of Labour Statisticians (ICLS), January 1993, consists of unincorporated household enterprises which differ from formal enterprises in terms of technology, economies of scale, use of labor intensive processes, and virtual absence of well maintained accounts. Although the informal sector has been characterized as above, no clear-cut operational definition of informal sector is available for the purpose of data collection. In India and in other developing countries in Asia and the

Pacific, however, the “unorganized” segment of the economy closely approximates the ICLS concept of the informal sector. The unorganized segment is labour intensive and provides employment to a sizable section of the population. The size of the informal sector is examined in terms of the employment it generates and its contribution to value added. Looking into the huge percentage of workers in this informal sector, (83% employment) as per Srija and Shirke, 2014, the role of financial education is extremely important. The absence of financial literacy will lead to making poor financial decisions which will ultimately hamper them at not only at present but also in the future. Thus, this study aims to look into the aspect of financial literacy of the unorganized sector that will help to assess the risk it is exposed to.

Literature review

A brief of a few studies already done in this area in the last few years is given below. A chronological sequence of the works done is stated under.

Aggarwal and Gupta (2014) explain the financial literacy of college students. The study reveals that the level of education and discipline (commerce or non-commerce) influences financial literacy among youths. The researchers comment that different courses on finance for students, website launches for free financial information and role of the central bank in involving commercial banks, government machinery, NGO’s, schools, colleges etc.

will help to reduce financial literacy in the country.

Attarwala (2014) explains the concept of financial literacy and initiatives taken by the SEBI in rural areas. To promote financial inclusion, the researcher suggests different programmes related to financial education, financial literacy programs in rural areas etc.

Bhatia (2012) focuses on the circumstances that increase the importance of financial literacy. He finds that financial literacy is needed for Indian households since inspite of more than 50% people having savings account, more than one third keep their money in their home and a few saves money at post offices. Moreover, majority of the rural people borrow money from money lenders for meeting recurring expenditure such as health, medical treatment and routine household expenditure.

Bhattacharjee (2014) examines the financial literacy level of the individuals and its influencing factors. The researcher reveals that around 50% showed moderate level of financial literacy with awareness about common terms but low awareness about advanced financial instruments. The study reveals the influence of age, education, income and nature of employment on financial literacy but no effect of gender.

Gupta and Kaur (2014) examine how financial literacy program helps to achieve financial inclusion among the micro entrepreneurs of district Kangra of Himachal Pradesh. They reveal that of the

cent percent account-holding respondents, 64% of the people keep proper record of income but had no specific idea about different savings schemes. The low financial skills get reflected by the poor record keeping practices, poor cash management, improper saving habits, and less awareness regarding different financial products and instruments.

Hung et al. (2009) show that financial literacy can be measured using statistical tools like mean, median, standard deviation, correlation and regression with gender, age, education, and household income. The study reveals that there is a strong correlation between stability of financial literacy and measurement strategies.

Mathivathani and Velumani (2014) examine the factors that influence low financial literacy of marginalized women in rural areas of Tamil Nadu. The investigation points to the influencing factors of low income, communication gap, inability to read or write in Hindi or English, lack of computer knowledge because of their understanding of local language only and majority not being earning members of the family.

Ravikumar et al. (2013) examine the financial literacy of jasmine growers in Erode and Madurai. The researchers reveal a drastic difference in the literacy level with Erode farmers having high financial literacy which is evident from their better utilization of different financial schemes of financial institutions. Age, education, experience, farm income, years

of relationship with the bank, size of landholding, frequency of bank visit and bank account significantly influences financial literacy.

Sarva (2014) discusses the necessity and importance of financial literacy for promoting financial inclusion. The researchers reveals poor financial planning for future, low knowledge of financial products, low or no insurability, poor way of managing domestic finance etc. Only a few understood risk and return, diversification, compound interest, time value of money, inflation, online banking, online broking, mediclaim policy, pension plans etc.

Sekar and Gowri (2015) examine the financial knowledge, money management skills, challenges, goals and the level of financial literacy of the young employees belonging to Coimbatore. The study reveals the influence of age, region, income, number of dependents, mother's education, financial advice etc. on financial literacy.

Sing (2014) examines the impact of financial literacy among the low and moderate income individuals and the role of RBI for developing financial literacy for macro economic advantage of the economy. The researcher reveals that low financial literacy is linked to lower household savings. Financial illiteracy is more in the case of women, less educated, low income groups, ethnic minorities and also older respondents. Reserve Bank of India attempt to build a formal structure of financial literacy by introducing financial

literacy and credit counseling centre's in semi-urban and rural areas where financially excluded population resides.

Thilakam (2012) examines the socio-economic condition of the rural people. The researcher observes poor correlation between the saving/investment and expenses met by the rural households against a strong association between rural investor awareness level and their socio-economic status is revealed.

Trivedi and Trivedi (2014) examine the status of financial literacy among the consumers in Lucknow, Barabanki and Mohanlalganj districts. The researchers reveal that males, urban people and higher income groups are more aware about financial knowledge. Marital status has no effect on financial literacy.

On the basis of the literature surveyed, it is evident that there are several studies relating to financial literacy. Numerous research papers have been published that cover different aspects like strategic initiatives to improve financial literacy, factors influencing literacy and the status of financial literacy among different segments of the society.

Objectives of the Study

The objectives of the study are:

- To assess the extent of financial literacy among the unorganized sector workers in Purba Medinipur district, and
- To identify the degree of association, if any, between different demographic factors like gender, level of income,

literacy level etc. with financial literacy.

Hypotheses tested

- (i) H_{01} : There is no association between financial literacy and gender.
- (ii) H_{02} : There is no association between financial literacy and education level.
- (iii) H_{03} : There is no association between awareness about different kinds of account and gender.
- (iv) H_{04} : There is no association between awareness about different kinds of account and education level.
- (v) H_{05} : There is no association between financial literacy (relating to regulatory bodies) and education level.
- (vi) H_{06} : There is no association between capability to fill up forms and education level.

Research design

In order to have a sample representing the population, multistage sampling method has been applied. First, five blocks of Purba Medinipur district have been chosen, following which one village has been chosen from each of them. Then, ten respondents from each village have been interviewed with the help of a questionnaire. The names of the block are Contai-I, Deshpran, Contai-III, Bhagwanpur-I, Chandipur. The villages chosen from the blocks are Natdighi, Sarada, Olma, Fatepur and Babuia respectively. Therefore, based on our sampling design, for the study, the number

of respondents is 50. Data are collected on the basis of a primary survey using a close-ended questionnaire.

Generally, chi-squared test is good for examining the association between the variables but in our study, since some of the cells have a value less than five in the contingency table, it could not be applied. Thus, the researchers had to take resort to the Fisher's exact test. This is a statistical test which is used to examine the significance of the association between the two kinds of classification when the sample sizes are small. It is valid for large sample sizes also. This test is relevant when in any contingency table some cell values are less than five, *i.e.*, upto five sample size is observed.

Analysis and findings

The analysis and findings of the study are classified into three heads, a general study of the profile of the respondents, followed by their socio-economic profile and ending with the status of their financial literacy level.

(a) General profile of the respondents

(i) Gender break-up

Table No-1: Male & Female Ratio

Gender	% of Respondents
Male	86
Female	14
Total	100

Source: Primary data

In the above table, it is observed that out of total respondents, 86% are males, whereas the remaining are females.

(ii) Age profile

Table No -2: Age Bands

Age Bands	% of Respondents
Young generation	34
Middle aged	34
Upper middle aged / senior citizens	32
Total	100

Source: Primary data

The table shows that the respondents have been classified into three groups. The break-up of the respondents is as follows: young generation, *i.e.*, up to 35 years (34%), middle aged, 36-55 years (34%) and senior citizen, more than 55 years (32%).

(b) Socio-economic profile of the respondents

In terms of the socio-economic profile of the respondents, various aspects like occupation, income and educational qualifications are looked into which are elaborated below.

(i) Occupational aspect

Table No -3: Occupation

Occupation	% of Respondents
Unemployed	4
Agriculture	28
Labour	20
Business	24
Others	24
Total	100

Source: Primary data

In table no 3, the occupational structure of the respondents is presented. In our survey, 4% respondents have a 'no employment' status, 28% respondents are involved in agriculture, 20% respondents are labourers, 24% have a business and the remaining ones are involved in some other informal sectors.

(ii) Economic aspect

Table No-4: Income profile

Monthly Income (Rs.)	% of Respondents
Less than 5000	18
5001 to 10,000	30
10001 to 15000	26
15001 to 20000	22
Above 20000	4
Total	100

Source: Primary data

In table no-4, the different income categories considered for our survey and the percentage of respondents falling in different strata have been shown.

Table No-6: Awareness about different financial terms

Awareness	Gender (in %age)		Total (in %age)
	Male	Female	
Low Awareness	12	4	16
Moderately Aware	56	8	64
Highly Aware	18	2	20
Total	86	14	100

Source: Primary data

In the above table, the relationship between gender and awareness about different financial terms like mortgage, share, debenture, LIC, health insurance,

(iii) Educational aspect

Table No -5: Educational Qualification

Educational Qualification	% of Respondents
Up to Primary education	40
Up to Secondary education	50
Beyond secondary education	10
Total	100

Source: Primary data

In table no-5, the education level of the respondents is depicted which is put into three levels, viz., up to primary, up to secondary and higher secondary level and beyond. From the survey, it is observed that out of total respondents, 40% has education till primary, 50% covered has studied till the secondary level and only 10% studied beyond the secondary level.

(c) Financial literacy status of the sample respondents

- (i) Awareness about different financial terms and Gender: Relationship

postal life insurance, general insurance etc. is presented. Out of seven terms, if any respondent knows about less than or equal to three terms, then he/she belongs

to the first group (low awareness). If any respondent knows about more than three terms but up to five terms, then the respondent belongs to the second group (*i.e.*, moderately aware). Therefore, the respondent having knowledge of more than five falls into the third category, *i.e.*, 'highly aware'. From the test results, it is found that out of total male respondents, 12%, 56% and 18% fall in the low awareness, moderately aware and highly aware groups respectively. On the other hand, out of total female respondents, 4%, 8% and 2% fall in the low awareness, moderately aware and highly aware groups respectively. So, it may be concluded that male respondents are slightly more financially aware compared to the female respondents.

For understanding the association between the above two variables, an appropriate statistical test is used. Generally, chi square test is used to find out the degree of association between two attributes. But, in our case, since there are some cells having a value of less than five, this test could not be run. Hence, as an alternative, as suggested by some statisticians, the Fischer's exact test has been used (<http://udel.edu/~mcdonald/statfishers.html>). The p-value (0.00002) shows that there is a very strong association between gender and awareness which is significant at 1%.

(ii) Awareness about different financial terms and Educational level: Relationship

Table No-7: Awareness about different financial terms

Awareness	Educational level (in %age)			Total (in %age)
	Up to Primary education	Up to Secondary education	Beyond secondary education	
Low Awareness	8	8	2	18
Moderate Awareness	28	30	4	62
High Awareness	4	12	4	20
Total	40	50	10	100

Source: Primary data

In the above table, the relationship between education level and awareness of people about different financial terms (as in the above case) is presented. Out of total respondents belonging to the first group, 8%, 28% and 4% have low, moderate and high awareness level

respectively. Of the second category, 8%, 30% and 12% has low, moderate and high awareness levels. In the last category of 'beyond secondary education', 4% each is in the moderately aware and highly aware level. Thus, overall, the respondents show moderate level of awareness about

some basic financial securities and investment avenues.

To test whether there is any relationship between awareness and education level, here also the Fischer's exact test is required to be applied. A high p-value

accepts the null hypothesis thereby pointing to no association between awareness about different financial terms and education level.

(iii) Awareness about different types of account and Gender: Relationship

Table No-8: Awareness about different types of account

Awareness	Gender (in %age)		Total (in %age)
	Male	Female	
Low Awareness	26	8	34
Moderately Aware	26	4	30
Highly Aware	34	2	36
Total	86	14	100

Source: Primary data

In the above table, the relationship between gender and awareness about different types of accounts like savings, current, recurring, fixed deposit and loan account is presented. A similar approach, as used before, is taken here as well. Out of five terms, if any respondent knows up to two terms, s/he belongs to the first group (low awareness). If any respondent knows any of the three terms, the respondent belongs to the second group (i.e., moderately aware). Therefore, the respondent knowing more than three terms falls in the third category, i.e. 'highly aware'. From the test results, it is found that out of total male respondents 26%, 26% and 34% fall in the low awareness, moderately aware and highly aware groups respectively. On the other hand, out of total

female respondents, 8%, 4% and 2% fall in the low aware, moderately aware and highly aware groups respectively. It is apparent that the awareness level is lower among the female respondents.

For statistical analysis of the association between the above two variables, again the Fischer's exact test had to be applied (<http://udel.edu/~mcdonald/statfishers.html>). The p-value (0.0835) result shows that the degree of association is comparatively low, but is significant at 10%. In statistical terms, there is an association between awareness about different types of account and gender.

(iv) Awareness about different types of account and Educational level: Relationship

Table No-9: Awareness about different types of account

Awareness	Educational level (in %age)			Total (in %age)
	Up to Primary education	Up to Secondary education	Beyond secondary education	
Low Awareness	20	12	2	34
Moderately Aware	12	20	2	34
Highly Aware	8	18	6	32
Total	40	50	10	100

Source: Primary data

In the above table, relationship between education level and awareness of people about different financial terms like savings account, current account, recurring account, fixed deposit account and loan account is presented. A look at the table shows that in the third category, the awareness level is quite high in comparison to the other two.

Out of 40 percent respondents in the first group, 20% has low awareness with only 8% having high awareness level. In the second category, the maximum number is in the moderately aware level. In the last category of 'beyond secondary education', 2%, 2% and 6% of the respondents have

low, moderate and high awareness level respectively. Hence, there exists an influence of education level on awareness about different types of account.

For a statistical check of the results, the Fischer's exact test is applied which gives a p-value of 0.283, thereby leading to the acceptance of the null hypothesis. Therefore, we can say that there is no association between awareness of people about different types of account and education level.

- (v) Awareness about different types of regulatory bodies and Educational level: Relationship

Table No-10: Awareness about different types of regulatory body

Awareness	Educational level (in %age)			Total (in %age)
	Up to Primary education	Secondary education	Higher secondary education and beyond	
Low Awareness	36	38	4	78
Moderately Aware	2	6	4	12
Highly Aware	2	6	2	10
Total	40	50	10	100

Source: Primary data

In the above table, the relationship between gender and awareness of people about different types of regulatory bodies like RBI, SEBI and IRDA is presented. Out of three terms, if any respondent knows either none or any of them, then s/he belongs to the first group (low awareness); if s/he knows about any two of them, then the respondent belongs to the second group (i.e., moderately aware) and else in the third category. From the table, the low awareness is evident across

all categories, especially in the first two categories.

For statistical inference, the application of Fischer's exact test reveals a p-value of 0.1395 thereby leading to the acceptance of the null hypothesis. Hence, in statistical terms, there is no association between regulatory awareness and education level.

(vi) Ability to fill up forms and Educational level: Relationship

Table No-12: Ability to fill up fill up forms

Awareness	Educational level (in %age)			Total (in %age)
	Up to Primary education	Up to Secondary education	Higher secondary education and beyond	
Self	2	18	6	26
Required Help	38	32	4	74
Total	40	50	10	100

Source: Primary data

In the above table, the relationship between 'ability to fill up forms' and education level is presented. Out of total respondents, 40% belongs to 'up to primary education' (of which, 38% is not literate enough to fill the form themselves), 50% belongs to the 'up to secondary education' group (of which 32% required help) and in the last category, 6% could fill up the forms themselves. Hence, there

exists an influence of education level on filling up capability.

To test it statistically, the Fischer's exact test is applied that gave a p-value of 0.0053 thereby pointing towards a significant association between the two variables.

Table no. 13 gives a snapshot of the test results relating to association between the variables.

Table No-13: Summary of association test results

Sl. No.	Variables considered	Whether H_0 is rejected?	Significance level	Comment
1.	Awareness about different financial terms and Gender	Yes	1%	Strong association between the variables
2.	Awareness about different financial terms and Educational level	No	Not applicable	Insignificant association between the variables
3.	Awareness about different types of account and Gender	Yes	10%	Significant association between the variables
4.	Awareness about different types of account and Educational level	No	Not applicable	Insignificant association between the variables
5.	Awareness about different types of regulatory body and Educational level	No	Not applicable	Insignificant association between the variables
6.	Awareness about different form fill up in bank, P.O. and Educational level	Yes	1%	Strong association between the variables

Source: Authors' calculations

- (vii) Awareness about future savings plan for emergency needs, education and any major purchase and Income Level: Relationship

Table No-14: Awareness about future savings plan for emergency needs, education and any major purchase

Plan	Level of income										Total (%)	
	Below 5000		5001 - 10,000		10001 - 15000		15001 - 20000		Above 20000			
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Emergencies	12	6	24	6	24	2	22	0	4	0	96	4
Education	4	14	16	14	12	14	10	12	2	2	44	56
Major purchase	2	16	4	26	4	22	8	14	2	2	20	80
Total (%)	18		30		26		22		4		100	

Source: Primary data

From the above table, one point is quite visible. The most vulnerable class has the poorest planning with respect to meeting the future requirements, be it for emergency, education or for the purpose of any major purchase. This percentage is

quite less in the higher income category. Thus, when the level of income increases, tendency for savings habits also increases.

(viii) Awareness about time value of money and Education level: Relationship

Table No -15: Awareness about time value of money

Awareness	Educational level			Total (%)
	Up to Primary education	Secondary education	Higher secondary education and beyond	
Yes	36	50	10	96
No	4	0	0	4
Total (%)	40	50	10	100

Source: Primary data

From the above table, it is observed that maximum respondents are aware about the concept of time value of money, only 4% respondents in the first category did not know the concept of time value of money.

(ix) Awareness about calculation of simple and compound interest and Educational level: Relationship

Table No-16: Awareness about interest calculation

Awareness	Educational level			Total (%)
	Up to Primary education	Secondary education	Higher secondary education and beyond	
Yes	0	12	8	20
No	40	38	2	80
Total (%)	40	50	10	100

Source: Primary data

In the above table, it is observed that when the literacy level increases, the level of calculation of interest also increased.

Summary of the findings

The points below give an appropriate summary of findings of the present study.

- i) Male respondents are more acquainted with different financial terms than the female respondents.
- ii) There is strong association between awareness about different financial terms and gender.

- iii) There is no significant relationship between awareness about different financial terms and educational level.
- iv) There is significant relationship between awareness about different account types and gender.
- v) There is insignificant relationship between awareness about different types of account and education level.
- vi) There is insignificant relationship between awareness about different types of regulatory body and education level.
- vii) There is strong association between awareness about different types form fill up and education level.
- viii) When the level of income increases, financial planning for the future improves.
- ix) When the literacy level increases, the understanding about interest calculation also increases.

Conclusion

The study reveals that across the gender women are generally less financially knowledgeable than men. Majority of the rural people have low awareness about different banking and financial terms. This finding is in conformity with earlier research findings even in the other parts of the world like United States (Lusardi, A. *et al.*, 2008, 2011). Thus, it is felt that though initiatives are being rightly taken by the policy makers and the banks, problems at the root level have to be seriously analyzed

in order to reap the benefits of the financial literacy drive being given in the country. From the above analysis, it can be concluded that overall financial literacy level among all the respondents is not at all encouraging. Demographic factors, such as education level has been found to have a moderate impact on general financial awareness. Financial literacy level gets affected by education, income, age, etc.. The results suggest that level of financial literacy varies significantly among respondents based on various demographic and socio-economic factors. This shows that the respondents are still not much aware about their finance related issues though the selected district has first rank in the general literacy level in West Bengal (Source: Govt. of India, Census, 2011). Overall, it can be concluded that financial literacy level is low in our study area and necessary measures should be taken by government to increase awareness about financial related matters.

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DEFINING SUCCESS IN CRM IMPLEMENTATION PROJECTS: AN EMPIRICAL STUDY FROM THE IT CONSULTANTS PERSPECTIVE

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ABSTRACT

One of the key stakeholders in CRM implementations is the IT consultant, whose job is not only restricted to selecting the right package, but also ensure that the organisation implementing CRM is able to benefit from the same. For the IT consultant, CRM implementation is a technology project which enables resources for implementation. However 'success' per se has different meanings for various stakeholders and this article tries to analyse the definition of project success from a CRM project management perspective of an IT consultant. The article tries to look at the various factors that define success for CRM projects.

Introduction:

The relationship between a customer and the enterprise is strengthening and has been the center of all discussion in business and management literature. The need to have the customers at the center of the business is well justified and universally accepted as they form the reason of 'being in business' for every corporation. Along with this, today's hypercompetitive

marketplace, with plethora of product and service choices available makes the offerings often indistinguishable to a customer.¹ This have in turn pulled down the margins, put pressure on the top and bottom lines with companies leaving no stone unturned to get their margins, profitability and cost mix right.

A key aspect of this relationship building is therefore implementation of the right

technology in the right spirit. Two questions that grip businesses looking in for an IT solution are: **First:** Which software solution will fit into my requirements in case we choose to buy a CRM solution from a vendor? **Two:** In case we procure the solution from a CRM vendor, can this be outsourced for implementation, maintenance and upkeep of the solution to a third party (IT consultant)?

Companies often are not willing to invest in information technology personnel for issues pertaining to infrastructure, upgrade and maintenance of the required facility or software and is also often an overhead to the organisation in the long run. The IT function may not be a core part of their business and therefore it does not make sense for them to invest on personnel for a longer time.

Implementation of a CRM solution is extremely complex, lengthy, time consuming, and costly. It requires specific expertise which most implementing organisations cannot provide. Therefore an ideal way to bridge this gap is to hire a team of information technology consultant who would help with the process and drive this. The consultants provide their advice in selecting the right CRM software. Unfortunately the failure rates of such implementations are very high.²

Research Gap and Research Problem:

An important aspect of a successful CRM implementation comes from the

successful deployment of the IT solution. However the definition of ‘project success’ in management research are different. There is a lack of research on the definition of ‘successes’ in CRM package implementations from the IT project managers view. It is therefore critical to look at what ‘success’ would mean to a project manager who has finished implementing a packaged CRM solution.

Objectives of the Study:

There are over 900 registered CRM vendors. An organization trying to implement a CRM solution has a plethora of choices with him. Not being able to identify the right implementation objective or having a weak vision of CRM may mean a wrong choice. CRM products essentially are of two types: On-demand (SaaS) or an on premise solution. While an on-demand solution means a light weight, low maintenance and low cost product, it may sacrifice the data security. An on premise solution however is costly, but more secure and scalable. Also integration with other systems like the ERP is also easier with an on premise solution. So weighing the choices before implementation can be a tough choice.

The specific objectives that we intend to meet is to understand the factors that constitute ‘project successes for a CRM IT solution implementation.

Blount, J. (2013). People Love You. People Love You, 1-8.

² <http://www.what-is-crm.com/crm-failures.php>; Accessed on 5th January 2016

Literature Review:

Researchers also noted that for a project manager, a project is considered closed when they are handed over to the customer, which means a CRM implementation is done. However one of the important things that is missed out in this understanding is the 'effect' it will have on end users of the system.³

Projects essentially have a start and end date which is a must, however the importance of the dates are very important. So for the project manager the cost and the time matters the most.

The impact a project could have on businesses has also been studied. For example, customer satisfaction has been studied as an important dimension in project success. The time, budget and the scope for the project (referred as the 'iron triangle') is also critical. Ignoring the bigger picture of the project, lack of understanding the environment under which the client operates cannot be

avoided. Just getting the job done or the implementation done is no measure of success.⁴

Another researcher, Cooke-Davies, mentions that there is a difference in the term 'project success' and 'project management success'. The former is about the outcome of the project and if that meets the vision of the organization investing in it. The latter however according to the researcher meant a traditional way of looking at success, especially when the project is complete and based primarily on cost, functionality and time objectives.⁵ The overall project success therefore means a lot in terms of implementation.

Researchers have cited many examples where the projects are near perfect, done on time, well planned, executed, achieve the goals originally set, but fail on account of providing benefits to the customer. The customer often does not realize any value from the project implementation.⁷ The reverse of this has also been noted by

³ Munns, A. K., & Bjeirmi, B. F. (1996). The role of project management in achieving project success. *International journal of project management*, 14(2), 81-87.

⁴ Shrnhur, A. J., Levy, O., & Dvir, D. (1997). Mapping the dimensions of project success. *Project management journal*, 28(2), 5-13.

⁵ Cooke-Davies, T. (2002). The "real" success factors on projects. *International journal of project management*, 20(3), 185-190.

⁶ Atkinson, R. (1999). Project management: cost, time and quality, two best guesses and a phenomenon, its time to accept other success criteria. *International journal of project management*, 17(6), 337-342.

⁷ Dvir, D., Raz, T., & Shenhar, A. J. (2003). An empirical analysis of the relationship between project planning and project success. *International Journal of Project Management*, 21(2), 89-95.

⁸ Thomas, M., Jacques, P. H., Adams, J. R., & Kihneman-Wooten, J. (2008). Developing an effective project: Planning and team building combined. *Project Management Journal*, 39(4), 105-113.

researchers. Projects in which the original objectives have not been met, but the client was happy with the final outcome.⁸

For this study, we will be looking at seven important parameters for defining project success, as identified across various literature. They are:⁹¹⁰¹¹¹²

1. **Meeting the costs:** Was the project profitable?
2. **Time:** Was the project successful in meeting the timelines?
3. **Budgets:** Was the project successful in meeting the project budgets?
4. **The scope of the project:** Was the project successful in meeting the scope and changes?
5. **Bigger picture (organizational goals as to why to implement CRM):** Was the final objective met or how was the overall success of the project?
6. **The client assessment impact:** Was the client satisfied with the final outcome of the project?
7. **End user satisfaction:** Were the end users satisfied with the final outcome?

Researchers also agree that project completions on time and budget are often incorrect measures for success, but are important and cannot be ignored. Quality for example is linked with the technical performance of the system, the specifications and achieving the end objectives and can be subject to different set of interpretations by different stakeholders.

There is very little empirical evidence for IT CRM implementation projects on the factors that contribute to the project success. Is it merely the 'iron triangle' of costs, time and scope, or is it something more than that? This needs to be investigated.¹

Hypothesis for the study:

For the purpose of this study, the research hypothesis are:

H_a D1: There is significant difference project managers have on the definition of project success.

Research Methodology:

The research design employed for the

⁹ Dvir, D., Raz, T., & Shenhar, A. J. (2003). An empirical analysis of the relationship between project planning and project success. *International Journal of Project Management*, 21(2), 89-95.

¹⁰ Serrador, P., & Turner, R. (2015). The relationship between project success and project efficiency. *Project Management Journal*, 46(1), 30-39.

¹¹ Baccarini, D. (1999). The logical framework method for defining project success. *Project management journal*, 30(4), 25-32.

¹² Shrnhur, A. J., Levy, O., & Dvir, D. (1997). Mapping the dimensions of project success. *Project management journal*, 28(2), 5-13.

¹³ Schwalbe, K. (2015). *Information technology project management*. Cengage Learning, pp 6

present study is empirical in nature. A questionnaire was executed for this purpose. The respondents be project managers, consultants and senior consultants who have worked on the technology implementation of CRM. The research cut across both on-demand and on-premise solutions.

- The pilot questionnaire was administered to a panel comprising of seven experts from the Information technology consultants to check its adaptability to Indian conditions.
- A pilot study was conducted initially to examine the reliability and validity of the questionnaire.
- A total of 105 samples was included from the big five IT consulting companies based on simple random sampling.

Methodology

Part 1: The opinion of the project managers were collected on a 5 point Likert Scale. (1= Disagree and 5= Agree). This data was collected on 10 parameters of project success.

Part 2: A Cronbach's Alpha (to test the reliability) followed by a factor analysis was conducted to find out the critical factors that were creating the maximum variance.

Part 3: A Pearson's Chi Square test was done, within on demand and on premise projects for successful and unsuccessful implementations to find if there is difference in the project manager's opinion of project success factors.

Analysis and Results

The study would provide essential insights to project managers and researchers on what constitutes success in CRM technology implementations. This would also provide a building block for other researchers to look at the phenomenon of technology implementations in CRM, which is a missing link.

Part 1: The opinion of the project managers were collected on a 5 point Likert Scale. (1= Disagree and 5= Agree). This data was collected on 10 parameters of project success. The project managers were also asked to rank them from 1 to 10.

Opinion of project managers on a Likert Scale of 1-5 on project success parameters

	1	2	3	4	5	Total
Meeting the internal project margins	3	15	17	32	38	105
On time completion of a project	0	4	18	18	65	105
On budget completion	2	14	13	37	39	105
Meeting the scope of the project	0	1	5	28	71	105
Meeting the bigger picture for implementing CRM	1	5	25	26	48	105
Ratings of the project sponsor	5	2	27	34	37	105
Satisfaction of the project team members	12	4	28	29	32	105
Customer satisfaction	1	6	4	15	79	105
Satisfaction of end users	1	4	5	16	79	105
Future revenues from customer	0	2	5	35	63	105

<i>Ranks from 1 to 10 on components of project success</i>										
<i>Ranks 1 to 10: (1=Highest and 10=Lowest)</i>	1	2	3	4	5	6	7	8	9	10
<i>Meeting the internal project margins</i>	12	5	5	13	5	5	19	12	14	15
<i>On time completion of a project</i>	11	18	14	12	12	9	8	5	13	3
<i>On budget completion</i>	2	14	16	9	6	16	4	12	11	15
<i>Meeting the scope of the project</i>	19	19	6	21	13	9	8	4	3	3
<i>Meeting the bigger picture for implementing CRM</i>	8	5	16	13	5	12	7	15	15	9
<i>Ratings of the project sponsor</i>	5	2	6	8	29	19	6	9	17	4
<i>Satisfaction of the project team members</i>	5	0	2	9	6	8	9	15	9	42
<i>Customer satisfaction</i>	9	12	22	11	7	10	16	5	11	2
<i>Satisfaction of end users</i>	23	20	9	8	1	12	10	12	5	5
<i>Future revenues from customer</i>	11	10	9	1	21	5	18	16	7	7

Part 2: A Cronbach's Alpha (to test the reliability) followed by factor analysis was conducted to find out the critical factors that were creating the maximum variance.

Reliability Statistics	
Cronbach's Alpha	N of Items
.743	10

The results from the Cronbach's Alpha was found to be more than the required value of 0.7, which implies that the internal consistency reliability for Likert scales used for the study was high.

Factor Analysis

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.544
Bartlett's Test of Sphericity	Approx. Chi-Square	282.421
	df	45
	Sig.	.000

Communalities		
	Initial	Extraction
Meeting the internal project margins	1.000	.698
On time completion of a project	1.000	.772
On budget completion	1.000	.654
Meeting the scope of the project	1.000	.730
Meeting the bigger picture for implementing CRM	1.000	.695
Ratings of the project sponsor	1.000	.709
Satisfaction of the project team members	1.000	.760
Customer satisfaction	1.000	.774
Satisfaction of end users	1.000	.728
Future revenues from customer	1.000	.596
Extraction Method: Principal Component Analysis.		

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.605	26.046	26.046	2.605	26.046	26.046	2.293	22.930	22.930
2	1.948	19.480	45.526	1.948	19.480	45.526	1.780	17.797	40.727
3	1.354	13.540	59.065	1.354	13.540	59.065	1.672	16.718	57.445
4	1.210	12.105	71.170	1.210	12.105	71.170	1.372	13.725	71.170
5	.815	8.151	79.321						
6	.645	6.448	85.769						
7	.440	4.397	90.166						
8	.425	4.251	94.416						
9	.354	3.541	97.958						
10	.204	2.042	100.000						
Extraction Method: Principal Component Analysis.									

Initially, the factorability of the 10 project success items was examined under the study. Several well recognized criteria for the factorability of a correlation were used. Firstly, it was observed that 7 of the 10 items correlated at least .4 with at least one other item, suggesting reasonable factorability (see correlation table). Secondly, the Kaiser-Meyer-Olkin

measure of sampling adequacy was .54, above the commonly recommended value of .5, and Bartlett's test of sphericity was significant. The communalities were all above .5 (see Table on commonalities), further confirming that each item shared some common variance with other items. Given these overall indicators, factor analysis was deemed to be suitable with

all 10 items. Principal components analysis was used because the primary purpose was to identify and compute composite scores for the factors underlying the short version of the ACS. Initial Eigen values indicated that the first four factors explained 70% of the total variance.

For the final stage, a principal components factor analysis of the remaining 4 items, using Varimax rotations, was conducted. The table containing the rotated factor loadings (factor pattern matrix), which represent both how the variables are weighted for each factor but also the

correlation between the variables and the factor. In each of the four factors extracted, we identified the two top factors. The **component 1** are the traditional measures of success, **component 2** is the team for CRM implementation, **component 3** is the satisfaction matrix and **component 4** is the future outlook of the project.

Part 3: A Pearson's Chi Square test was done for successful and unsuccessful implementations to find if there is difference in the project manager's opinion of project success factors.

Cross tabulation analysis by Chi-Square test

			pro1		Total
			Successful	Unsuccessful	
pro1	On demand	Count	136	2	138
		% of Total	52.9%	0.8%	53.7%
pro1	On premise	Count	111	8	119
		% of Total	43.2%	3.1%	46.3%
Total		Count	247	10	257
		% of Total	96.1%	3.9%	100.0%

Pearson Chi-Square = 4.752 (.029* SIGNIFICANT).

Therefore the alternate hypothesis is accepted.

Limitations:

The study was limited only to the top Indian information technology consultants and their choice. The sample size though 105, may still remain a small size of consultants compared to the large number of information technology consultant population available. The projects with CMMI level 5 process maturity were chosen. It may not be in lines with the

results for projects with lesser maturity. Consultants were chosen primarily from India, however consultants overseas may see the factors from a different perspective.

Managerial implications and conclusions:

Here are the managerial implications.

1. There is a significant difference that project managers have on project success. This also essentially means for organisations implementing CRM as well as the steering committee the guidelines given to project managers

and their KPI's should either be standardized or should be tailored for each project. Standardized KPI's for projects does not work.

2. Project managers significantly vary on the definition of the project success.
3. The components of success as found out in this research adds a fourth dimension of success and that is future outlook. For an IT consultant the 'icing' on the cake would be a situation when the client is happy with the work done and assigns the consultant the next phase of the CRM implementation. Even if the client agrees to serve as a reference for any other prospective customer of the consultant and is willing to vouch for him, must definitely be considered as a parameter for success in CRM projects.

Scope for future studies:

Further studies on the topic can be conducted for each of the dimensions of success. This will give a better view to the projects. Also managerial motivation and project success, especially in Indian scenarios can be studied. The impact project team members can have on the overall project success can also be studied. Another important aspect of project success that needs to be studied is the difference that may exist in different types of IT projects.

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Case Study:

PARTNERS IN CRIME: THE RISK IN ENTREPRENEURSHIP

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ABSTRACT

This case study presents a unique case of spectacular growth and dramatic failure of entrepreneurial endeavour. Often the entrepreneurship is a group dynamics rather than a pure individual play. Each individual in the team is not sufficient to fructify a new venture formation alone. At the same time having an organic team from the beginning is difficult. The team formation process would have its own challenges; it would depend more on level of trust between the partners. However, trust can't be taken for granted in a formal organization setting, so there is need for adequate reporting and control mechanism. The entrepreneurial organization can't have byzantine reporting, control and audit procedure, and thus has to depend on the level of trust. Considering this aspect the entrepreneurial organization has to transform itself into a professionally managed organization, but the exact time and context can't be predetermined. If the transformation is not appropriate there is inherent risk to survival. During the start up phase promoters would have role overlap and unclear hierarchy, their actions and motives regarding wealth and power would determine the fate of new venture.

This ethnographic research was the result of interview process of one of the promoters of the company. It is divided into two parts, the first part describes the events that unfolded during the entrepreneurship process and the second part describes teaching note with applicable theories.

Key Words: Team Entrepreneurship, Intention, conflicts, Risks, Horizontal Accountability,

Family and Early Career:

Ashish graduated in engineering in the year 1986, and started working with the State Electronics Development Corporation. Later on he also completed MBA in the year 1993. His engineering and MBA were from premier institutes of the country. He quit the first job and joined a private company manufacturing printed circuit board. In 1996, he joined his third company FireProof, which was giving consulting on fire safety designs.

He got married in 1994, and has two daughters. His father was a seasoned bureaucrat, who joined State Civil services, got promoted to Indian Administrative Services and got retired in 1995. His younger brother was studying. Ashish is the first one to venture into entrepreneurship among his family and relatives.

Getting Exposed

Ashish was working in a Norwegian company in 1998. The company used to give fire system design, consulting and creation of master plan for fire safety. The company had client all across the globe, but their major client base was USA and Europe. The services ranged from designing, planning and verification around fire safety measures taken by companies. The activities used to get executed from Bhubaneswar, India. The nature of services was almost similar to off-shoring and Ashish was the director of operations. Alex a non resident Indian, was one of the partners of this Norwegian company, settled in USA.

Since most of the clients were abroad, Ashish had to frequently travel abroad a lot to meet and find out actual requirement. FireProof was started in 1996 and had completed 2 years of operation.

During one such visit to USA, during September 1998, Ashish met Mathew, the brother of one of the promoters of FireProof (Alex). Mathew was working in jewellery industry in USA and had more than 20 years of experience in it. He was working as the manager for production and outsourcing in a jewellery company. Over few meetings and couple of drinks, Mathew shared about the fashion industry and the general economic boom. Economic growth had made labor very expensive and as a result, the labor intensive jobs are getting outsourced to different countries. The jobs are moving to countries like Haiti, Vietnam, Cambodia, Bangladesh and Pakistan. Mathew also had tried to get some outsourcing to be done in India; in fact he had tried for two three years and at almost eleven to twelve locations across India. But his experience had been bad. The quality is not up to the mark, and conformance to delivery schedule is very poor. He complained that Indians don't seem understand the American requirement of conformance to specification. The Indian thinking is that there is no problem if the length of necklace is little long or little short. The outsourced job did not involve any manufacturing, the materials and specifications are given by the parent company in US and it needs only to be

assembled. Mathew also narrated at length how previous attempts with very skilled craftsman from Meerut, Lucknow and elsewhere have failed.

It sounded little amusing to Ashis and he did not have the faintest idea about fashion jewelry industry. It somehow sounded challenging to him and he wanted to help.

Taking the Chance:

Ashis wanted to take up the challenge and he thought that if there had been so many failures, let there be another failure. He asked Mathew to give me some materials for assembling at Odisha. Mathew was not sure if workers at Odisha can deliver the quality where good craftsman from Meerut and Lucknow have failed.

Ashish returned to India and spoke with his family members and relatives. His brother-in-law became very enthusiastic and also wanted to try at a different location. The family wanted to do their best; it was an opportunity without risk. It was not their regular income.

Back in his hometown, Ashis, went to the people in nearest slum. Slum dwellers were usually rural migrants in search of livelihood, the idea of getting work was boon for them. Women in slum used to manually make incense sticks for the temple of International Society For Krishna Consciousness (ISKON), for a paltry sum of Rs 12 a day and they were told to do it for God. They all worked hard to deliver the first sample within 7 days! When the company received the material, its

president, Ronald, called up to confirm that the quality is exceptional good. He never did think that the turnaround time would be so fast and asked Ashis “When are you starting a company”? The rationale was very apparent. India’s labour force is large and cheap; the capacity can be scaled up quickly. US Company would send the material to a legal entity, rather than an individual. There is assured jobbing or subcontracting work reducing the revenue risk of the company drastically. It seemed win-win for all.

Ashis discussed with Mathew and Alex, they were all excited and wanted to be partners. Mathew could see the jobbing possibility beyond his own company.

Registering the company

Any Indian company intending to export-import has to get importer-exporter code from Directorate General of Foreign Trade. Also since this company is to be involved in Jobbing (Material to be assembled manually and exported back) it has to be registered with Central Excise and customs. A custom bonded warehouse was to be created, where in the specific work to be carried out and inspected. This would enable free import of raw materials. In addition to these, there has to be registration for commercial tax and municipality in which it is located.

They registered the company Fashion Jewellery Private Limited (FJPL) within 2 months, compared to usual 3 months time period required. Ashis became the managing director of the company. The

company received its first air consignment from New York to its premises during Christmas of 1998.

Taking the Challenges head on

Indian economy was not opened up that time. It was not free from license raj. The biggest challenge was having a custom bonded warehouse, a separate area, wherein the imported materials are received separately. Each incoming and outgoing material has to be accounted for and documented for audit by different government agencies. That time fashion jewellery items were not under open general license, it was under restricted list for import. Customs department will check and seal the material from the airport, noted in their register, transported to the warehouse under their security. The materials have to be issued to various assembly areas under their supervision. Once it is assembled customs department will inspect it and have to be satisfied that there are no pilferages and all the issued materials are used for the purpose. There were other teething problems as well. However, by April 1999, there were more than 200 persons working in different parts of Odisha.

To minimise the risk of fluctuation in jobbing work, the employees were not on pay roll. Secondly, the pay was linked to productivity and quality. Quality inspectors were on payroll only. A well accepted formula was created for calculating the remuneration. Women employees could earn 5000 to 6000 rupees per month,

much above the wage available elsewhere. The remuneration was attractive enough to get more and more people with right skill and attitude.

Ashis visited his clients in US regularly to understand their impression about quality and timely delivery. US based partners were following up with the customer for prompt payment realization. To reduce the dependency on single company, Ashis visited US frequently to be a vendor for more companies. He visited more than 30 companies in one year, in the cluster of jewelry industries in Manhattan. The company started doing business for 5/6 principals. He also visited Europe, the volume of work was less but payment was attractive (almost 3 to 4 times). The company started making good profit. The first year revenue was more than 10 million INR. The company got jobbing work from countries like UK, Australia, Spain, and France. Good days never seemed ending.

Riding the wave

During 2001 celebrated artist Madonna started performing her shows with Indian traditional costumes and jewelry. It created a huge demand for Indian fashion products. FJPL in turn started developing its own products and sent samples for approval. These were instant hits. The products were not having import components thus the margin was much higher. In one of the Miss Universe competitions, the first runner up was wearing fashion jewellery made by FJPL which was the official supplier. The firm

started developing its own vendors for sourcing of components, set up office in New Delhi. The firm was all set to grow exponentially.

Ashis used to travel for almost 20 days in a month to different locations of India to develop vendors. The company operation was getting reported to all the partners, it was all open and transparent. The supply chain was in firm footing. Mathew separately tried to develop some items in Cuttack and get it exported. However there were issues regarding quality and delivery, and it used to get rejected. Finally these orders were getting routed to FJPL.

Process innovation to gain trust

Due to failed and low quality delivery, there was a perception that most of the businessmen in India are liars. They always lie about delivery and quality. While sending samples for approval the metal parts would be nickel and lead free, but after few transactions the goods used to contain nickel. To make items nickel and lead free is very expensive; the cost becomes almost 2 times. Many times, Indian suppliers would not have not started the work but would confirm the client that the goods are in packing stage, ultimately failing the delivery due date. FJPL wanted to create trust among its customers. During 2000-01, when the internet and ICT had not spread much, it installed IP enabled cameras in assembly locations, to actually show the progress of the work. The company website had specific client registration, through which they can check

the progress of their orders as well as stages of shipment. The clients also could actually see that no child labour is used for production. The equipment and process were very costly nevertheless it was done to build trust and confidence.

By 2003 FJPL had about 30 million INR turn over. The company commissioned a metal finishing line for electroplating of metal parts. The finishing line had electroplating, polishing, soldering units. It also had hydraulic epoxy coating and rhinestone gluing units. Earlier these works were getting done in Noida, Delhi; required skills were created to have the manufacturing in-house. Advanced effluent treatment plant was commissioned to minimise pollution. complete and a lot of equipment were purchased for metal finishing. By 2003 the company The Company acquired an industrial land in export processing zone. The future could not be rosier than this, for the promoters.

Beginning of the end

The expansion and meteoric growth brought in its own challenges. Now it was more difficult for the three promoters to agree on different issues. Now more data was required, more questions were raised, solutions seemed to be debated endless. It was becoming tougher to decide and execute. The relationship seemed strained to the degree of suspicion. Reinvesting the profits or taking dividend was major discussion and disagreement.

During 2005-06, FJPL found a disturbing trend debtor realization. The wire transfer

to the company's bank account started getting delayed. Initially it was about 20% of the total but gradually increased till it was almost nil for the last quarter. As a normal practice, the invoice copy was sent to US based partners, each time an invoice was raised. The practice was to make sure about the follow up and transparency. Ashish realised that for most of the orders delivered, the company had not received payment in time. The company kept sending reminders to customers but rarely was replied. Few were replied to as the accounts department had been asked to follow up. But payments were not realized even after 90 days. The industry practice was a 30 day credit period. Typically American customers pay within the credit period and FJPL had 80 percent of the business from American firms. This was quite perplexing for Ashish. Cash flow situation was getting worse; vendors and labours were to be paid. The trust generated because of regular and in time payment was getting eroded. Finally Ashish went to US and met few customers. They said that they had paid invoices in time. This was a shock to Ashish, he insisted on seeing the details. He found that the payment has been done to an US bank account of the company. Ashish did not have any idea about an US bank account of the company. Secondly the account mentioned in the invoice was found to be forged from the original invoice. Ashish decided to confront both his partners. The US partners actually registered a LLC firm in the same name and had the US bank

account for the firm. Mathew was known to most of the customers and they paid on the changed invoice. Alex and Mathew told that because of repatriation issues they opened a US bank account for the company. They needed money to buy their house and thought of returning the money later. Since FJPL was registered under RBI, dollar repatriation was not an issue. The money siphoned off was not profit but the revenue of the company.

Since FJPL was exporting the items and had the bonded warehouse, it was legally supposed to get the foreign exchange. Ashish was under legal scrutiny, now that the company has not received the payments it can't further export and if exports are not done, further revenue is blocked. Ashish went to Mumbai to speak to Reserve Bank of India, and was informed that FJPL can still send materials as sample piece where there is no obligation to account for exports, but the value has to be below INR 50000. But exports earlier was to be accounted for, being the managing director of the company he is responsible. It was a catch 22 situation for Ashish.

The last attempt

Ashish tried to trade in stone craft. Artists create sculptors which can sell for 5 million INR, but it was not exported. Ashish thought it to be a good opportunity. He managed to send a container load of stone craft to France, which was covered by the local press. Stone craft being a cultural item, there are a lot of respected artists in this

craft. Ashis did this though FJPL, he thought the situation could be saved. But the legal entity had same three partners. Also he realized that export of stone craft was much more troublesome than jewelry business. The stone crafts have to get the clearance from the archaeological survey of India. The clearance is necessary to make sure that heritage sculptor or figures are not getting smuggled out of the country. At the same time it gave them the discretion to delay causing late delivery. The tests are conducted at the expense of exporter. Getting stone from the stone query for carving was still more difficult. Mafias had control over the repository, it was dangerous and unprofessional. However FJPL continued to work on stone craft export for about a year.

The business could not run any longer, Ashis decided to liquidate the assets; pay off the debt and formally dissolve the company. The company was finally dissolved in 2008.

Reminiscence

Since then Ashis has not move out of his hometown, he considers himself homesick and his family did not want him to move out. He still has the urge to go back to entrepreneurship. He enjoyed those years where he was completely engrossed in the nitty-gritty of work. He was responsible for everything in the business; met designers; help people earn; went to many exhibitions around the world; learnt a lot of things and gathered knowledge about industry. He claims to be more confident

now and feels that he could do better if he starts anything fresh. He wished if everything had been going well, FJPL would have become INR 100 million in revenue. FJPL had the capacity to grow and there was market potential. Marketing was not an issue. Ashis's academics and professional training provided the confidence to execute. He did not get any help during the process, he spoke to family and friends, but they had little idea. He sighs and philosophises "Trust and greed are the factors that kills business"

Case analysis/ Teaching notes

The case points to many facets of entrepreneurship and raises many questions. Why did Ashis decide to take up entrepreneurship? Between Ashis and Mathew, who was the entrepreneur? Was he little rash in seizing the opportunity? Was the selection of partners appropriate? To what extent education and prior experience helped Ashis in stabilizing the production quality and delivery time? Which factor is more responsible for growth; the market, personal relationship or the process innovation? Was the super normal growth responsible for conflict? What could have been done to protect the organization as a legal entity from the fraud? What else could have been done to save the growing organization?

The following section discusses in brief about the various facets identified in the case study.

I. Dimensions of entrepreneur

Ajzen's theory of planned behavior (TPB)

and Shapero's model of the entrepreneurial event (SEE) are pioneering works about entrepreneurial intentions. Established literature indicates risk tolerance, perceived feasibility and desirability significantly predicts self employment intentions (Segal, Borgia and Schoenfeld, 2005). However entrepreneur may not be a single individual, since shouldering all the functional responsibilities of an organization is difficult. Cooney (2005) in his editorial comments highlighted the importance of team in new venture. In this case, Mathew actually was the person who was aware of the opportunity and tried to fructify it earlier, without success (Shane, 2003, Individual-opportunity nexus). On the contrary it can be questioned if Ashis took risk, as is the case with entrepreneurs? The risk perception of the project was very low for Ashis and his family, their logic was that we don't depend on the outcome of the effort. Research indicates that risk taking propensity may not be a distinguishing characteristic of entrepreneurs (Brockhaus, 1980). As a person, Ashis was hard working and meticulous in executing the idea. His experience did help in executing the production process and ensuring an effective supply chain. Exiting research points that prior experience and entrepreneurial self efficacy are related (Krueger, 1993; Boyd and Vozikis, 1994). In this case also Ashis has demonstrated self-efficacy. Ambition has been pointed as one of the characteristics of entrepreneurs. Ashis switched from a government job to private job indicates

opportunity seeking and ambitious trait. He also did MBA after 6-7 years of doing a job. It indicates the ambition characteristics. Effective networking is also an important ability of an entrepreneur. Ashis was well networked. His career was in the same place all throughout. His father's link in bureaucracy helped him to get an industrial land and necessary support. Entrepreneurial network has been found to have multidimensional influence (Pesqueux, 2013; Hoang, & Antoncic, 2003; O'Donnell, Gilmore, Cummins, & Carson, 2001). Considering his father's position, Ashis was also from a upper middle class background

II. The Opportunity

From the case study, there was no entrepreneurial challenge with regard to building market or product innovation (for fashion jewelry). The market was well established and customers were identified, thus giving the initial and crucial advantage for the new venture. The opportunity needed very low investment, being only manual assembly work at the beginning, the business expanded later. However it is to be noted that Ashis failed in subsequent attempt of exporting stone crafts, though he felt a perceived demand. It was a new market and product that was ventured into. The success could not be replicated.

III. The organization structure and partnership

The partners were from same ethnicity, so a degree of natural bonding or trust was

there. Partners were having same stake. Ashis had to spend a lot of time and effort to establish the plant and supply chain, there was lack of touch with customers in between. He depended on and trusted his partners. Early sign of reduction in cash flow was taken up later because of trust (on partners, customers). The issue relates to the dual role of owner and manager which created conflict and accentuated the conflict of interest. Professional could have been hired to look after customer follow up rather than promoters doing the role.

Entrepreneurship is commonly thought of as an individual act. However, group dynamics plays a vital role in a new venture. Team brings social network, virtual team, heterogenous skills, diversity. Morris, Avila and Alien (1993) indicated that entrepreneurship is highest under conditions of balanced individualism-collectivism poles, but declines at the extreme ends. The venture performance also depends on the friendship within the team (Francis and Sandberg, 2000). It is indicated that social interaction in the team and venture performance is related; however, conflict as a measure of social interaction is questionable (Lechler, 2001).

IV. Innovation

Innovation is associated with entrepreneurs and Schumpeter (1934) identified innovation in the following areas; New product, New method of production, New Market, New source of supply of raw material, New Organization of any industry. Each new venture has some degree of

innovation that attracts the customers in the form of value proposition. Though contract manufacturing may have less degree of innovation, in this case, establishing a production process and supply chain to give quality product was innovative. The entrepreneur tried to give service visibility to the customers by implementing technology solutions and gained customer's trust.

V. Managing growth and conflict

Growth of the organization and individual needs of the entrepreneur may have conflicting demands on organization. Principal-Agent or moral hazards are well known conflicts and these conflicts are caused by information asymmetry (Wikipedia). Research proposes concept of horizontal accountability (Kenney, 2003) among the members of entrepreneurial team for conflict resolution.

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Web resources

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