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## EDITOR'S MESSAGE

This is the tenth issue of JRR. A total of twelve articles are presented in this issue. I sincerely hope that each one of these will provide some significant stimulation to a reasonable segment of our community of readers. This issue of JRR is multi-disciplinary and addresses many emerging issues. I would like to express my considerable appreciation to all authors of the articles in this issue of the JRR. It is their generous contributions of time and effort that made this issue so diversified and interesting.

Many people see meditation as an Indian form of daydreaming, or a quick fix for stressed-out mind. But recent studies have explained the science behind meditation and reported that meditation could have very long term positive impact on our body and mind. Our second article must be worth reading for one and all who wish to learn about Science of meditation and endeavoring for inner peace and wellness.

The prime objective of the paper titled 'Negative social aspects of tourism and security systems management process: an empirical study' is to identify the negative social aspects of tourism that hinders the growth of tourism development. The paper also analyzes the role 'security systems management process' to restrain them. The paper titled 'Service quality analysis of cooperative banks with a particular reference to Jharkhand' identifies ten factors in the choice of the Cooperative Bank. The paper gives an insight into member's perception about the Cooperative Bank Service Quality (CBSQ), ranks overall factors influencing customer satisfaction with Cooperative banks services and assesses the importance of each of these. The study compares the different tiers of Rural Credit Cooperatives on these dimensions and draws important conclusions & policy implication for their sustainability in the competitive environment.

British Raj in Chotanagpur region began after the Sipoy mutiny of 1857. The paper titled 'Socio -economic condition of tribes of Chotanagpur during the British Raj' examines the impact of British Raj on tribal life of Chotanagpur, India. The paper explains how did the British government affected the social, cultural and livelihood options of the tribes. The paper also addresses the spread of Christianity in the tribal land of Chotanagpur during the British Raj.

Tribal population of Jharkhand has paid heavy price of Industrialization. They have lost their culture, tradition, ethnicity and livelihood. But in return they have got very little. The presented paper titled 'The right to fair compensation and transparency in land acquisition, rehabilitation and resettlement Act, 2013 and Jharkhand' deliberates the impact of land acquisition on the some aspects tribal life of Jharkhand. The paper addresses the issues like; tribal displacement

and other problems faced by tribes due to land acquisitions in past and present.

The paper ‘Penetration of micro-insurance in India’ focuses on the development of micro-insurance in India and its penetration in the Indian economy. The paper title ‘Work – life balance in corporate sector: some issues’ Examines the work life balance issues in the Indian context and, also highlight its extensive impact and identify factors that could help create a better work-life balance.

“Reverse Mentoring” is a novel concept that is gaining popularity in today’s fast-paced, tech-savvy world. Reverse mentoring actually tries to bridge the gap between two generations i.e millennials and boomers. Millennials are people born between 1977 and 2000 whereas boomers are people born between 1946 and 1974. Millennials bring fresh skills and are typically “tech-savvy, racially diverse, socially interconnected and collaborative.” Boomers, on the other hand, typically bring experience, best practices, and a long history of work ethics to the table. In a young country like ours where more than 50 per cent of the population is below the age of 25 and more than 65 per cent below the age of 35, the traditional concept of mentorship may not yield the desired results. The paper titled ‘Role of reverse mentoring in corporate world’ intends to discuss the role of reverse mentoring in today’s world. The paper titled ‘FDI in retail –Indian perspective’ gives a very valuable insight on this highly debated topic. India is facing huge unemployment problem. Entrepreneurship perhaps is the solution. The paper titled “Role of entrepreneurs in Indian context” explains the importance of entrepreneurship. Sustainability is an evolving concept that promotes the use of resources to improve economy, society and environment in an integrated manner. HRM is the function with the organization that provides direction for the people working in the organization. The paper titled ‘Sustainability and human resource management’ focuses upon sustainable HRM practices in organizations. Sustainable HRM is long-term oriented concept aimed at responsible recruitment, selection, retention, motivation, turnover of employees within the organization. This paper suggests that sustainable HRM contributes to strategic success in the long-term outcomes of HR practices.

Women in corporate sector occupying top positions have always remained a rare show. The paper titled ‘Companies Act 2013 on women representation: a step to remodel the board composition’ has addressed this important issue quite well.

**With Best Wishes...**

**Dr. Mithilesh  
(Editor –in –Chief)**

**Date: March 2015**

**Place: Jamshedpur**

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## NEGATIVE SOCIAL ASPECTS OF TOURISM AND SECURITY SYSTEMS MANAGEMENT PROCESS: AN EMPIRICAL STUDY

**Prof. (Dr.) Amit Kumar Chakrabarty**

Assistant Professor in Commerce, Department of Commerce, Chakdaha College, Nadia, WB, Kalyani University, India.

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### Abstract:

The prime objective of this present paper is to identify the negative social aspects of tourism that hinders the growth of tourism development and also analyzes the role 'security systems management process' to restrain them. Identification is exclusively based on opinion of sample tourist vis-à-vis opinion of local people. A methodology has been framed to determine the major, minor and other negative social aspects of tourism. Applying statistical technique on respondents' opinion the author identified five major negative social aspects of West Bengal tourism viz. Growth of unscientific massage parlors, Exploitation on tourists, over pricing, commercialization of country's culture/customs and water pollution which seriously affects the growth of 'sustainable tourism development'. Identified minor negative social aspects are Littering, Pick pocketing, Theft and Female prostitution, also affects tourism by and large. Apart from these the author identified numerous negative social aspects which affects the industry occasionally, as per capacity. The author suggests that sound 'Security Systems Management Process' at operational level should be implemented by the government to arrest the growth of these negative aspects so that they can be nipped in the bud.

**Keywords:** Negative social aspects, Security Systems Management Process, Growth of unscientific massage parlors, Exploitation on tourists, Over pricing, Commercialization of country's culture/customs, Water pollution

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### Introduction:

At present tourism becomes one of the major industries of the world. Being a world fastest growing industry it contributes significantly to

employment, income, balance of payments, international peace and harmony and health. Now its position in respect of world is just below the oil and automobile industries. Tourism industry creates sufficient employment opportunity and brings foreign currency. To enhance national income, tourism plays a vital role. National integration and national understanding is maintained by the tourism industry. It plays a vital role in economic development of a nation, socio-culture and preservation of heritage. Tourism is an extremely labour-intensive industry with high linkage effect. As the world's largest export industry, tourism accounts for about 8% of the total world's largest export, more than 30% of the international trade in services, 10.7% of the global work force and about 12% of world GDP. According to the world Tourism Organization (WTO), in the year 2020 tourism will be an industry earning five billion dollars a day. The economies of the countries like Hong Kong, Singapore, Sri Lanka and small islands like Mauritius, Fiji, Malta largely depend directly or indirectly on this industry.

India has become one of the popular tourist destinations in the world. The state is the mother of two primitive civilizations of the world. One is the Indus Valley civilization and the other is the Aryan civilization. India with her vast area, with her physical size and appearance, heritage, cultural, splendid natural resources, coastlines, minerals, forest cover, old and antique buildings, the Tajmahal, one of the seven wonders of the world, monuments, beautiful temples and mosques, forts, hill stations, scenic beauty, springs, rivers, Canals, ponds, dams, flora and fauna, gardens, historical places, wild life sanctuaries can easily find a permanent place in the firmament of the tourism industry. The Government of India recognized

tourism as an industry in the year 1967, establishing a department called 'Tourism and Civil Aviation Department'. From this year the development of tourism in India is started. The Government of India declared the year 1991 as a year of tourism, to give more impetus on tourism development. A report of the ministry of Tourism and Civil Aviation reveals that India's gross foreign exchange earning from tourism was Rs. 283 crores in the year 1997-'98. In this year India received 19.9% more tourists than the previous year. Share of business still confines to only about one per cent of the world's total tourist trade. In the year 1950 the total arrival of tourists in India was 15000. Up to the year 2004 (November) the figure reached in 2.98 million. Now tourism industry is the third largest foreign exchange earner by producing gems and jewellery and ready-made garments in India. Most of the tourists coming to India belong to the countries – UK, USA, Sri Lanka, Germany, France, Japan, Canada, Italy, Malaysia and Singapore.

Role of tourism industry in generation of employment is very vital. It's a labour intensive industry. So a large number of jobseekers can get employment in this industry. According to a report from the Ministry of Tourism, Government of India, number of people already employed in the industry is more than seven million. The number is about 2.4% of Indian total labour force. People directly or indirectly depends on tourism industry in India is around eleven million. Tourism Industry creates employment especially for hoteliers, restaurant-owners, guides, local shopkeepers, merchants etc. The remarkable feature of the industry is that it employs a large number of both educated and uneducated women. Both skilled and unskilled women are employed in this industry. Women, in fact, out number men in hotels, airline services, travel agencies, handicraft and cultural activities. The estimated employment multiplier figure in the tourism industry is 2.36. It means direct employment of 100 persons in tourism industry, which create job for 136 persons in other sectors of our economy. From the viewpoint of employment generation, this multiplier is very attractive than other industry-multiplier. But the industry presently suffers from the problem of 'negative

social aspects' which causes displeasure to the tourists or dissatisfaction to the host community and thereby hindering the growth of tourism development, as per their capacity. The present study is intended to identify these negative aspects which impede the development of tourism industry in the studied area and also suggest some control measures what should be taken to arrest the growth of these negative issues so that they can be nipped in the bud.

### **Concept of Negative Social Aspects of Tourism**

Negative social aspects originate from the negative features of tourism. Tourism is one of the most important growth industries in the world. This industry is looked upon as the most promising one to the developing nations because of its numerous economic benefits. Generation of foreign exchange, creation of income, generation of employment, contribution to state revenue and its associated regional development can be cited as the major economic benefits of tourism. The improvements in the quality of life of the host population and protection and preservation of the natural and built resources including bio diversity are the other visible benefits of tourism development. However, the experience of countries where tourism reached its developments shows that the growth of tourism also leads to the growth of certain negative aspects. Most often, the effects of negative aspects of tourism are felt more disastrous than the negatives of the other industries especially because of the sensitive nature of tourism industry. Any factor which causes displeasure to the tourists or dissatisfaction to the host community and thereby hindering the growth of tourism is considered as negative social aspects of tourism. It is likely that the various negative features may disturb the growth and existence of the tourism industry. Unless these negative factors are identified and checked in time, it will lead to the retardation of the 'sustainable tourism development and will being'.

### **Review of Literature:**

Tourism is an interesting field of research in social science. Many theoretical and

empirical researches has been conducted on this field in past. Few early researches related to tourism industry but not particularly on the present topic are being highlighted in this section below:

R. R. Perdue, P. T. Long and L. Allen (1990) tried to test a model of the relationships among rural resident perceptions of tourism impacts, support for additional tourism development, restrictions on tourism development, and support for special tourism taxes. It was found that, when controlling for personal benefits from tourism development, perceptions of its impact were unrelated to socio demographic characteristics and support for additional development was positively or negatively related to the perceived positive or negative impacts or tourism. Support for additional tourism development was also negatively related to the perceived future of the community.

According to C. Simm (1998) tourism can bring many economic and social benefits, particularly in rural areas and developing countries, but mass tourism is also associated with negative effects. Tourism can only be sustainable if it is carefully managed so that potential negative effects on the host community and the environment are not permitted to outweigh the financial benefits.

The study of D.P.T Harcombe (1999) concludes that the economic benefits of tourism normally outweigh what negative features there may be. But it also acknowledges that the situation is much less clear-cut when considering environmental and socio-cultural issues as opposed to economic ones. D. N. Konar (2004) identified the remarkable feature of the tourism industry is that it employs a large number of both educated and uneducated women. Both skilled and unskilled women are employed in this industry. As a labour intensive industry tourism in India has a great potentiality to absorb many unemployed people. He also argued that the development of this industry is mainly depends on country wide infrastructural development. Studying about the Critical Success Factors for Tourism Development in Less Developed Countries (LDCs), P. Dieke (2005) experienced that the tourism literature much has been written about tourism planning,

more is being written about policy but implementation strategies are often neglected. Perhaps this is symptomatic of the fact that most tourism academics never become practitioners and the gap between theory and practice has yet to be satisfactorily bridged. Tourist Destination Growth Through a Systems Approach, A. Espinoza (2006) opines that while describing the components of the system such as the Traveler Generating Regions (TGR), the Transit Routes (TR) and the Tourist Destination Regions (TDR) one must analyze them under the influence of diverse environments. Tourism growth in a specific destination cannot be comprehensively understood unless the other regions, TGRs and TRs, as well as the environments influencing in each region are studied.

A. K. Chakrabarty (2006) confirmed in his study that the problem of unemployment in South East Asia may be arrested by developing tourism industry as the employment multiplier of that industry is 2.36. According to Y. Kumar (2007) sustainable tourism is a new concept, which says that the tourism development should meet the needs of the present without compromising the ability of future generation to meet their needs. Tourism industry is one of the major segments of our economy, it contributes major part of foreign exchange and generates employment and helps infrastructure development. T.P. Mammooty and P.T. Raveendran (2008), suggests that in order to achieve the goal of positioning Malabar as an international tourist destination and to achieve the economic objectives, there is a need to formulate a Master Plan for Malabar. In order to realize the economic benefits in a concrete way, the mindset of the society has to be changed so as to create a better atmosphere paving the way for the development of this novel and humane industry for the betterment of Malabar in particular, and the entire State of Kerala and its people in general. In the last 30 years, community perceptions of negative impacts from tourism have encouraged research from several different fields into community attitudes, with the goal of overcoming opposition to tourism development. Drawing on a study of Charleston, SC, the article of R. Harrill and T. D. Potts (2011) explores the relationships between community attachment, existing

through such bonds as friendship and kinship, and resident attitudes toward tourism development. They studied Charleston to understand the differences in attitude toward tourism development among its neighborhoods, based on community attachment variables, and to explore the role of community attachment in predicting these attitudes, especially regarding residents of historic residential districts. This research has implications for tourism planning in Charleston and other tourism cities with historic residential districts. M. Mishra and P. K. Padhi (2012) recommends that since tourism is a multi-dimensional activity, and basically a service industry, it would be necessary that all wings of the Central and State governments, private sector and voluntary organizations become active partners in the endeavor to attain sustainable growth in tourism if India is to become a world player in the tourist industry. In the present research work the author desires to identify the negative social aspects of tourism on the basis of opinion of tourists vis-à-vis opinion of local people which hinders the sustainable development and well being of the studied area.

#### Statement of the Problem:

The problem to be studied, stated as follows:

**“Identification of negative social aspects of West Bengal Tourism on the basis of opinion of tourists vis-à-vis opinion of local people which impede the development of tourism industry in the studied area”.**

#### Objective of the Study:

The focus of the present study is on identification of negative social aspects of West Bengal tourism and analysis of role of ‘security system management process’ to control the evils. On the basis of tourism literature, observation, opinion of knowledgeable persons, informal talks with foreign and domestic tourists the author primarily identified nine negative social aspects of tourism viz. (a) Growth of unscientific massage parlors, (b) Exploitation on tourists, (c) over pricing, (d) commercialization of country’s culture/customs, (e) Water pollution, (f) Littering, (g) Pick pocketing, (h)

Theft and (i) Female prostitution. At the outset, the author has to prove statistically whether these aspects are really negative of tourism or not. Then the author have to sort out the ‘major’ and the ‘minor’ negative social aspects of tourism which have an effect on tourism development, on the basis of empirical evidence and statistical technique of analysis. In this context the author also tries to detect the ‘other negative aspects’ of tourism, if any, which also affects the industry sporadically as per their capacity. The study also intended to find out the control measures that should be taken to arrest the growth of such negative aspects in the interest of tourism development in the studied area. In this context the author would try to judge the effectiveness of ‘Security Systems Management Process’ to control the negative social aspects.

#### Hypotheses:

In order to realize that objective of the study, the following null hypotheses have been formulated.

**H<sub>0</sub>:** Variance of opinion of tourists and opinion of local people regarding negative social aspects of tourism viz. (a) Growth of unscientific massage parlors, (b) Exploitation on tourists, (c) over pricing, (d) commercialization of country’s culture/customs, (e) Water pollution, (f) Littering, (g) Pick pocketing, (h) Theft and (i) Female prostitution are not different significantly.

Alternative hypotheses are

**H<sub>a</sub>:** Variance of opinion of tourists and opinion of local people regarding negative social aspects of tourism viz. (a) Growth of unscientific massage parlors, (b) Exploitation on tourists, (c) over pricing, (d) commercialization of country’s culture/customs, (e) Water pollution, (f) Littering, (g) Pick pocketing, (h) Theft and (i) Female prostitution are different significantly.

**Limitation of the Study:**

The study has been conducted within the jurisdiction of State West Bengal, India. The present study is based on the opinion of 121 sample tourists and 121 sample local people of the tourist centers of West Bengal. The inference of the study may differ due to change of sample size and composition of sample. So the findings of the study may not be generalized.

**Attributes:**

The author distinguished nine independent attributes viz. (a) Growth of unscientific massage parlors, (b) Exploitation on tourists, (c) over pricing, (d) commercialization of country's culture/customs, (e) Water pollution, (f) Littering, (g) Pick pocketing, (h) Theft and (i) Female prostitution. Only one dependent attribute is 'Tourism'.

**Methodology:****Selection of Sample:**

A sample of 121 tourists including 30 foreigners and 60 females has been selected at random out of tourists who visited different tourist centers of West Bengal. Likewise 121 local people including 60 females have been selected at random from different tourist centers of West Bengal. The Break up of sample has been exhibited in the Table 1 below.

**Selection and Description of Tool:**

The tool that has been selected to collect the opinion of sample tourists and local people is a structured questionnaire. The detailed about the tool is discussed below:

**Table 1**  
**Break up of Sample**

Sexual/Residential Status	Male		Female		Total
	Indian	Foreigner	Indian	Foreigner	
Sample Respondents					
Tourists	40	21	51	09	121
Local People	61	—	60	—	121

**A. Questionnaire Details:**

The questionnaire has been prepared to get the opinion of tourists and local people regarding the negative social aspects of tourism that hinders the 'sustainable tourism development and well being'. The questionnaire is structured and close ended. There are nine items, subjects to three options viz. high, moderate and negligible having different scores for each of them. Respondents are requested to give their opinion considering the degree of intensity of

each negative factor according to their perceptions. The medium of questionnaire is English and also Bengali for easy comprehensions and communication.

**Collection of Data:**

The primary data have been collected directly from 121 tourists and also 121 local people through door-to-door investigation and personal meetings by the investigator himself. Respondents are requested to give their natural,

free and frank responses to the queries. They are taken into confidence and are told that the information is required only for research purpose and will be strictly kept secret.

#### Tabulation and Scoring:

The data that have been collected through questionnaire are compiled on suitable tabulation sheet, which is also prepared for the purpose.

The data obtained from tourists and local people are scored, keeping in mind the 'Likert Scoring System'. Score three is allotted to each 'high' response. Score two is allotted to each 'moderate' response and score one is allotted to each 'negligible' response.

#### Statistical Technique Used:

Rank Correlation coefficients ( $\rho$ ) are calculated to study the degree of relationship between opinion of tourists and opinion of local people regarding the negative aspects of tourism. 'F-test' has been used to study whether the variance of opinion of tourists and also local people regarding the negative aspects of tourism are significantly consistent or not. The test has been made at 1% significance level.

#### Findings and Analysis:

**Table 2 (Item No. A)** shows the variance of opinion of tourists and local people regarding

'unscientific massage parlors' are not significantly different as the calculated value of 'F' (i.e. 1.18) is lower than table value of 'F' (i.e. 1.53) at 1% significance level with 120/120 degrees of freedom (i.e.  $H_0$  accepted). So it is established that 'unscientific massage parlor' is a negative factor of tourism. The degree of relationship ( $\rho$ ) between opinion of tourists and local people regarding 'unscientific massage parlors' is very high i.e. 0.82 which indicates the factor plays a vital role to hinder the growth of tourism industry. So it can be identified as a major negative social aspect of West Bengal tourism.

**Table 2 (Item No. B)** reveals that the variance of opinion of tourists and local people regarding 'exploitation on tourists' are consistent as the calculated value of 'F' (i.e. 1.09) is lower than table value of 'F' (i.e. 1.53) at 1% significance level with 120/120 degrees of freedom (i.e.  $H_0$  accepted). So it is established that 'exploitation on tourists' is a negative social aspect of tourism. The degree of relationship ( $\rho$ ) between opinion of tourists and local people regarding 'exploitation on tourists' is very high i.e. 0.89 which implies the factor plays an imperative role to thwart the growth of tourism industry. So it can be identified as a major negative aspect of West Bengal tourism.

**Table 2**  
**Results of Statistical Analysis**

Attributes	Rank Correlation Coefficient ( $\rho$ )	Calculated Value of 'F'	T.V. of F at 1% sig. Level	Degrees Of Freedom	Hypothesis Accepted $H_0/H_a$
<b>Tourists' Opinion Vs. Local People Opinion Regarding:</b>					
A. Growth of unscientific massage parlors	.82	1.18	1.53	120/120	$H_0$
B. Exploitation on tourists	.89	1.09	1.53	120/120	$H_0$
C. Over pricing					
D. Commercialization of country's culture/customs	.79	1.32	1.53	120/120	$H_0$
E. Water pollution					
F. Littering					
G. Pick pocketing					
H. Theft					

I. Female prostitution					
	.75	1.50	1.53	120/120	H <sub>0</sub>
	.69	1.41	1.53	120/120	H <sub>0</sub>
	.27	1.19	1.53	120/120	H <sub>0</sub>
	.38	1.11	1.53	120/120	H <sub>0</sub>
	.33	1.32	1.53	120/120	H <sub>0</sub>
	.29	1.07	1.53	120/120	H <sub>0</sub>

**Table 2 (Item No. C)** divulges that the variance of opinion of tourists and local people regarding 'over pricing' are unswerving as the calculated value of 'F' (i.e. 1.32) is lower than table value of 'F' (i.e. 1.53) at 1% significance level with 120/120 degrees of freedom (i.e. H<sub>0</sub> accepted). So it is established that 'over pricing' is a negative social aspect of tourism. The degree of relationship ( $\rho$ ) between opinion of tourists and local people regarding 'over pricing' is very high i.e. 0.79 which entails the factor plays a crucial role to spoil the growth of tourism industry. So it can be highlighted as a major negative aspect of West Bengal tourism.

**Table 2 (Item No. D)** portrays the variance of opinion of tourists and local people regarding 'Commercialization of country's culture/customs' are not significantly different as the calculated value of 'F' (i.e. 1.50) is lower than table value of 'F' (i.e. 1.53) at 1% significance level with 120/120 degrees of freedom (i.e. H<sub>0</sub> accepted). So it is established that 'Commercialization of country's culture/customs' is a negative social aspect of tourism. The degree of relationship ( $\rho$ ) between opinion of tourists and local people regarding 'Commercialization of country's culture/customs' is very high i.e. 0.75 which indicates the factor plays a vital role to obstruct the growth of tourism industry. So it can be identified as a major negative aspect of West Bengal tourism.

**Table 2 (Item No. E)** depicts the variance of opinion of tourists and local people regarding 'water pollution' are consistent as the calculated

value of 'F' (i.e. 1.41) is lower than table value of 'F' (i.e. 1.53) at 1% significance level with 120/120 degrees of freedom (i.e. H<sub>0</sub> accepted). So it is established that 'water pollution' is a negative social aspect of tourism. The degree of relationship ( $\rho$ ) between opinion of tourists and local people regarding 'water pollution' is very high i.e. 0.69 which indicates the factor plays a key role to impede the growth of tourism industry. So it can be identified as a major negative aspect of West Bengal tourism.

**Table 2 (Item No. F)** displays the variance of opinion of tourists and local people regarding 'littering' are not significantly different as the calculated value of 'F' (i.e. 1.19) is lower than table value of 'F' (i.e. 1.53) at 1% significance level with 120/120 degrees of freedom (i.e. H<sub>0</sub> accepted). So it is established that 'littering' is a negative social aspect of tourism. The degree of relationship ( $\rho$ ) between opinion of tourists and local people regarding 'littering' is negligible i.e. 0.27 which indicates the factor plays an unimportant role to hamper the growth of tourism industry. So it can be identified as a minor negative aspect of West Bengal tourism.

**Table 2 (Item No. G)** displays the variance of opinion of tourists and local people regarding 'pick pocketing' are not significantly different as the calculated value of 'F' (i.e. 1.11) is lower than table value of 'F' (i.e. 1.53) at 1% significance level with 120/120 degrees of freedom (i.e. H<sub>0</sub> accepted). So it is proved that 'pick pocketing' is a negative social aspect of tourism. The degree of relationship ( $\rho$ ) between opinion of tourists and local people regarding

'pick pocketing' is negligible i.e. 0.38 which indicates the factor plays a trivial role to hamper the growth of tourism industry. So it can be identified as a minor negative aspect of West Bengal tourism.

**Table 2 (Item No. H)** shows the variance of opinion of tourists and local people regarding 'theft' are not significantly different as the calculated value of 'F' (i.e. 1.32) is lower than table value of 'F' (i.e. 1.53) at 1% significance level with 120/120 degrees of freedom (i.e.  $H_0$  accepted). So it is proved that 'theft' is a negative social aspect of tourism. The degree of relationship ( $\rho$ ) between opinion of tourists and local people regarding 'theft' is negligible i.e. 0.33 which indicates the factor plays an insignificant role to hamper the growth of tourism industry. So it can be identified as a minor negative aspect of West Bengal tourism.

**Table 2 (Item No. I)** shows the variance of opinion of tourists and local people regarding 'female prostitution' are not significantly different as the calculated value of 'F' (i.e. 1.07) is lower than table value of 'F' (i.e. 1.53) at 1% significance level with 120/120 degrees of freedom (i.e.  $H_0$  accepted). So it is proved that 'female prostitution' is a negative social aspect of tourism. The degree of relationship ( $\rho$ ) between opinion of tourists and local people regarding 'female prostitution' is negligible i.e. 0.29 which indicates the factor plays a trifling role to slow down the growth of tourism industry. So it can be identified as a minor negative aspect of West Bengal tourism.

### Conclusion:

The study establishes the hypotheses that variance of opinion of tourists and opinion of local people regarding negative social aspects of tourism viz. (a) Growth of unscientific massage parlors, (b) Exploitation on tourists, (c) over pricing, (d) commercialization of country's culture/customs, (e) Water pollution, (f) Littering, (g) Pick pocketing, (h) Theft and (i) Female prostitution are not different significantly. Which confirms that the primarily identified negative social aspects of tourism are definitely hinders the growth of tourism industry of West Bengal extremely. On the basis of

degree of relationship of bipolar opinion the 'major negative social aspects' of tourism are identified. These are Growth of unscientific massage parlors, Exploitation on tourists, over pricing, commercialization of country's culture/customs and water pollution. Other four factors, termed as 'minor negative social aspects' of tourism viz. Littering, Pick pocketing, Theft and Female prostitution are also affects the industry moderately. On the basis of informal talk with the tourists and local people, the author identified a number of negative social aspects of tourism such as over crowding, spread of AIDs and STDs, drug trafficking, male prostitution, child prostitution, pornography, difficulties in flight services, difficulties in customs clearance, growth of illegal money changer, exploitation of natural resources, alcoholism, increase in land value in tourists centers and off seasonal unemployment which affects the industry sporadically as per their capacity. These aspects are termed as 'other negative social aspects' of West Bengal tourism.

### Recommendations and Suggestions

Since tourism industry is the third largest foreign exchange earner by producing gems and jewellery and ready-made garments in India and also the employment multiplier of the industry is 2.36, the government should take necessary steps to check the negative social aspects as far as possible for the smooth growth of the industry. The role of the host community in this regard may not be ignored. In this context we may suggest government to apply or implement a sound '**Security Systems Management Process**' (Figure 1) at the operational level as a remedy to control negative social aspects of tourism.

At the operational management level, the security systems management process, in the tourism industry, can broadly be divided into the planning stage, the organizing stage and controlling stage, as shown diagrammatically in the Figure 1. The process starts with the assessment of the security risk. After the assessment of the security risk, the level of security required has to be defined. The level of security required depends upon the risk assessment as well as the organizational abilities

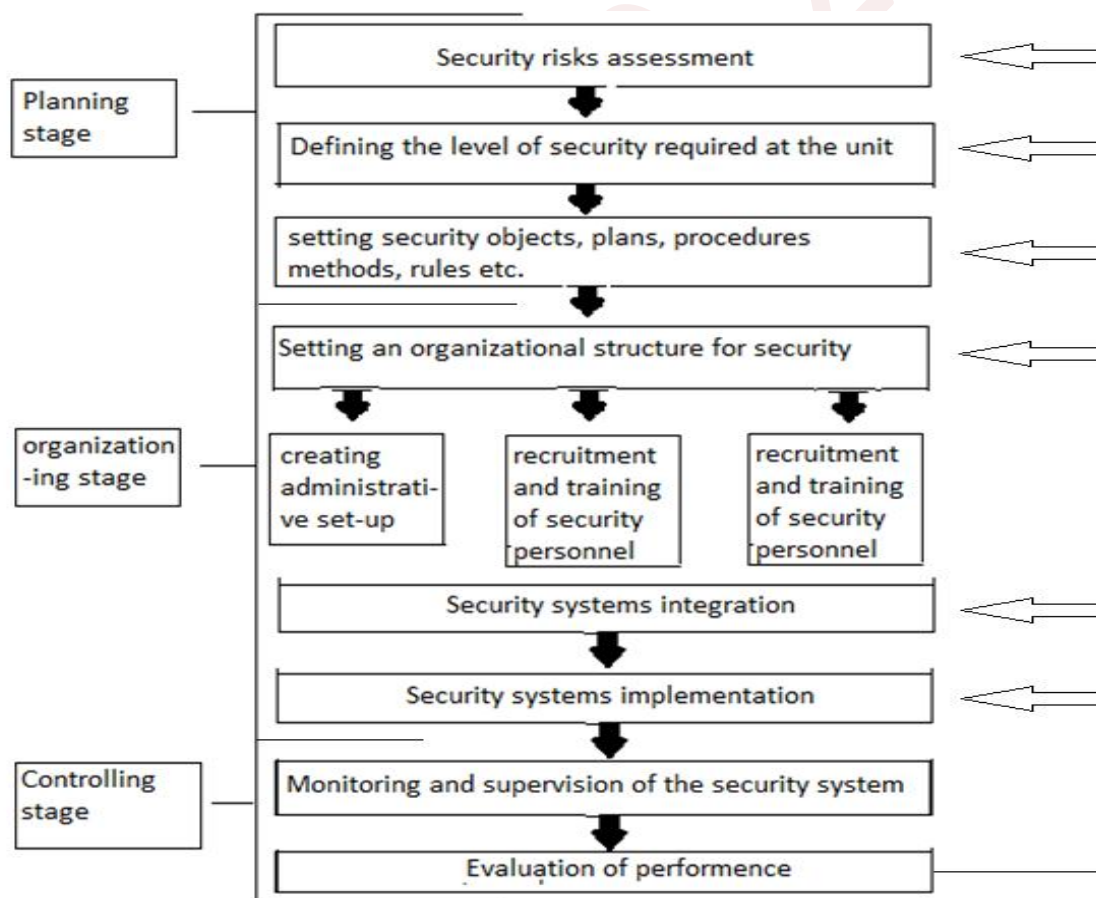
in the terms of resources etc. to meet the security risks. Then, the security systems objectives are laid, plans are prepared, procedures and methods are established.

After the planning stage, the next step is the setting up of the organizational structure for the security systems. The authority, responsibility and accountability are fixed for each position and the lines of authority and responsibility are fixed. Recruitment and training is also the part of the security organization stage. Nowadays, more and more mechanical devices and electronic gadgets are used for the purpose of security. Such equipments are to be procured and installed. Next step is the security systems integration. Here we try to have an internal integration between various components of the security

systems e.g. proper integration between the manual security processes and the mechanical/electronic security processes i.e. proper man-machine mix. Another is the external integration i.e. integration of security systems processes with the other processes operating in the organization itself. This is to be followed by the implementation of the security system. It is the stage where the actual execution takes place.

Now, we come to the controlling stage. Here the requirement is that of monitoring and supervising the security system as well as evaluation of the actual performance of the security system by comparing the results with the objectives. Any deviation has to be analyzed and the reasons for deviation have to be found out.

**Figure 1: Security Systems Management Process**



This briefly outlines the conceptual framework of a security system management process which has applications in the tourism industry. It has

universal application and can be applied to the Airport Security as well as the security of Hotel or a Resort. Of course, situational,

environmental and organizational variables have to be acknowledged in each individual unit case and security system has to be planned, organized and controlled accordingly.

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## SCIENCE OF MEDITATION FOR INNER PEACE AND WELLNESS

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### Abstract

Many people see meditation as an Indian form of daydreaming, or a quick fix for stressed-out mind. But recent studies have explained the science behind meditation and reported that meditation could have very long term positive impact on our body and mind. These studies have confirmed that meditation can bring inner peace, calmness and well desired wellness in our life. The paper presented here sketches out some recent scientific studies that confirmed the benefits of mediation. Second part of the study gives very useful tips for starting meditation.

**Key Words:** Meditation, Body and Mind, MRI, Psychological Science, Working Memory, concentration meditation, nervous system, Mindfulness meditation,

The term *meditation* refers to a broad variety of practices that includes techniques designed to promote relaxation, build internal energy or life force (*qi, ki, prana*, etc.) and develop compassion, love,<sup>1</sup> patience, generosity and forgiveness. A particularly ambitious form of meditation aims at effortlessly sustained single-pointed concentration meant to enable its practitioner to enjoy an indestructible sense of well-being while engaging in any life activity.<sup>2</sup>

Meditation is not easy for the beginners. On their first attempt, they may get distracted by a string of troubled thoughts, then fall asleep. Apparently, this is normal for first-timers. Training allows us to transform the mind, to overcome destructive emotions and to dispel suffering. The numerous and profound methods that Buddhism has developed over the centuries can be used and incorporated by anyone. What is needed is enthusiasm and perseverance.<sup>3</sup>

Meditation is a science. Researchers

have used functional *magnetic-resonance imaging* (fMRI) to look at the brains of experienced meditators as well as beginners, and tested the effects of different meditative practices on cognition, behavior, physical and emotional health and brain plasticity. A real scientific picture of meditation is now coming together. It suggests meditation can indeed change aspects of our psychology, temperament and physical health dramatically. The studies are even starting to throw light on how meditation works. Time spent deeply investigating the nature of our mind is bound to be helpful. One can be an empiricist (in meditation), just by working with the nature of his experience.<sup>5</sup> In 2007, Saron and a team of neuroscientists and psychologists followed 60 experienced meditators over an intensive three-month meditation retreat in the Colorado Rockies, watching for changes in their mental abilities, psychological health and physiology. Participants practiced for at least five hours a day using a method known as focused attention meditation, which involves directing attention on the tactile sensation of breathing. The first paper from the project was published in June 2010 (Psychological Science).<sup>6</sup> A study headed by Katherine MacLean at Johns Hopkins University School of Medicine, Baltimore, Md., measured the volunteers' attention skills by showing them a succession of vertical lines flashed up on a computer screen. They then had to indicate, by clicking a mouse, whenever there was a line shorter than the rest. As the retreat progressed, MacLean and her colleagues found that as the volunteers became progressively more accurate and increasingly easy to stay focused on the task for long periods.<sup>7</sup>

Pain is an unpleasant sensory and emotional experience, which can be regulated by many different cognitive mechanisms. A group of researchers (David M. Perlman, Tim V. Salomons, Richard J. Davidson, and Antoine

Lutz)<sup>8</sup> compared the regulatory qualities of two different meditation practices during noxious thermal stimuli: Focused Attention, directed at a fixation cross away from the stimulation, which could regulate negative affect through a sensory gating mechanism; and Open Monitoring, which could regulate negative affect through a mechanism of non-judgmental, non-reactive awareness of sensory experience. Here they report behavioral data from a comparison between novice and long-term meditation practitioners (long-term meditators, LTM) using these techniques. LTM, compared to novices, had a significant reduction of self-reported unpleasantness, but not intensity, of painful stimuli, while practicing Open Monitoring. No significant effects were found for FA. This finding illuminates the possible regulatory mechanism of meditation-based clinical interventions such as Mindfulness-Based Stress Reduction (MBSR). Implications are discussed in the broader context of training-induced changes in trait emotion regulation. Focus is crucial to so much in life, from the learning and application of skills to everyday judgment and decision-making, or simply concentrating on we office presentation at work without thinking about what did we ate in breakfast today. But the question arises, how does dwelling on our breath for a period each day lead to such a pronounced cognitive change? One possibility is it involves working memory, the capacity to hold in the mind information needed for short-term reasoning and comprehension. The link with meditation was established recently by Amishi Jha at the University of Miami-Coral Gables. She trained a group of American marines to focus their attention using mindfulness meditation and found that this increased their working memory (**Amishi Jha ,University of Miami-Coral Gables/ Emotion**). Along with enhancing cognitive performance, meditation seems to have an effect on emotional well-being. A second study from researchers with the Shamatha project concluded that meditation improves general social and emotional functioning, making study participants less anxious, and more aware of and better able to manage their emotions. The ability to manage one's emotions could also be key to why

meditation can improve physical health. Studies have shown it to be an effective treatment for eating disorders, substance abuse, psoriasis and in particular for recurrent depression and chronic pain.

As more and more researches have confirmed that people can become more empathic and compassionate through meditation practice, the Santa Barbara Institute for Consciousness Studies has recently floated the idea of mental training "gymnasiums." Like physical exercise gyms, but for the mind, these would allow people to drop in and learn to improve their emotional balance, develop their capacity for compassion and even measure their stress levels.

### **How to meditate**

There are many methods of meditation. But the methods are very popular. Any body can use these methods. It's extremely difficult for a beginner to sit for hours and think of nothing or have an "empty mind." But in general, the easiest way to begin meditating is by focusing on the breath — an example of one of the most common approaches to meditation: concentration.

### **Concentration meditation**

A concentrative meditation technique involves focusing on a single point. This could entail watching the breath, repeating a single word or mantra, staring at a candle flame, listening to a repetitive gong or counting beads on a rosary. Since focusing the mind is challenging, a beginner might meditate for only a few minutes and then work up to longer durations. In this form of meditation, you simply refocus your awareness on the chosen object of attention each time you notice your mind wandering. Rather than pursuing random thoughts, you simply let them go. Through this process, your ability to concentrate improves.

### **Mindfulness meditation**

Mindfulness meditation technique encourages the practitioner to observe wandering thoughts as they drift through the mind. The intention is not to get involved with the thoughts or to judge them, but simply to be aware of each mental note as it arises.

Through mindfulness meditation, you can see how your thoughts and feelings tend to move in particular patterns. Over time, you can become more aware of the human tendency to quickly judge experience as “good” or “bad” (“pleasant” or “unpleasant”). With practice, an inner balance develops.

In some schools of meditation, students practice a combination of concentration and mindfulness. Many disciplines call for stillness — to a greater or lesser degree, depending on the teacher.

### Other meditation techniques

There are various other meditation techniques. For example, a daily meditation practice among Buddhist monks focuses directly on the cultivation of compassion. This involves envisioning negative events and recasting them in a positive light by transforming them through compassion. There are also moving meditations techniques, such as tai chi, chi kung and walking meditation.

### How to meditate: Simple meditation for beginners

This meditation exercise is an excellent introduction to meditation techniques.

1. Sit or lie comfortably.
2. Close your eyes.
3. Make no effort to control the breath; simply breathe naturally.
4. Focus your attention on the breath and on how the body moves with each inhalation and exhalation. Notice the movement of your body as you breathe. Observe your chest, shoulders, rib cage and belly. Make no effort to control your breath; simply focus your attention. If your mind wanders, simply return your focus back to your breath. Maintain this meditation practice for 2–3 minutes to start, and then try it for longer periods.

(Source : [life.gaiam.com/article/meditation-101-techniques-benefits-beginner-s-how](http://life.gaiam.com/article/meditation-101-techniques-benefits-beginner-s-how))

### Benefits of Meditation

Back in the 1970s, Herbert Benson, MD, a researcher at Harvard University Medical

School, coined the term ‘the relaxation response’ after conducting research on people who practiced transcendental meditation. The relaxation response, in Benson’s words, is “an opposite, involuntary response that causes a reduction in the activity of the sympathetic nervous system.” (Since then, studies on the relaxation response have documented the following short-term benefits to the nervous system:

- lower blood pressure
- improved blood circulation
- lower heart rate
- less perspiration
- slower respiratory rate
- less anxiety
- lower blood cortisol levels
- more feelings of well-being
- less stress
- deeper relaxation

Indeed meditation could become an alternative to medication. But, it is worth repeating that the purpose of meditation is not to achieve benefits. To put it as an Eastern philosopher might say, the goal of meditation is no goal. It is simply to be present. In Buddhist philosophy, the ultimate benefit of meditation is liberation of the mind from attachment to things it cannot control, such as external circumstances or strong internal emotions. The liberated, or “enlightened,” practitioner no longer needlessly follows desires or clings to experiences, but instead maintains a calmness of mind and sense of inner balance. Meditation could become an alternative to medication. But the worry is that the thinking of meditation as a quick fix will restrict some of the delicacies integral to successful practice. When we are returning our mind to the object in hand, we have to do it with a sense of gentleness and authority, rather than develop a sense of failure when our mind wanders.

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**MEDITATION : QUOTES**

- "If a person's basic state of mind is serene and calm, then it is possible for this inner peace to overwhelm a painful physical experience." — The Dalai Lama
- "I'm a great supporter of transcendental meditation (TM). I've been using it for almost 40 years now — and I think it's a great tool for anyone to have, to be able to utilize as a tool for stress. Stress, of course, comes with almost every business. I think there are enough studies out there that show that TM is something that could benefit anybody. It's a great system to use. Otherwise, why would I've been doing it for all these years, for almost half of my life?" — Clint Eastwood
- "Meditation brings wisdom; lack of meditation leaves ignorance. Know well what leads you forward and what holds you back, and choose the path that leads to wisdom." — Buddha
- "Empty your mind, be formless, shapeless — like water. Now you put water into a cup, it becomes the cup, you put water into a bottle, it becomes the bottle, you put it in a teapot, it becomes the teapot. Now water can flow or it can crash. Be water, my friend." — Bruce Lee
- "In proportion as he simplifies his life, the laws of the universe will appear less complex, and solitude will not be solitude, nor poverty, poverty, nor weakness, weakness." — Henry David Thoreau
- "Your mind is a powerful thing. When you filter it with positive thoughts, your life will start to change." — Buddha

## SERVICE QUALITY ANALYSIS OF COOPERATIVE BANKS WITH A PARTICULAR REFERENCE TO JHARKHAND

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### Abstract

The present study identifies ten factors in the choice of the Cooperative Bank, gives an insight into member's perception about the Cooperative Bank Service Quality (CBSQ), ranks overall factors influencing customer satisfaction with Cooperative banks services and assesses the importance of each of these. The study compares the different tiers of Rural Credit Cooperatives on these dimensions and draws important conclusions & policy implication for their sustainability in the competitive environment.

**Keywords:** Co-operative Bank, CBSQ, SERVQUAL, Customer Satisfaction, service quality

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### Introduction

The Cooperative banks are a very important plank of the rural credit delivery of the Indian Economy. Till the nationalization of banks in 1969 they were the only source of institutional credit in rural areas. With the liberalization in the economy, the cooperative credit institutions face enhanced competition and more learned & demanding members. To ward of competition and ensure member retention it's very important for Cooperative banks to focus on customer satisfaction. There is a need to identify what is in the minds of their members when they compare what should be offered & what is provided. Hence this study is an attempt to show how members' perception about CBSQ & satisfaction independently & jointly correlate with sustainability of Cooperative Banks in the liberalized economy.

### Review of Literature

Service Quality has been described as a form of attitude that results from the comparison of expectations with performance (Cronin & Taylor, 1992). Gronros (1982) argued that customers while evaluating the quality of a service, compare the service they expect with perceptions of the services they actually receive. A twenty two items instrument recognized as SERVQUAL was developed by Parasuraman et al (1988). It is widely used as a generic instrument for measuring service quality. Earlier ten service quality variables were identified by Parasuraman et.al (1994) are reliability, responsiveness, competence accessibility, courtesy, communication, credibility, security, understanding, tangibility. They were subsequently condensed into 5 dimensions of service quality after subsequent research, analysis & testing by Parsuraman (1988) - tangibility, reliability, responsiveness, assurance & empathy. Criticism was leveled on the SERVQUAL scale by the authors themselves (Parasuraman et.al 1991). Limitations were highlighted by others (Babakhus & Boiler, 1992), Carman 1990, Lewis & Mitchell, 1990, Lewis 1993, Smith 1992, Cronin & Taylor (1992). Empirical evidence was provided across four industries to corroborate the superiority of their SERVPERF Scale. An efficient scale, reducing the number of item measured by 50%, a performance only instrument over disconfirmation based SERVQUAL. Four over all dimensions of customer satisfaction with bank services were identified by Manrai and Manrai (2006) These are personnel related considerations, financial considerations {interest earnings and interest payments}, environment related considerations (atmospherics) and convenience related considerations (ATM &

hours). Thus a number of variables for service quality have been identified by Cronin & Taylor (17 items), Zillur Rehman (2005), Verma & Vohra 2000, Mushtaq A.Bhatt 2005, Alfred & Addam 2001. Some of the recent works include Serperf Analysis in Retail Banking by T Vanniarajan & B. Anbazhagan and Service Quality Dimensions & Customer Satisfaction: A Criteria for Cooperatives success & sustainability are 'high member -centrality' & 'high member participation'. Member Centrality means fulfilling the members' needs with the resources available at their disposal & Member Participation means active participation of members in the business of the Cooperative organization. (Samar K. Dutta & Gurudev Singh, 1998). Variables drawn from the above mentioned studies were reviewed to study the service quality in Cooperative Banks.

### Objectives

1. To identify and rank all factors in the choice for a bank
2. To gain an insight into members perception about the Cooperative Bank Service Quality (CBSQ) i.e. quality of service rendered by the employees of cooperative banks & societies.
3. To rank overall factors influencing customer satisfaction with cooperative banks services and assess the importance of each of these.

### Methodology

The study covers the three tier Rural Cooperative Credit Institutions in the state of Jharkhand, with Primary Agricultural Cooperative Societies (PACs) at the village level, District Cooperative Banks (DCB) at District level and at the apex level is the State Cooperative Bank. (SCB). This is an exploratory study based on survey methodology using structured, non disguised questionnaires where responses were gathered on a five point Likert scale. After selecting the study area, multi stage purposive cum random sampling has been adopted in the selection of beneficiaries. At the first stage. The Ranchi branch of SCB was selected, in the second stage. The Ranchi DCB was selected which has 16 branches, out of which 4 branches were selected randomly & purposely.

The DCB is a federation of 39 PACS in 6 blocks in Ranchi district. The primary societies play a key role in advancing rural credit. In each block the number of Primary societies ranged from 4 to 8 only, therefore in the third stage, one society from each block was selected as sample. For the selection of the borrower households a list of total borrower households of sample societies & branches of SCB & DCB was prepared in the final phase of the selection. With the help of regular marking method (every eight borrowers from each selected society & branch, after selecting the first at random) was selected as sample.

The analysis of the collected data was done using statistical tools - mean, one way of analysis of variance, post hoc comparison of the data collected from the various tiers of the rural cooperative credit structure. Since the area of operation, the clientele & functions of PACs, DCB & SCB varies, for analytical purpose the respondents were drawn from different walks of life. While PAC cater to rural population, DCB to rural urban mix of customers and SCB primarily urban. Thus the study has a rural - urban mix, a hilly plain mix with respondents from all the tiers of the RCCS.

Sample: The survey was carried out between March 2012 to January 2013. The draft questionnaire was initially tried out on 10 customers of SCB, 30 of DCB & 20 of PACs i.e. 60 respondents. This was done to assess the relevance of the questions to the research and to find out what reactions does it elicit from the respondents. Consultation with experts confirmed the content validity of this questionnaire.

### Findings

Choice of Bank (Preference): There are not many banks operating in remote, hilly, rural areas. However in semi urban and urban and plain region of our area of study several banks operate. The customer/ members are influenced by a number of factors in selecting a bank such as convenient locations, rate of interest, service quality, and security etc. Since we are studying the cooperative banks factors like local feel, own bank and cooperative principles and values have been included. Table 1 reveals the responses about the ranking order to these factors. Among

all the attributes, the first priority factor that has emerged from the survey result is local feel. Majority of members selected cooperative bank or became members of the society because of the comfort with the local people of their area employed in the bank. Convenient location is the second factor in priority which influenced the choice in selecting the bank. Charges & Service Quality ranks third & fourth. An aggregate mean value of 3.00, 2.64, 2.48, and 2.35 corroborates

the findings. An analysis of various dimensions of service quality has been undertaken in the next section. The difference in the responses from various institutions is significant for all the factors. The importance of Cooperative principles is low, as reflected from the aggregate mean score of 1.55. Amongst the institutions also it varies between 1.3 to 1.8, being highest for the PAC & lowest for the DCB.

**Table 1: Factors in the choice of bank (mean score)**

	Factors in the Choice of Bank	Agg-	SCB	DCB	PAC	F-Test	Level of Significance
		N=390	(n=50)	(n=140)	(n=200)		
1	Cooperative Principles & values	1.55	1.64	1.34	1.8	12.08	0
2	Convenient location	2.64	2.78	2.43	2.87	6.43	0.002
3	Emergency needs	2.11	1.54	1.7	2.9	84.02	0
4	Service Quality	2.35	2.31	2.12	2.44	20.87	0
5	Security	2.07	2.28	1.83	2.35	11.68	0
6	Rates of Interest	2.48	2.48	2.12	3	28.35	0
7	Local feel	3	1.78	2.95	3.52	60.99	0
8	other Reasons (salary. political, secy)	1.51	1.3	1.44	1.68	3.33	0.037

Source: Primary Data

Table 1 shows while Local feel is the most important factor in the choice of the bank for the respondents at the PAC level & Cooperative Principles is the least important factor for all the blocks except the Khunti Block. After local feel, the next important factor is Charges for the Latehar, Gumla and Ramgarh blocks. Inadequate availability of other banks is the reason for considering factors like security in the choice of the bank.

Among the institutions at the various levels, for the Cooperative Principles, the difference in the

responses are significantly different of the SCB & DCB respondents value of .028, SCB & Khunti (.007), DCB & Khunti Raipur (.000), DCB & Ramgarh (.020), DCB & Gumla (.025), Latehar & Khunti (.007), Chatra & Khunti (.040). Thus we see that while SCB & DCB are significantly different among the blocks the Khunti block is significantly different with Ramgarh and Gumla. Since the Banks in Khunti block are functioning very well an issue for further analysis can be relation between applicability of Cooperative principles & effective working of the PACs.

For Location the DCB are significantly different with Khunti (.019), Latehar(.029),&

Gumla (.012). Similarly for Emergency the difference in the responses is significant between SCB & all the blocks (.000); between DCB & again all the blocks. Emergency needs are an important factor in the choice of the PACs. As revealed in the survey, the mini bank (a part of the PAC) can be opened as per the convenience & need of the members sometimes even in the night. It was interesting to be referred to as their ATM. While the difference is significant between SCB, DCB & PACs, it is not so between the PACs, except between Gumla & Latehar (.049). For Service Quality the difference is significant between SCB & DCB: (.000); between SCB & all the blocks except chatra: between DCB & all the blocks except Gumla & Latehar. For Security .among all the institutions the SCB & DCB are significantly different (.006) .Between the SCB & all the blocks, the difference is significant with only Latehar. Similarly the difference is significant between DCB & Khunti (.026), Gumla (.013) & Latehar (.000). For charges, there are significant difference between SCB -DCB, between DCB & all the blocks (.000). Similarly for local feel, it is significant between SC B & DCB; between SCB. DCB & all the blocks. This factor is more important at the district level & primary level due to greater familiarity of the members with the staff & the better local knowledge & awareness amongst the employees. For the other factors, the difference is not significant. Among the other reason are included factors like local leader /secretary making them members of the PAC, salary being deposited in the DCB or reason not revealed? Here the differences are not significant.

An overall analysis reveals that while the cooperative values on which these institutions are based do not occupy a an important place in the choice of the cooperative bank, as the factors like local feel, convenient location & service quality.

**Service Quality:** During the pilot survey of the area of research the participants were asked to discuss, in cooperative bank service what are the main factors affecting their satisfaction. In this section attribute related to the staff has been taken since quality of service depends on the knowledge, attitude, and approach of the people. Members' loyalty, as mentioned earlier is significant for their retention in the competitive environment and it depends on members' expectation and perceived service quality.

The perceived service quality variables among the members/ customers of cooperative bank societies are sincerity i.e. staff should listen to members problems and solve them sincerely. Secondly the staff should be trustworthy and maintain the confidentiality of their transactions. Prompt service to members and thorough knowledge about their work scheme friendly, polite & consistent courtesy come next .The other variables are informative i.e. inform customers about latest products & Service & tell them exactly what they do. Providing service at promised time, always willing to serve, mostly available in their seats, neatness of the employees are the other variables

From the operational point of view the DCB or PAC are important but the SCB customers are important as it may be a small portion now but a great probability of expanding in near future. Significant difference among the member borrowers at SCB, DCB, PAC regarding their attitude towards each variable in service quality were analysed by using the One way analysis of variance .The table 2 shows the resulted mean score & the respective 'F' statistics.

These five factors sincerity, always willing to serve, trustworthy, consistence courtesy, promptness are highly perceived service quality variable among the cooperative bank & societies members and customers on an aggregate basis, since their respective mean scores are 3.92, 3.49, 3.37, 3.27, 3.27, 3.02.

**Table 2: Customer satisfaction on cooperative bank service quality variables  
(CBSQV) (Mean scores)**

Factors	attributes in service quality	Agg.	SCB (n=50)	DCB (n=200)	PAC (n=140)
1	Sincerity	3.92	3.6	3.65	4.41
2	Trustworthy	3.37	3.06	2.97	4.06
<b>A 3</b>	Promptness	3.02	4.36	2.77	2.89
4	Knowledgeable	2.94	4.26	3.16	2.17
5	Consistent Courteous	3.27	3.4	2.6	4.17
<b>B 6</b>	Informative	2.42	2.86	2.01	2.86
7	Provide Service At Promised Time	2.95	4.16	2.92	2.57
8	Always Willing To Service	3.49	3.32	<b>3.07</b>	4.16
<b>C 9</b>	Mostly Available In Their Seats	3.27	3.76	3.34	<b>3</b>
<b>D 10</b>	Neatness/ Cleanliness	2.73	3.44	2.82	2.36

Source: primary data

There are some interesting insights about the customers' perception about the quality of cooperative bank employees' service. The PACs score high on all the dimensions except factors like promptness, knowledgeable, seat availability & cleanliness. This could be because of inadequate training, procedural delays, multitasking by the staff of the societies. In blocks like Khunti, Ramgarh, PAC score highest on most of the dimensions. Interaction with the member depositing a high amount of Rs 10 lakhs, despite the presence of other bank branches nearby, revealed the enormous trust they have in the bank. This further confirms the view that satisfied member, retain their services to the institution and contribute in its progress. It highlights towards the need for providing better service conditions, acknowledging the good performance & publicizing the achievements of such societies which can be replicated

elsewhere. Another society which ranked high on customer satisfaction was the Latehar PAC. Here it was attributed to the all time availability of the secretary, whose sincerity in solving members' problem yielded good returns. The highly perceived variables among the customers in DCB are sincerity (mean score of 3.65), seat availability (3.34), Knowledgeable (3.16), always willing to serve (3.07). In case of SCB these variables are promptness (4.26), knowledgeable (4.26), Seat availability (3.76), sincerity (3.60) & neatness (3.44).

SCB, DCB, PACs all have been rated high on courteousness and willingness to serve suggesting the Cooperative Banks are customer friendly. However, DCB scores the lowest on promptness & knowledge. Most of such responses were from the branches not computerized necessitating an urgent need for modernization, training of staff. The SCB staff is knowledgeable, prompt in their services, provided it on time as promised suggesting the modernization of cooperative banks would lead

to greater efficiency. The low score in DCB are more due to inadequate facilities than the staff behaviours.

Overall analysis reveals that members are satisfied with the banks staff behaviours, but it would be beneficial for the cooperative banks to improve the procedure and training of the staff accordingly. While there are not many competitors in rural areas, but in semi urban, urban areas, despite the presence of many banks, many customers when interviewed revealed the good behavior of the staff as the prime reason for opening an a/c in the DCB & SCB.

For variables like sincerity ,trustworthy the difference is significant for PAC & SCB as well as DCB. (.000). For promptness the SCB-DCB & SCB -PAC are significantly different but not DCB-PAC. As regard availability in their seats SCB & PAC differ significantly. For knowledge , courteousness, willing to serve, neatness all the institutions differ significantly since F-statistics are significant at less than .05%. Thus we see that the mean of each variable/ attribute of customer satisfaction differs significantly across the institutions. [App.

**Table 3: Overall factors influencing satisfaction**

Factors	(All)	Average ranks							
		SCB	DCB	PAC	B1	B2	B3	B4	B5
Price	IV (3.97)	3.9	4.4	3.62	4.1	4.4	3.7	3.1	2.8
Employees behaviour	I (1.45)	1.3	1.2	1.56	1.2	1.7	1.8	1.3	3.3
Speed	II (2.07)	2	2.1	2.12	2.8	1.3	2.2	2.8	1.5
Formalities	III (3.3)	3.4.	3.4	3.1	2.9	3.5	3.2	3.5	2.4
Tangibles	V (4.2)	4.4	3.9	4.3	4	4.1	4.1	4.3	5

In parenthesis ( ) average of SCB, DCB, PAC

**Order of Preference;** The Table 3 shows that the satisfaction of customers is influenced most by employees' behavior and the speed. Next by formalities, & price, while tangibles rank the lowest in order to preference.

table A. 3] It was observed that PACs perceived to be offering better quality of service by the customers are enjoying more profitability. The research work confirmed that the best measure for the service quality is the members/ customers perception about the performance of the banks.

**Overall Factors Influencing Satisfaction:** While making use of Cooperative Bank products & service there are various factors, irrespective of the service that influence their satisfaction. The respondents were asked to rank the following attributes on the basis of their importance in deriving satisfaction in Cooperative banking services & rank their bank on these attributes. The factor for cooperative banks members can be identified as follows:

Charges i.e. rate of interest, fee charged for various services. Employees Behaviour i.e. the responsiveness, reliability assurance and empathy. Speed i.e. times undertaken to deliver services Procedure i.e. formalities & documentation, tangibles i.e. physical facilities, equipments, ATM etc.

The Spearman Rank Order Correlation Coefficient was calculated pair wise between SCB, DCB, PAC using the formula:

$$1 - ((6 \times SRDS) / (N \times (N^2 - 1)))$$

Where, SRDS is the 'sum of rank differences squared, N is the number of rows of data. The correlation was to be close to one indicating

strong positive correlation between the views of members/customers at each level towards employees behaviour, which is at top priority, whether it is State, District or Primary level. In other words, customers of SCB, DCB as well as PAC would derive maximum satisfaction if there is positive and helping attitude of the staff promptness in services, and simple procedure. Charges, Tangibles do not affect their satisfaction much as long as they are provided speedy, good services by the staff. Since Cooperative Banks have majority of agriculturist] as members, it is imperative to provide speedy services as for the farmers the timely availability of credit (& other facilities from PACs) is very crucial.

#### **Identified Factors & Members Satisfaction In Jharkhand:**

From an overall analysis of the responses for the Rural cooperative credit institution in Jharkhand, we can conclude that with regards to customer/members satisfaction .member are highly satisfied with the staff behavior-highest at the primary level. The second in order of preference is price. This is primarily due to subsidized rate of interest in the state of Jharkhand. Customer/ Members are moderately satisfied with regard to place & speed or time taken to avail a service. They are dissatisfied & highly dissatisfied with regards to procedures, their involvement in decision making. This is because of lack of computerization complicated procedures, irregular election in the societies. They are unaware of any promotional measures of the Cooperative banks. Among the various segments agriculturists, females, illiterates above 45 years are more satisfied members with regards to overall factors of the Cooperative banks

An analysis of results shows the variance in the responses from the respondents in the three tier rural Cooperative credit structure in the area of study. With the liberalization the expectations of the members have changed. In the rural area it is not limited to easy & timely access to credit but like the urban customers farmers expect a multi service product .The interface with the customers reveal knowledge, information gap & service gap between the perception on the quality of service rendered & the expectation of

the members/customers of the Cooperative Banks [Customer service expectations - perception of service received = the service gap.] The gap is widest at the district level with customers demanding services at par with other banks. The service gap may be summed up as.:

- At the state level expectation high - perceive service quality more.
- At the district level expectation high - perceived service quality low.
- At the primary level low expectation & low service quality.

While some gaps are obvious at various levels in any institutions .however bridging these gaps would necessitate marketing efforts by the cooperative bank.

#### **Suggestions**

The study indicates Cooperative Bank Service Quality is crucial to customers' satisfaction. The implicit assumption is satisfied members would be loyal & actively participate, thereby contributing in the profitability & hence sustainability of the rural cooperative credit institutions. The study leads to some policy implications for the Cooperative Bank Marketing. Services' being rendered by the staff very much depends on the working atmosphere. Emphasis on Marketing and a supportive/conducive atmosphere for the employees (with greater autonomy, recognition for good work .better general amenities} would lead to better service quality which in turn results retention & active participation of members. The active participation of members increases the business & results in increased profitability of the Cooperative banks .Improved reserves funds makes the societies & Cooperative banks self-reliant with reduced dependence on the government .Autonomy does not imply complete independence but regulated freedom with the twin aspect of accountability & incentives that are performance based ( $P^E$ ) for the employees & participation based ( $P^A$ ) for the members former leading to enhanced member involvement & latter to better working environment. Thus improved service quality for the members fostered by a marketing approach & conducive environment for the employees would lead to success & sustainability of Cooperative banks in the liberalized

environment. Following suggestions are made for better Service Quality & Sustainability of Cooperative Banks:

- Cooperative as a subject is required to be included in our education syllabus at school & college level .Such inclusion as a subject would lead to knowledge & importance about Cooperative Concept among the public, expand member base of Cooperative banks and make them more accountable to their existing members.
- The date information relating to the Cooperative bank's geographical market, its members /customers, its competitors & its position relating to that of competitors should be made available. Research would enable them to understand the needs of the customers and develop need based, innovative products & services for them.
- Modern technology to be utilized for a better connectivity between the different tiers of the Rural Cooperative credit structure, between the members & their institutions and between the members themselves.
- Management can be professionalized by use of modern management tools & technique & most importantly by the managing committee having a statutory time period so as not be dissolved with every change in the state government

The five -pronged strategy (PARRE) with regards to members must include: i) member Participation ii) member Activation iii) member Retention iv) member Referral v) member Enrollment. There should be an incentive scheme for the actively participating members, society's secretaries & other staff for rewarding loyalty with special treatment. Attendance in meetings, responses to survey questions, suggestion for improvement & any transaction based activities can be some basis for rewards. Examples of Successful Credit Cooperatives units within the state & nation should be well publicized & graciously rewarded.

There should be Member Service Quality Assessment (MSQA) & Employee Service Quality Assessment (ESQA) as this would lead to a more lucid understanding of member's & employees expectations & further strengthen

relationship between the two by undertaking measures to meet them.

### Conclusion

The results show the mean of each dimension of customer satisfaction differs across the banks at different levels. The members' perceptions on the service quality factors on an average are highest at the primary level. Among the factors affecting members satisfaction employees behavior has been ranked the highest followed by speed, formalities, price & tangibles In the area of study members are highly satisfied with the staff behaviour, satisfied with price (due to subsidized rates of interest) , moderately satisfied with regards to tangibles & speed and dissatisfied w.r.t procedures & their involvement in decision making .

To conclude, the study underscores the need for the four M's to improve Cooperative Bank Service quality -marketing, modernization .management and member participation .Marketing to include Marketing research, planning, training & service quality surveys which can be undertaken by the Apex organization i.e. the Jharkhand State Cooperative Bank. Modernizations including computerization & technology innovations are most needed at the District level that have greater competition & cater to the rural urban customer mix .Monitoring & evaluation by a professional management board would increase the accountability. Lastly the small percentages of borrowing members, low attendance in few meetings necessitate measures for active participation of members by focusing on Retention Banking & Relationship Marketing.

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### Indian Railways

It is one of the world's largest railway networks comprising 115,000 km (71,000 mi) of track over a route of 65,436 km (40,660 mi) and 7,172 stations. In 2014-15, IR carried 8.397 billion passengers annually or more than 23 million passengers a day (roughly half of whom were suburban passengers) and 1050.18 million tons of freight in the year. In 2014–2015 Indian Railways had revenues of ₹ 1634.50 billion (US\$26 billion) which consists of ₹1069.27 billion(US\$17 billion) from freight and ₹ 402.80 billion (US\$6.4 billion) from passengers tickets.

## SOCIO ECONOMIC CONDITION OF TRIBES OF CHOTANAGPUR DURING THE BRITISH RAJ

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### Abstract

The paper examines the impact of British Raj on life of tribes of Chotanagpur, India. British raj in Chotanagpur region began after 1857. The paper explains how the British government affected the social, cultural and livelihood options of the tribes. The paper also addresses the spread of Christianity in the tribal land of Chotanagpur of Jharkhand during the British Raj. During the period Christian missionaries showed their strong presence in the region. They opened hundreds of schools and also hundreds of churches. Early students of these schools accepted Christianity. British government introduced new forest laws, land laws and very powerful law enforcement mechanism. All these changes together, affected the, religion, culture, ethnicity, self-governance, and livelihood of the masses. Some of these changes were positive but other were not- as many researchers claimed. Impact of British government is still quite visible in Chotanagpur region though British left the country almost 6 decades ago.

**Key words:** Chotangapur, Jharkhand British Rule, Christianity, Sarna, Forest Laws, Santhal Hul, religion, social and economic life of tribes.

### Introduction:

Entry of British in Chotanagpur region started much before the British Raj; during the second half of 18<sup>th</sup> century. The Battle of Buxar was fought on 23 October 1764 between the forces under the command of the British East India Company led by Hector Munro and the combined army of Mir Qasim, the Nawab of Bengal: the Nawab of Awadh and the Mughal King Shah Alam II. The battle fought at Buxar, then within the territory of Bengal, a town located on the bank of the Ganga river about 130 km west of Patna, was a decisive victory for

the British East India Company. The prime victim, Shah Alam II, signed the Treaty of Allahabad that secured Diwani Rights for the Company to collect and manage the revenues of almost 100,000,000 acres (400,000 km<sup>2</sup>) of real estate, which form parts of the modern states of West Bengal, Odisha, Bihar, Jharkhand, and Uttar Pradesh. Indeed the fate of tribes of the tribal hills of Chotanagpur region was decided with the treaty of Allahabad. It was the turning point of the history of Chotanagpur region. With the closed doors of the tribal area was suddenly opened for the non-tribes. Outsiders came to the hilly area of chotanagpur in many waves and transformed the demographic profile of the region forever. Chota Nagpur Division, also known as the South-West Frontier, was an administrative division of British India. It included most of the present-day state of Jharkhand as well as adjacent portions of West Bengal, Orissa, and Chhattisgarh. Chota Nagpur division, a hilly and forested area came under the control of the British in the 18th and 19th centuries.

The year 1784 is considered as the first armed rebellion against the British and was the beginning of Santhal Hul. It was due to great famine in 1770 and the consequences of Court of Directors orders influenced by William Pitt the Younger -- Court of Director issued ten year of the settlement of Zamindari and later in 1800 - this resulted in minimum chance to negotiate between local Zamindars and Santhal villagers. Baba Tilka Manjhi attacked Augustus Cleveland, British commissioner [lieutenant], and Rajmahal with a Gulel (a weapon similar to slingshot) who died later. The British surrounded the Tilapore forest from which he operated but he and his men held them at bay for several weeks. When he was finally caught in 1784, he was tied to the tail of a horse and

dragged all the way to the collector's residence at Bhagalpur, Bihar, India. There, his lacerated body was hung from a Banyan tree. Jamindari system ended the centuries old collective ownership of tribes on land and forest. Till 1813, British followed a policy of non-interference in the social and cultural life of the tribes. Yet, changes were taking place in the social and economic lives of tribes. British Raj influenced the demographic profile of the tribal areas and they introduced new forest laws and ended the natural rights of tribes on Forests. New forest laws altered the tribes' ancient Agrarian system and also their rights to collect forest produces. British Raj ended the special rights of village chiefs. They also challenged the traditional customs and cultural values of tribes. They encouraged Christian missionaries to work in the region and encourage tribes to accept Christianity. They used English education system and educational institutions as a tool to spread Christianity. Result was obvious. By 1909, 2.9 percent of the total population had accepted Christianity. According to Census 2001, Jharkhand has 26.3 percent of tribal population. Among them, 14.5 percent follows Christianity, 39.8 percent follow Hinduism, 0.4 percent follow Islam and the rest follow the other religion including Sarna religion. This shows that followers of Sarna religion among tribals are around 40-45 percent. In this case, although the Christians are in the minority in terms of numerical representation, many consider them as a strong social-cultural, political, and religious pressure group. Sarnaism or Sarna<sup>1</sup> (local languages: Sarna Dhorom, meaning "religion of the holy woods") defines the indigenous religions of the Adivasi populations of the states of Central-East India, such as the Munda, the Ho, the Santali, the Khuruk, and the others. Historically subsumed as a folk form of Hinduism.

### Early entry of Christian missionaries in Chotagapur

Early entry of Christians came to Chotanagpur region in 1845. When Johannes

Evangelista Gossner (Germany) sent four missionaries namely: Rev. Emil Satz, Rev. August Brandt, Rev. Fredrick Basch and Rev. Theodore Yankeyfor launching the 'Lutheran mission' in India. They reached Ranchi on 2 November 1845 and camped on, what is now known as, the 'Bethesda Ground' in Ranchi. The first baptism was performed on 25 June 1846 when a girl named 'Martha' received the sacrament. More children were baptized on 26 June 1846. They converted four Oraon on 9 June 1850, 5 Munda on 26 October 1851, Nine Bengali on 1 October 1855, and Two Kharia on 8 June 1866 and One Ho on 10 May 1868 were baptized. The Rev. Johannes Evangelista Gossner sent money from his personal funds to the missionaries, so that they can build a church in Ranchi. It was named as Christ Church. The church still stands and is used regularly.

Entry of church in Chotanagpur region helped in increasing literacy rate by opening up good English medium schools. But these schools also tried to baptize the tribal students. During the last decades of 18<sup>th</sup> century most of the students studying in these schools were persuaded to accept Christianity. As a result the church faced widespread protests against it. The students and other Christians of the area had to flee and take refuge in the jungles of 'Dumargari, Bilsereng' which is 38 km from Ranchi. They erected a Stone Cross there to mark the place. The place is now known as 'Khristan Dera'. But conversion of tribes did not stop through rate decreased. In this process one thing was very significant that Chotanagpur tribal Christian culture retained that of tribal culture in areas such as dress and cuisine.

In fact the work of Christian missionaries not only covered the religious domain but it also influenced the socio-political life of the tribes settled here.<sup>7</sup> The land and forest, which belonged to the community, were the only source of their livelihood.

But with commercialisation of these sources of their survival through introduction of Permanent Settlement Act by the then British Government, people lost their sources of livelihood. Taking advantage of their plight, the Christian missionaries intervened in the issue and helped the affected people to some extent by

<sup>1</sup> Minahan, 2012. p. 236, Sachchidananda, 1980. p. 235, Srivastava, 2007.

taking the British power into confidence. After establishing their foothold in the region Christian missionaries gradually monopolised the education as Church subject.

Many historians assert that with the patronage of British imperial power they succeeded in creating a dominant group within the tribal community through allurements and some philanthropic and social activities. Gradually they alienated the converts from the rest of their community members and forced them to accept the cultural tradition of the west at the cost of forgetting their respective socio-cultural tradition. The Pro Hindu RSS blocks allege that the process of such social and economic transformation, British Raj left a deep rooted impact on the life and mind of the tribal people, which may be described as under:-

- Contrary to the collective outlook of tribal society, individual approach to life became prominent particularly among the converts, who represented the tribal elite.
- Community ownership of land and forest, which was the traditional means for subsistence, was lost due to their commercialization and barter economy was replaced by the market economy of the west.
- Practice of making social decision on the basis of consensus, which was a form of tribal democracy, was replaced by the concept of democracy with Christian tradition.
- Puritanism and conservatism of Christianity replaced animism, which was an underdeveloped form of liberal Hinduism.

Now tribal community was divided into two distinct groups. One who followed the Christianity and other who followed Sarna and other Hindu Sects.

#### **Agrarian system**

As mentioned earlier The British colonial system intensified the transformation of the tribal agrarian system into feudal state. As the tribals with their primitive technology could not generate a surplus, non-tribal peasantry were

invited by the chiefs in Chhotanagpur to settle on and cultivate the land. This led to the alienation of the lands held by the tribals. The new class of Thikadars was of a more rapacious kind and eager to make most of their possessions.

In 1856 Jagirdars stood at about 600, and they held from a village to 150 villages. By 1874, the authority of the old Munda or Oraon chiefs had been almost entirely effaced by that of the farmers, introduced by the superior landlord. In some villages the aborigines had completely lost their proprietary rights, and had been reduced to the position of farm labourers.

To the twin challenges of agrarian breakdown and culture change, Birsa along with the Munda responded through a series of revolts and uprisings under his leadership. The movement sought to assert rights of the Mundas as the real proprietors of the soil, and the expulsion of middlemen and the British. He was treacherously caught on 3 February 1900 and died in mysterious conditions on 9 June 1900 in Ranchi Jail. The movement was significant in at least two ways. First it forced the colonial government to introduce laws so that the land of the tribals could not be easily taken away by the dikus. Second it showed once again that the tribal people had the capacity to protest against injustice and express their anger against colonial rule. They did this in their own way, inventing their own rituals and symbols of struggle. His call against British Raj was Abua Raj ste Jana, Maharani Raj tandu Jana translated as Let the Kingdom of queen be ended and our Kingdom be established which is remembered in tribal areas of Orissa, Madhya Pradesh, West Bengal and Bihar.

#### **Forests**

Historically, forests in Jharkhand during the pre-British period were managed by communities living in and around the forests and by people dependent on them for their sustenance and livelihood. The word 'managed' has been specifically used here because there was a system at play. It was not a free-for-all, open-access system; social institutions like caste and cultural traditions regulated the extraction of produce from the forest (Gadgil et al, 1993; Gadgil and Guha, 1992). During British rule, the

needs and greed of the Empire dictated the management of forests. The British Indian government's important forest policy announced on October 19, 1894. The policy emphasised state control over forests and the need to exploit forests to augment state revenue. All the management strategies, principles of scientific management and creation of institutional framework in the form of a forest department to carry out these objectives were clearly geared towards a single goal: the augmentation of revenue generated by the British Empire. The people residing in the forest, their livelihood concerns, conservation and protection of forests and wildlife -- none of these issues were of any concern to the Empire at that time. In short, during British rule, a forest department was organised, a systematic inventory of trees carried out, customary rights of people over forest land and produce curtailed and transformed into concessions to be enjoyed at the will of forest officials, and, most important, forests became a major source of revenue for the government. Before 1865, tribes of Chotanagpur were completely free to exploit the forest wealth. Then, on 3 August 1865, the British rulers, on the basis of the report of the then-superintendent of forests in Burma, issued a memorandum providing guidelines restricting the rights of forest dwellers to conserve the forests. The tribals were to be weaned away from shifting cultivation. Now the tribes dissociated from the management and exploitation of forest wealth. The British contractual system resulted in unscrupulous exploitation of the local tribes and of the natural vegetation and wildlife that the forest policy was intended to conserve. Development programs- construction of railways, mines and heavy industries encouraged outsiders to enter forest regions. In order to make quick profits, they exploited the tribal resources displacing them from their land and made them bonded laborers.

The backbone of tribal economy was the vegetation found in the forests. But the forest dwellers' rights to collect fuel, fodder and minor forest produce were restricted In Jharkhand even after the independence since Independence; forests have been the bone of contention between the forest department and the tribes. They were charged high rates for permits to

collect minor forest produce, especially tussar cocoons. Grazing prohibited and their agricultural land was recorded as forest land in the recorder of rights; later the tribals were asked to vacate the land. British officials blamed the tribals for wanton and indiscriminate destruction of wilds vegetation and wildlife, and urges the restriction of their rights over the forests.

In Andhra Pradesh, too, extensive areas under cultivation were being converted into reserved forests. The forest department has extended its boundaries almost to the doorstep of many tribal villages, instead of leaving open a strip, at least one kilometer in width, between the villages and the forest boundary. Areas were also included in the forests which had no tree growth at all and heavy fines were being imposed on tribal encroachers. British Raj started in Chotanagpur region after 1857. During 1857 to 1947, British government influenced the religion and social and economic life the tribals in many ways. British Government constructed roads and railway lines to penetrate the tribal land deeply. They used modern transportation modes to draw ore & minerals and many expensive forest products like Sal wood from the remote areas of Jharkhand. In this process they chopped trees, and destroyed huge forest area. They imposed new forest laws in the tribal land of today's Jharkhand. New forest laws restricted the entry of tribes in the forest area. They forced tribes to abandon their thousands of acres of agriculture land and inhabited villages for the heavy industries, mining railway lines and government establishments. All these new interventions affected the tribal life dangerously. As the British Control over the tribal land intensified many Christian missionaries rushed into. They opened schools and promoted English language. They also encouraged tribes to accept Christianity. By the end of 19<sup>th</sup> century (1901) almost 3 percent of the tribes had accepted Christianity. But at the same time, during the period of British governance, literacy rate of the tribes increased. For the first time tribal population of Chotanagpur experienced the taste of Modern education. Christian missionaries started hundreds of schools in Ranchi and its surrounding areas. They provided tribes a good

quality modern education. It helped them to persuade large number of tribal students to accepted Christianity. Very soon tribal Christians and became very important socio-economic clout in the region. However Church promoted Christianity, but did not insist neo-Christians to change their tribal culture. Rather, church encouraged them to maintain their tribal identity. But, with time, gap between tribal Christians and non- tribal Christians intensified. Now we can see huge rift in these communities on the religious ground. Now non- Christian tribes fear that Church conspire to assimilate their ancient religion with Christianity. Revolt of Birsa Munda was a very serious outburst against the Christian missionaries and the British government.

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## THE RIGHT TO FAIR COMPENSATION AND TRANSPARENCY IN LAND ACQUISITION, REHABILITATION AND RESETTLEMENT ACT, 2013 AND JHARKHAND

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### Abstract

Land acquisition in India is now governed by The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Before 2013, land acquisition in India was governed by Land Acquisition Act of 1894. The Modi government has recently passed Land Acquisition Amendment Bill in Lok Sabha on 10 March 2015 to meet the twin objectives of farmer welfare; along with expeditiously meeting the strategic and developmental needs of the country.(As they claim). New land rules have now created huge uproar not only in the national parliament but also on the streets. In the backdrop of new land acquisition laws the presented paper discusses the impact of land acquisition on the some aspects tribal life of Jharkhand. The paper discourses the issues like tribal displacement and other problems faced by tribes due to land acquisitions in past and present.

**Key Words:** The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Land acquisition, Industrialization, tribal displacement, Chotanagpur Tenancy Act, PESA, dams, reservoirs.

**Introduction** The 2013 Act focuses on providing not only compensation to the land owners, but also extend rehabilitation and resettlement benefits to livelihood looser from the land, which shall be in addition to the minimum compensation. The minimum

compensation to be paid to the land owners is based on a multiple of market value and other factors laid down in the Act. The Act forbids or regulates land acquisition when such acquisition would include multi-crop irrigated area. The Act changed the norms for acquisition of land for use by private companies or in case of public-private partnerships, including compulsory approval of 80% of the landowners. The Act also introduced changes in the land acquisition process, including a compulsory social-impact study, which need to be conducted before an acquisition in made. But experts believe that the new law also has some serious shortcomings as regards its provisions for socioeconomic impact assessment and it has also bypassed the constitutional local self-governments by not recognizing them as "appropriate governments" in matters of land acquisition.

**What is new:** The Modi government has amended Section 10(A) of the Act to expand sectors where assessment and consent will not be required. For five sectors, the consent clause has been removed. So the government or private individuals/companies will no longer need mandatory 80% consent for land acquisition in those five sectors. According to Arun Jaitley, the mandatory "consent" clause and Social Impact Assessment (SIA) will not be applicable if the land is acquired for national security, defence, rural infrastructure including electrification, industrial corridors and housing for the poor including PPP where ownership of land continues to be vested with the government.

Rehabilitation and resettlement packages will be available as per the new Land Acquisition act. By omitting the social assessment part, the government in essence has

got away with a very important hurdle. In the earlier law, the assessment was meant to find out how many people will be impacted. So apart from the land owner, all those who are dependent on the land also needed to be compensated. But the new ordinance ensures that only land owners will be compensated. Also whether the land is fertile or not will also not be taken into consideration while acquiring it for these five specific sectors. Thus even if the land is extremely fertile like it was the case in Singur, it can be acquired if it fits the criterion of these five sectors, no question asked. The government has balanced out the ordinance by including 13 so far excluded Acts under the Land Acquisition Act. It is hailed as a pro-farmer move as with this decision, rehabilitation, resettlement and compensation provisions will be applicable for the 13 existing central pieces of legislation. Till now land could be acquired under these Acts and there was no uniform central policy of rehabilitation and resettlement. Some of these Acts are very important for Jharkhand. These Acts include the Coal Bearing Areas Acquisition and Development Act 1957, the National Highways Act 1956, Land Acquisition (Mines) Act 1885, Atomic Energy Act 1962, the Indian Tramways Act 1886, the Railways Act 1989, the Ancient Monuments and Archaeological Sites and Remains Act 1958, the Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act 1962 and the Damodar Valley Corporation Act 1948. The Electricity Act 2003, Requisitioning and Acquisition of Immovable Property Act 1952, the Resettlement of Displaced Persons (Land Acquisition) Act 1948 and the Metro Railways (Construction of Works) Act 1978 are also brought under its purview to provide higher compensation, rehabilitation and resettlement benefits to farmers whose land is being acquired.

### **Compensation remains the same**

The compensation package remains the same. It is four times the market price for rural and two times for urban land. The government despite pressure from various groups has decided to keep the package intact.

### **All eyes on Jharkhand**

Natural resources available in Jharkhand are ideal for heavy iron and steel industry and many more. River valleys are full of coal and other precious stones and minerals. Mountain ranges make it suitable for dams and power projects.

Since independence role of Jharkhand in the nation building has been very important. But at the same time price of industrialization has hugely been paid by the tribes of the Jharkhand. Jharkhand has provided land for the hundreds of public and private sector companies. In this process, landowners, mostly tribes gave up their ancestral land in the process of acquisition by the State. In the land acquisition process landless tribal agriculture labours of Jharkhand deprived twice, once by not getting the opportunity to work on land as agricultural labourers and the other by not being in the net of compensation. Unskilled and illiterate tribes when displaced from their land they often lose their livelihood and their self –identity-both. The landless tribes, who already had no land earlier, neither get any compensation nor any other support from the governments. Actually they are mainly dependent on Common Property Resources (CPRs) and are outside the purview of compensation of any type

### **Tribal Displacement**

Since the era of Independence, with over 21.6 million people in the period of 1951-90 displaced with large-scale projects like dams, canals, thermal power plants, sanctuaries, industrial facilities, and mining (Pellissery and Dey Biswas 2012, pp 32–54)<sup>1</sup>. These occurrences are generally categorized as "development-induced displacement". Furthermore, due to the low level of human capital of the displaced people, they often fail to find adequate employment<sup>2</sup> A draft of the government's National Policy for Rehabilitation states that a figure around 75% of the displaced people since 1951 are still awaiting rehabilitation.<sup>3</sup> However, it should be noted that displacement is only being considered with regard to "Direct Displacement". These rehabilitation policies do not cover fishermen, landless laborers, and artisans. *Roughly one in ten Indian tribals is a*

*displaced person.* Dam projects have displaced close to a million Adivasis, with similar woe for displaced Dalits. Some estimate suggests 40 percent of displaced people are of tribal origins (Fernandes, 2008)<sup>3</sup>. The land area required, in turn, is directly proportional to the type of projects undertaken. During the president Rule in 2008, the state government had asked private investors to purchase land from farmers for setting up industries. Many social activists and organizations opposed such adjustment. According to them, when the land directly acquired by the private companies, they will become the owner of the land. And, rehabilitation and welfare of the old land owners will be a matter of their willingness. They demanded that the government should be made accountable for any acquisition. If the government acquire land its accountability will be ensured and the 'raiyyats' too would be sure of the benefits. Earlier, the companies were told to acquire land on its own. Such practices encouraged flimsy deal and growing network of brokers (dalaals) who were more interested to serve their vested interest than anyone else's.

#### **Land laws in Jharkhand**

At Jharkhand, the law for land acquisition is different in various areas which included Chotanagpur Tenancy Act, Santhal Pargana Act and Panchayat Extension sScheduled Area Act (PESA). Tenancy Act of 1908 is an important Act that protects ownership of tribal land. It restricts transfer of tribal land to non-tribals. Now the corporate lobby wants this Act to be amended so that they can free gain access to tribal lands at prime locations as well as to vast mineral resources for industrial exploitation. **Panchayats (Extension to Scheduled Areas) Act, 1996** or PESA is a law enacted by the Government of India to cover the "Scheduled areas", which are not covered in the 73rd amendment or Panchayati Raj Act of the Indian Constitution. It was enacted on 24 December 1996 to enable Gram Sabhas to self-govern their natural resources. Scheduled Areas" means the Scheduled Areas as referred to in Clause (1) of Article 244 of the Constitution<sup>5</sup>. The Act extended the provisions of Panchayats to the tribal areas of nine states that have Fifth Schedule Areas. A state legislation on

panchayats in the scheduled area should take care of the customs, religious practices and traditional management practices of community resources. As per PESA provisions, every village shall contain a Grama Sabha whose members are included in the electoral list for the panchayats at village level and Planning and management of minor water bodies are entrusted to the panchayats. There is a very strong voice against these acts.

#### **Are these Acts hurdle in the industrialization of Jharkhand?**

It is said that these Acts are the hurdle in the industrialization of Jharkhand. Arguably, today many projects are delayed and many large and medium sized companies are incurring huge losses due to unavailability of ores and minerals required for the production. However, other side of the picture is that several major proposed steel units like Arcelor-Mittal, Tata Steel, Monnet Ispat and Energy have been delayed, due to the failure by the companies to secure land as well as mining rights. Due to delay in these projects, production of iron & Steel is hugely affected in the country. A group of social activists claim that Chotanagpur Tenancy Act (CNT)-1949 and 1971 is in the larger interest of the people here. But no one can deny that in last 100 years, socio economic condition of tribes is not improved much and, are still amongst the poorest communities in the world. The tribes of Jharkhand consist of 32 tribes.(Lalita Prasad Vidyarthi). Whenever dams, reservoirs, rail lines, and power plants built in Jharkhand, tribes have lost their villages, livelihood and cultural heritage. Total number of displaced and affected people runs into millions.

Approximately 60 and 65 million people are estimated to have been displaced in India since Independence, the highest number of people uprooted for development projects in the world. In India, "This amounts to around one million displaced every year since Independence," says a report released in 2012 by the UN Working Group on Human Rights in India (WGHR). "Of these displaced, over 40 per cent are tribal and another 40 per cent consist of dalits and other rural poor". That means, development projects mostly affect the poor and weaker sections of the society. The need to

avoid such large scale displacement, particularly of tribals and in case of unavoidable displacement, their ultimate resettlement and rehabilitation has become central issues of the developmental process itself. The failure of rehabilitation and resettlement (R&R) of the project affected families (PAFs) of the big dams can be attributed to many factors, which are softening under the control of project management. The different factors responsible for poor state of rehabilitation includes; poor planning of the project, poor data base, insufficient allotment of fund on R&R by a technical persons who has no insight for the problem, lack of participation of Projects. Affected Families (PAFs) and improper Rehabilitation and Resettlement (R&R) policy, its planning and implementation related weaknesses. Like many other government projects in Jharkhand, displaced villagers of Swarna Rekha Multi-Purpose project are still fighting for their rehabilitation. Swarna Rekha Multi-Purpose project (SMP) is located across the three states (Jharkhand, West Bengal and Orissa) in the eastern part of India. The project originally envisaged two dams viz., Chandil dam and Icha dam and two barrages (Kharkai and Galudih). The project was started during 1982-83 with an aim to supply water for agriculture in Jharkhand, Orissa and West Bengal. Beside this the other aims of the project was to reduce flood damage in Orissa and West Bengal and generate 30 MW of hydroelectric power through medium, mini and micro-hydroelectric projects located at various points of the canal system Although it was originally considered two dams and two barrages and the network of irrigational channels, all the component of the project has not been implemented yet. This is because of lack of funds and corruption in allocation of

funds. So, benefits for the irrigation or household sectors have not been generated yet. The government of India has recently declared 'Icha Dam', on the River 'Kharkai', as a national project under 'Accelerated Irrigation Benefit Programme (AIBP)'. The project has got a new lease of life and a fresh bid to speed up the construction work has been started. Jharkhand state irrigation department also wants to finish Icha Dam part of the Project After the completion of the construction, the dam will affect about 87 villages in Jharkhand (26 villages are likely to be fully submerged and 61 villages would be partially submerged) and 36 villages in Orissa Villagers of the affected areas are opposing the state government's move of construction of the dam. Particularly Tribal community in Saranda forest area of West Singhbhum district refused to give consent for land acquisition to construct Icha dam in Kujju village. The negative outcome of Icha dam might be deforestation and loss of vegetation cover, Food insecurity (crop damage), Loss of landscape/aesthetic degradation, Large-scale disturbance of hydro and geological systems, Reduced ecological / hydrological connectivity, Biodiversity loss (wildlife, agro-diversity), Soil erosion, Surface water pollution / Decreasing water (physico-chemical, biological) quality, Groundwater pollution or depletion. In September 2013) a delegation led by the local Member of Legislative Assembly (MLA) submitted a memorandum to the Chief Minister of Jharkhand opposing the construction of the dam. The villagers mentioned that if the dam is constructed, about 124 villages will be submerged. The delegation quoted a 1981 survey report that 50,000 families would be affected if the dam was constructed.<sup>6</sup>

Table 1

## The State/UT-wise and Project-wise Tribal Families Displaced

Due to Construction of Water Resources Sl. No.	Name of Project	No. of ST population displaced
<b>Andhra Pradesh</b>		
1	Vamsadhara st-II Hiramandalam (Niradi Barrage)	2068
2	Priyadarshini Jurala	65
3	Vengalarayasagaram	127
4	Maddigedda Reservoir	75
5	Kandalleru Reservoir Project	200
<b>Assam</b>		
6	Lower Subansiri	443
<b>Bihar</b>		
7	North Koel reservoir	2579
8	Durgavati	1233
<b>Chhattisgarh</b>		
9	Barnai	153
10	Kosaretada Medium Irrigation project	2076
11	Kelo Major	767
12	Kara Nala	58
13	Suka Nala	08
<b>Gujarat</b>		
14	Sardar Sarovar	62223
15	Panam	5382
16	Sipu reservoir	290
17	Venu-II	23
18	Und-I Irrigation	145
<b>Himachal Pradesh</b>		
19	Renukaji	40
<b>Jharkhand</b>		
20	Subernarekha MP Project	17252
<b>Karnataka</b>		
21	Ghataprabha Project Sta.-III	1759
22	Hemavatthy	1759
23	Karanja Irrigation Project	364
24	Bennithora	365
25	Amaraja Irrigation Project	201
26	Manchanbele	537
27	Lower Mullamari	383

The size of the mines at present is taking a gigantic leap in Jharkhand as compared to over the years. The coal field lies in the Damodar River Valley, and covers about 110 square miles (280 square km), and produces bituminous coal suitable for coke. Most of India's coal comes

from Jharia. Jharia coal mines are India's most important storehouse of prime coke coal used in blast furnaces, it consists of 23 large underground and nine large open cast mines. According to the state government, the town of Jharia is to be shifted due to the uncontrollable

coal mine fires, which have found to be undousable, leading to loss of property and lives. Coal worth Rs. 60,000 crore (US\$12 billion) is lying unmined, and the state government feels the shifting will help in exploiting this resource.<sup>7</sup> Coal caters to a third India's energy needs. Coal mines have expanded from an average of 150 acres in the 1960s to 800 acres in the 1980s over the last three decades due to shift from

underground to opencast mines for exploiting lower quality coal that resulted taking over some 1500 acres of land as open cast mines require more land and induce displacement of more persons without even creating jobs to absorb people. Industries and mines give a job each to the families they displace but ever since the mechanization process starts, the scope of absorbing people subtly begins shrinking<sup>8</sup>.

*Table -2*

**Company-wise Status of Land Acquisition by Coal India Limited.**

<b>Company-wise Status of Land Acquisition by Coal India Limited (CIL) and its Subsidiaries in India upto June 2007 (Area in Hectares) is given below: Company</b>	<b>Total Land Acquired</b>	<b>Total Tenancy Land Acquired</b>	<b>Tenancy Land in Possession</b>
Eastern Coalfields Limited (ECL)	13093	12022	9145
Bharat Coking Coal Limited (BCCL)	4280	3857	1937
Central Coalfields Limited (CCL)	35736	12758	4883
South Eastern Coalfields Limited (SECL)	20538	12812	11873
Western Coalfields Limited (WCL)	19785	17089	14330
Northern Coalfields Limited (NCL)	15948	5612	5275
Mahanadi Coalfields Limited (MCL)	19965	9180	4252
North Eastern Coalfields Limited (NECL)	25041	41.47	41.47
<b>Total</b>	<b>154386</b>	<b>73371.47</b>	<b>51736.47</b>

**Conclusion**

Past experiences, show that tribes of Jharkhand and Dalit community have been the largest victims of government led large scale land acquisitions. Although new amendments are not going to be much effective in Jharkhand because there are many others Acts (PESA, Chotanagpur Tenancy Act etc., are already in force... yet people are bit scared. Violent protest against the land acquisitions is quite a common activity in many parts of the state now. Such protests indicate that huge tribal population in Jharkhand is against any land acquisitions where large number of locals are likely to be displaced. Although, in some cases brokers and land Mafia are responsible for creating sense of insecurity among modest tribal population yet it

cannot be denied that in last 60 years, tribes of Jharkhand have paid heavy price of industrial development and millions of tribes have lost their everything. Wrong government policies, corruption and mismanagement at various levels of governance and law enforcement together worsen the situation .Even good laws may turn into bad ones when not enforced properly.

It is true that the industries are the new temples of employment generation and socio economic development. But tribes must get the benefit of industrialization. Role of Jharkhand is very important in the industrial growth of the India. But tribes' interest must be protected at any cost. Only because their ancestral land consists of precious ore and minerals they should be not be de-rooted from their native place

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## YAYATI KATHA

There once lived a sagely king named Yayati who lived for a full one thousand years enjoying all the pleasures a king of his position could command. When old age attacked him, and he had still a great desire to enjoy all royal pleasures for some more years, he asked each of his sons, one by one, to take upon himself this old age and give him his youth in return, assuring that after another one thousand years he would return the youth and take back his decrepitude. Not one of them was willing to accept the offer except his youngest son named Puru. Puru said with all humility that he was quite willing to do as his father wished him and accordingly gave his youth to his father and got in return old age and its consequent weakness. Yayati, being exceedingly delighted with his new youth, began again to indulge in sensual pleasures. He enjoyed himself to the full extent of his desires and to the full limit of his powers and as much as he desired without violating the precepts of religion. He was very happy, but only one thought troubled him. And that was the thought that the one thousand years would soon come to an end. When the fixed time came to an end, he came to his son Puru and addressed him thus: "O son, I have enjoyed with your youth to the full extent of my desires and to the full limit of my powers and all according to their seasons. But, desires never die. They are never satiated by indulgence. By indulgence they flame up like the sacrificial fire with ghee poured into it. If one becomes the sole lord of all the earth with its paddy, oats, gems, beasts and women, still it will not be considered by him enough. Therefore, the thirst for enjoyment should be abandoned. The thirst for enjoyments which is difficult to cast off by the wicked, which does not fail even with failing life, is truly a fatal disease in man. To get rid of this thirst is real happiness. My mind was attached to the pleasures of life for full one thousand years. My thirst for them, however, without being abated, is daily being increased. Therefore, I shall get rid of it. I shall fix my mind on Brahman, and becoming peaceful and having no attachment, I shall pass the rest of my days in the forest with the innocent deer." So saying he installed Puru on the throne after giving him back his youth and retired into the forest to lead the life of an ascetic.

- Swami Sivananda

## PENETRATION OF MICRO-INSURANCE IN INDIA

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### Abstract

Insuring India's most vulnerable section of the population has remarkable socio-economic implications. Micro-insurance has reached the sky after Micro-finance. It is a tool for investment, saving and social-security. It is believed to work as a powerful risk management tool for low –income group by preventing them from falling into the trap of poverty. Insurance firms have now woken up to the possibility of profitably addressing the needs of the lower income segment of the market and have proved them credit-worthy. The present paper focuses on the development of micro-insurance in India and its penetration in the Indian economy.

**Keywords**-Micro-Insurance, Social-security, Micro-finance, Risk-management tool

### Introduction

People worldwide are exposed to many risks, but poor and low-income people are particularly vulnerable to crisis and economic shocks .When faced with multiplicity of risk, the poor and weaker section is forced to deplete their financial, physical, social and human assets just to cope with the contingencies. Common risks that this vulnerable section of society is confront with are unemployment, illness, accident, death of main earning member of the family , crop loss, loss of livestock, fire , theft, drought , flood, and loss in petty trading activity due to market factors. Hence, uninsured risk leaves many poor households more vulnerable to the losses from negative shocks. Household exposure to these risks not only results in substantial financial losses but also the suffering accentuates the fear and uncertainty relating to the risk. Risk pooling and informal insurance are not entirely new to many low income households. Informal risk sharing practices have been around for generations. But, unfortunately

these risk coping mechanisms are limited assuring benefits and typically cover only a small portion of the total loss of income and income generating practices. So, provision of formal insurance cover to this vulnerable group could be useful to protect them against risks and supplement their risk managing capacity. Also, in the past insurance as a prepaid risk managing instrument was never considered as an option for the poor. The poor were considered too poor to be able to afford insurance premiums. Often they were considered uninsurable given the variety of risks they face. However, recent developments in India have shown that not only can poor make small periodic contribution that can go towards insuring them against the two types of risks-

- Idiosyncratic (specific to the household )
- Covariate(common eg. drought, epidemic etc.)

So provision of formal insurance cover to these vulnerable groups could be useful to protect them against risks and supplement their risk managing capacity.

### Meaning and Definition of Micro-Insurance

Micro-insurance, commonly called as insurance for the poor, has recently drawn the attention of practitioners in developing countries. In common parlance, micro-insurance is the provision of insurance services to low-income households, which serves as an important tool to reduce risks for the already vulnerable population. There is no unanimously accepted definition of micro-insurance despite its profound use and understanding across stakeholders and others. According to Churchill, "Micro-Insurance is the protection for the low-income population against the specific dangers in exchange for regular payments of

proportional premiums to the probability and cost of the risks involved". International Association of Insurance Supervisors, 2007 defines Micro-Insurance as, "... Insurance that is accessed by the low-income population, provided by a variety of different entities, but run in accordance with generally accepted insurance practices...Importantly this means that the risk insured under a micro-insurance policy is managed based on insurance principles and funded by premiums". As per Consultative Group to Assist the Poor (CGAP) working group on Micro-insurance appointed by Government of India defined the term as, "the protection of low income households against specific perils in exchange for premium payment proportionate to the likelihood and cost of risk involved". Micro-insurance is thus designed with the objective of protecting poor people and also designed with the environment that surrounds them, their needs, and possibilities. It is necessary that the product is developed for people ignored by traditional insurance markets.

#### **Deliver Mechanism-Micro-Insurance Models**

Cost of acquisition and its delivery is a key concern in the pricing of an insurance product. Thus, the delivery costs have to be contained to keep the cost of insurance sufficiently low to attract the poor and to incentivize the insurer to venture into this segment viewing it as genuine market opportunity. The following approaches have emerged to provide insurance to low-income populations-

- I. **Partner - Agent Model** Insurers utilize MFIs' delivery mechanism to provide sales and basic services to clients. There is no risk and limited administrative burden for MFIs.
- II. **Full Service Model** The provider is responsible for all aspects of product design, sales, servicing, and claims assessment. The insurers are responsible for all insurance-related costs and losses and they retain all profits.
- III. **Community Based Model:** The policy holders own and manage the insurance program, and negotiate with external health care providers.

- IV. **Provider Model:** The service provider and the insurer are the same, i.e., hospitals or doctors offer policies to individuals or groups.

#### **Micro-Insurance and Social Security**

Social protection generally consists of policies and programs designed to reduce poverty and vulnerability by promoting efficient labor markets, diminishing people's exposure to risks, enhancing their capacity to protect themselves against hazards and interruption/loss of income. The five main areas that are there in the social protection are Labor Market, Social Insurance, Social Assistance, Child protection and Poverty reduction (Micro and area based schemes).

According to the ILO (2000), social security is the protection which society provides for its members through a series of public measures like, to compensate for the absence or substantial reduction of income from work resulting from various contingencies (notably sickness, maternity, employment injury, unemployment, invalidity, old age and death of the breadwinner), to provide people with healthcare, to provide benefits for families with children etc.

Social protection measure is often related with micro-insurance for the poor and low income groups. Micro-insurance can play a crucial role as a comprehensive tool to reduce poverty, inequality and vulnerability, particularly where public social protection measures are inadequate and unevenly distributed. Unfortunately, more than half of the world's total poor do not benefit from any form of social protection measures. Since micro-insurance is designed for the protection of low-income people to cope with common risks, it can also strive to cover the excluded such as poor, women and workers in informal sector.

In many developing countries like India, the proportion of informal workforce in total workforce is substantial and there is increasing tendency towards casual nature of labour. Under this situation, it becomes daunting task on the part of the government to provide social security to all. Although current social protection measures consist of health, disability, death, old age and economic risks are prioritized, its

funding and implementation remain challenging. With inherent limitations of the existing social protection measures in the country, there is also a high demand to combat the adverse impacts of natural disasters such as drought, floods, cyclone etc. the ex-post coping mechanisms primarily supported by the Government are not sufficient and do not cover all groups in all sectors. There are a wide range of developmental programmes being supported by the Government like Swarna Jayanti Gram Swarojgar Yojana (SGSY), National Rural Employment Guarantee Scheme (NREGS), Rastriya Swasthya Bima Yojana (RSBY), Rastriya Health Mission (RHM), Aam Aadmi Bima Yojana (AABY), Indira Awas Yojana (IAY), Public Distribution (PDS), old age allowances, drought relief etc. which have facilitated the improvement of income levels of poor households. However, all these policy interventions, though ambitious in stated intent, only incidentally address household risks. The most vulnerable rural population, particularly women, older people and rural people are mostly excluded from the insurance market. So in the absence of a dependable social protection, the importance of microinsurance becomes interminable

### **Development of Micro-insurance in India**

Traditionally in India, a few micro-insurance schemes were introduced either by Non-governmental Organisations (NGO) due to the felt need in the communities in which these organizations were involved or by the trust hospitals. These schemes have now gathered momentum partly due to the development of micro-finance activity and partly due to the regulation that makes it mandatory for all formal insurance companies to extend their activities to rural and well- identified social sector in the country (IRDA 2000). As a result, increasingly, Micro- finance Institutions (MFIs) and NGOs are negotiating with the for-profit insurers for the purchase of customized group or standardized individual insurance schemes for the low income people. Although the reach of such schemes is still very limited anywhere between 5 to 10 million individuals, their potential is viewed to be considerable. The overall market was estimated to reach Rs 250 billion in by 2008(ILO 2004). According to a

recent study by UNDP (2007), the outreach of Micro-Insurance is around 5 million people covering only 2% of the poor in the country. It shows there is a huge potential for the micro insurance market in the country. A conservative estimation of size of micro-insurance market (both life and non-life) in India ranges between INR 62,304.70 to 84,267.55 million (us\$ 1,384.55 to 1872.61 million). In case of life – insurance, the market potential is estimated to be between INR15, 393 to 20,141billion (US \$342.07 to 447.58million) and in case of non-life insurance, it is between INR 46,911.70 to 64,126.55 million (US\$1,042.48 to1425.03 million). The non-life insurance estimation is limited to four types of coverage- milch animals, livestock, health and crop-insurance.

Recent study by UNDP, GTZ and Allianz AG (2006) finds that India has the most dynamic micro-insurance sector in the world. Liberalization of the economy and the insurance sector has created new opportunities for insurance to reach the vast majority of the poor, including those working in informal sectors. However, the insurance penetration is largely driven by supply and not by demand. Available micro- insurance products tend to be supply driven or compulsory in nature and more recently, driven by the quota system imposed on insurers under rural and social sector obligations (UNDP 2007).VenkataRamanaRao (2008), the study reveals that micro insurance is not an opportunity but a responsibility and to serve this responsibility good awareness campaign is needed. Micro insurance is offering real solutions to the billions of rural poor that raises the awareness of micro insurance as a key issue in coming future.

GunitaArunChandhok (2009), the result of study indicates that there is a huge untapped market for micro health insurance and majority of population are aware and understand the importance of micro health insurance. Thus, micro insurance will go a long way in eradicating poverty. If the various micro insurance models are implemented effectively by Insurer, MFI's, SHG's, NGO's, Health institutions, Donors and Co-operatives the BPL population will lead a peaceful and secure life.

### The Micro-Insurance Regulation, 2005

In order to facilitate penetration of micro-insurance to the lower segments of population, IRDA has formulated the Micro-Insurance Regulations 2005. According to this regulation, micro- insurance policy is a general and life insurance policy with a sum assured of Rs 50,000 or less.

A general micro-insurance product is:

- Any health insurance product
- Any contract covering belongings such as hut, livestock, tools or instruments or
- Ant personal accident contract
- These products can be on an individual or group basis.

Further, a life micro-Insurance product is

- a term insurance contract with or without return on premium
- any endowment insurance contract
- the product can be with or without an accident benefit rider and either on an individual or group basis.

The flexibility in the regulation made it easy for the insurers to design micro-insurance products to cater the services to the rural and urban poor

### Present Status of Micro-Insurance in India

The growth in Indian economy remained sluggish even in 2012-2013 because of the overall prevailing deteriorating macro-economic factors. Declining growth rate of the economy, persistent higher inflation and prices and slower rate of household savings impacted the growth of insurance sector in India. In the life insurance business, India is ranked 10<sup>th</sup> among the 88 countries, for which data are published by SwissRe. From the Table-I below it can be seen that during, 2012, the life insurance premium in India declined by 6.9% ( inflation adjusted). During the same period, the global life-insurance premium increased by 2.3%. India's share in global life insurance market was 2.03% during 2012, as against 2.30% in 2011 .In non- life insurance market , the growth in premium continued to accelerate moderately , growing by 2.6%in 2012 (1.9% in 2011). In emerging markets , the non-life premium registered solid , broad- based growth of 8.6% in 2012(8.1% in 2011). Advanced markets growth picked up slightly to 1.5% (.9% in 2011) expanding for the fourth consecutive year after declining in 2008.

TABLE –I  
TOTAL REAL PREMIUM GROWTH RATE 2012( in %)

REGION /COUNTRIES	LIFE	NON-LIFE	TOTAL
Advanced countries	1.8	1.5	1.7
Emerging markets	4.9	8.6	6.8
Asia	6.5	8.1	6.9
India	-6.9	10.2	-3.9
World	2.3	2.6	2.4

Source-Swiss Re, Sigma No.3/2013

Globally, the share of life-insurance business in total premium was 56.8%. However, the share of life-insurance business in Asian region was only 28.9% which is in contradiction with the global trend. For India, the share of life insurance

business in total insurance business was very high at 80.2% while the share of non-life insurance business was small at 19.8%. (Table-II)

**TABLE-II**  
**REGION-WISE LIFE AND NON-LIFE INSURANCE PREMIUM (in US\$ Billions)**

REGION/COUNTRY	LIFE	NON-LIFE	TOTAL
<b>Advanced economies</b>	2242.32	1647.51	3889.84
	(57.6)	(42.4)	(100)
<b>Emerging markets</b>	378.54	344.14	722.68
	(52.4)	(47.6)	(100)
<b>Asia</b>	388.51	957.71	1346.22
	(28.9)	(71.1)	(100)
<b>India</b>	53.30	13.14	66.44
	(80.2)	(19.8)	(100)
<b>world</b>	2620.86	1991.65	4612.51
	(56.8)	(43.2)	(100)

Source-Swiss Re, Sigma No.3/2013

### Insurance Penetration and Density in India

The measure of insurance penetration and density reflects the level of development of insurance sector in a country. While insurance penetration is measured as the percentage of insurance premium to GDP, insurance density is calculated as the ratio of premium to population (per capita premium). From table-III, we can see that insurance density of life insurance business had gone up from USD9.1 in 2001 to reach the peak at USD55.7 in 2010. During 2012-13, the

level of life insurance density was only USD 42.7. Similarly, the life insurance penetration surged from 2.15 percent in 2001 to 4.60 percent in 2009. Since then, it has exhibited a declining trend reaching 3.17 in 2012.

Overall, the last 10 years, the penetration of non-life insurance sector in the country remained steady in the range of 0.5-.07 percent. However, its density has gone up from USD 2.4 in 2001 to USD 10.5 in 2012. (Table-III)

**TABLE –III**  
**INSURANCE PENETRATION AND DENSITY IN INDIA**

YEAR	LIFE		NON-LIFE	
	DENSITY	PENETRATION	DENSITY	PENETRATION
2001	9.1	2.15	2.4	.56
2002	11.7	2.59	3	.67
2003	12.9	2.26	3.5	.62
2004	15.7	2.53	4	.64
2005	18.3	2.53	4.4	.61
2006	33.2	4.10	5.2	.60
2007	40.4	4.00	6.2	.60
2008	41.2	4.00	6.2	.60
2009	47.7	4.60	6.7	.60
2010	55.7	4.40	8.7	.71
2011	49.0	3.40	10.0	.70
2012	42.7	3.17	10.5	.78

Source -Swiss Re ,Sigma, various issues

**Registered Insurers in India**

At the end of September 2013, there are 52 insurance companies operating in India, of which are 24 are in life- insurance business and 27 are in non-life insurance business. in addition, GIC is the sole national reinsurer. Of

these 52 companies presently in operation, 8 are in public sector, two are specialized insurer namely ECGC and AIG. One in the life insurance namely LIC, 4 in the non-life insurance and one in re-insurance. the remaining 44 companies are in private sector. (Table-IV)

**TABLE-IV**  
**REGISTERED INSURERS IN INDIA (As on 30<sup>th</sup> September, 2013)**

TYPE OF BUSINESS	PUBLIC SECTOR	PRIVATE SECTOR	TOTAL
LIFE-INSURANCE	1	23	24
NON-LIFE-INSURANCE	6*	21**	27
RE-INSURANCE	1	0	1
<b>TOTAL</b>	<b>8</b>	<b>44</b>	<b>52</b>

\*includes specialised insurance companies-ECGC and AIG \*\* includes 4 standalone Health Insurance companies-star health and allied insurance co., Apollo Munich Health insurance company, Max Bupa Health Insurance company and Religare Health Insurance Company

**TABLE-V**  
**NEW BUSINESS UNDER MICRO-INSURANCE PORTFOLIO 2012-13**

INSURER	INDIVIDUAL		GROUP		
	POLICIES	PREMIUM	SCHEMES	PREMIUM	LIVES COVERED
PRIVATE	6,95,904	1,018.54	151	756.89	757,450
LIC	43,40,235	9949.05	5325	21,045.76	132,23,872
<b>INDUSTRY</b>	<b>50,36,139</b>	<b>10,967.59</b>	<b>5476</b>	<b>21802.65</b>	<b>139,81,322</b>

New premium includes first year premium and single premium

While the individual new business premium under the micro-insurance segment in 2012-13 stood at Rs109.67 crore for 50.36 lakh new policies, the group new business premium accounted for Rs 218.02 crore covering 1.39 crore lives .LIC contributed a significant component of the business procured in this portfolio by garnering Rs 99.49 crore of individual new business premium under 43.40 lakh policies and Rs 210.45 crore of group premium covering 1.32 crore lives. (Table-V)

**TABLE-VI**  
**MICRO-INSURANCE AGENTS OF LIFE –INSURERS**

INSURER	As on 1 <sup>st</sup> APRIL, 2012	Additions during 2012-13	Deletions during 2012-13	As on 31 <sup>st</sup> March, 2013
Private	1251	804	231	1824
LIC	11546	3792	110	15228
<b>Total</b>	<b>12797</b>	<b>4596</b>	<b>341</b>	<b>17052</b>

New premium includes first year premium and single premium

The reviewing authority of Micro-Insurance Regulation 2005 released an exposure draft in 2012 to expand the definition of Micro-Insurance Agency and to re-examine the definition of a Micro-Insurance Product. Also, with the issuance of a circular in 2013, several more entities like District co-operative banks, regional rural banks, individual owners of

Kirana shops, etc, who are banking correspondents were appointed as Micro-Insurance Agents with a view to facilitate better penetration of micro-insurance business.

The number of micro-insurance agents at the end of March 2013 stood at 17052, of which 15228 agents have been recruited by the LIC and the remaining represents the private

sector companies .17 life-insurers are offering 36 micro-insurance products as at the end of 2012-13. From these products, 23 are individual and remaining 13 are group products. From these 13 group products, two represent government sponsored social security schemes administered by the LIC.(Table-VI)

### Insurance Business in Rural and Social Sector

As per the regulations (IRDA Regulation,2002)framed by the authority on the obligations of the insurer towards rural and social sector , the following targets were stipulated-

- No.of lives covered under social obligation
- Year wise prescribed targets in terms of percentage of policies to be underwritten and percentage of total gross premium income written direct by life and non-life insurers respectively under the rural obligation

### Obligations of life-insurers

#### Rural sector obligations

- During 2012-13, all the 23 private sector life insurance companies had fulfilled their rural sector obligations. Also, the no.of policies underwritten by them in the rural sector as a percentage of the total policies underwritten in the year 2012-13 was as per obligations applicable to them.
- The only public sector insurer, LIC was compliant with its obligations in the rural sector ,writing a higher percentage of policies than prescribed in the regulation.
- The life-insurers had underwritten 113.46 lakhs policies in the year 2012-13
  - ✓ Social sector obligations
- Among 23 private life insurers, 22 had fulfilled their obligations during 2012-13. For these private life insurers, the number of lives covered by them in social sector was above those stipulated in IRDA Regulation
- LIC was compliant with its social sector obligation, having covered more number of

lives than the prescribed 20 lakh lives for 2012-13. Private life-insurance had covered 50.24 lakh lives and LIC had covered 132.2 lakh in the year 2012-13.

### Obligations of non-life insurers

#### Rural sector obligations

- The 21 private non-life insurance companies were compliant with their rural sector obligations in 2012-13.
- The public sector insurers also complied with the rural obligation for 2012-13. Their obligation was 7 percent of the quantum of insurance business under written by them in 2012-13.
- The non-life insurers had underwritten a gross direct premium of Rs 8196 crore in the rural sector ie. 12.69% of gross direct premium underwritten by them in 2012-13.

#### Social Sector obligations

- The 21 private non-life insurance companies were compliant with the social sector obligation and no.of lives covered by them were higher than the stipulations as prescribed in the regulations.
- The 4 public sector insurers complied with the obligation. Their obligation for the year 2012-13 were same as those applicable for 2010-11 and 2011-12 in terms of number of lives covered or 5.50 lakhs lives whichever is higher.
- In the social sector 2030.87 lakh lives were covered during the year 2012-13.

### Conclusion

India is one of the first countries to adopt micro-insurance formally through the Micro-insurance Regulation Act,2005. The regulation sets boundaries for the cost and coverage of the product and provides clarity about distribution mechanisms. Insurers in the private sector, while meeting the obligations, have brought in significant innovations in products and processes to serve the poor, such as (i) co-payment models; (ii) increasing client value with products such as health screening,

tele-medicine, no claim discounts; (iii) mobile enrolments; (iv) exploring exciting distribution channels etc. The mainly underserved rural sector holds great potential for both life and non-life insurers. Insurance in General and Life Insurance in particular is truly an industry for social well-being. But still the full prospective of the tough rural base has perhaps not been fully realized or exploited. Keeping in sight the well established role played by the individual agency force for selling insurance products in the rural areas, it is necessary to strengthen this channel with a set of new, up-to-date inputs in fitting the requirements. This would accomplish the aims of both the insurer as well as the nation – of classifying as well as strengthening these new untapped markets while also providing the much needed employment opportunities in rural areas. Though, it is very essential that the awareness level and the ability of agents are improved.

Micro insurance has the potential to be a game changer, as it can help address many across the country. Micro-insurance can result in a „win-win“ situation, joining the double bottom line of commercial profit with social benefits of fighting poverty through systematic risk management among the rural poor.

### Suggestions

- Leveraging existing network for micro-insurance
- Linking micro credit with micro insurance
- Human Resource is required to be trained to cover the huge untapped market.
- There is a need for developing adequate feedback mechanisms.
- IRDA should take initiatives in widening outreach of micro-insurance products to the rural poor as providing micro-insurance is a necessary and essential adjunct in the inclusive process.

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## WORK – LIFE BALANCE IN CORPORATE SECTOR: SOME ISSUES

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### Introduction:

The expression “work-life balance” was first used in the late 1970’s to describe the balance between an individual’s professional and personal life. (New ways to work and the working Mother’s Association in the UK). In the US, this phrase was first used in 1986. According to Jim Bird, CEO of [worklifebalance.com](http://worklifebalance.com), work-life balance is meaningful achievement and enjoyment in everyday life. Work-life balance does not mean equal balance between work and personal life. It is the happy medium between the minimum and maximum. There cannot be a universal standard for application of work-life balance. It is person specific and very often balance itself is a dynamic equilibrium and changes over time. At the dawn of the IT revolution, it was thought that there would be increased leisure and marked improvements in the quality of life, while in reality, the logic has actually been turned on its head. Many youngsters are experiencing early burnout due to overwork and increased stress. This condition is seen in nearly all occupations – from blue collar workers to the top management. Over the past decade, rise in workplace violence, increase in attrition as well as rise in claims, due to health disorders are all evidences of an unhealthy work-life balance. Although there has been a substantial increase in incomes and material possessions in the last decade, these tangibles have come at the cost of the intangibles. It is not uncommon to find employees at all levels, who have not taken a vacation for years and who couldn’t make it to important family events/celebrations. Worse still the increase in the number of cases of physical and mental illness and of broken homes.

In India, mid-level employees, i.e., those with 5-10 years of work experience, on an average put in 55 to 60 hours of work per week. BPO employees clock 50 – 65 hours of work, while software professionals put in 50 – 60

hours, and employees in bank/insurance companies work 50 – 55 hours a week. The scenario is much worse, when it comes to senior and top management personnel. While work is at the core of our existence, how much one is happily willing to give/is required to give into the job, depends on the individual situation. While for some, work is the means to achieve what one yearns for in life, for others it might be an end in itself.

The following are the Objectives of the Paper:

- To Examine the work life balance issues in the Indian context and,
- To Highlight its extensive impact and identify factors that could help create a better work-life balance.

Few people are fortunate enough to have their passion as their profession. Most people are into their professions by chance, lack of options/opportunities, or due to circumstances. Work, thus, is an adapted choice which must be done well, a responsibility. These individuals would be frustrated, if the demands of the job leave them with no time/ opportunity to pursue their ends. And those pursuing their passion as a profession must remember the old adage “All Work and No Play, makes Jack a Dull Boy”. Whether one’s profession is by choice or chance, when extended beyond a point, does not make for “meaningful achievement and enjoyment of everyday life” particularly, if it engulfs the whole of life. Hence, one needs to have a healthy mix of work, family, hobbies, etc., in life, in order to lend meaning to achievement and to life. Just as a balanced diet is necessary for the physical well-being of an individual, a balanced life is necessary for the mental/ emotional and psychological well-being of

people. The present study is an exploratory work and presents an overview and few intricate issues faced in the corporate sector.

### **Review of literature**

According to a recent study by the Center for Work-Life Policy in the US, 50% of top corporate executives are leaving their current positions. The study also shows that, nationally, 70%, and globally, 81%, say that their jobs are affecting their health. People consider their jobs and their work hours excessive because of globalization. They believe that the resultant difficult and exhausting conditions are having adverse effects. In India, a survey completed in October of 2007, asked respondents to cite specifically what had contributed to a lack of balance in their lives. According to the study, the number one factor cited as affecting work-life balance was “the pace of my job.” (55% of those polled in 2007 as against 49% in the 2005 poll). The second factor cited was “too little attention to personal interests and relationships” (49%), followed by “financial pressures and goals” at number three (32%) and “attempt to fulfill others’ expectations of me” at number four (31%).

According to an international study, “Organization for Economic Co-operation and Development (OECD) at a Glance Survey” that covered 18 advanced societies, the French were seen to enjoy leisure, not as weekend activities pursued with a passion, but weaving leisure into their everyday life and enhancing its quality. Contrary to common belief, it did not mean poor work ethic, as they were found to be hardworking and productive as well. An International Labour Organization (ILO) report puts them on par with Americans in terms of productivity. The OECD report also reveals that Norwegians spend maximum time on leisure and the report pegs them at the very top on the productivity chart.

### **Importance of maintaining work – life balance**

Conversely, an individual whose life is dominated by a single dimension, viz., work to the exclusion of everything else, is the building block of an unhappy family and society. While the developed countries have been

grappling with the issue for quite some time now, India remained relatively unaffected due to the social support system available so far. Nevertheless, natural progression would take us to the situation faced by other countries, unless we recognize the potential issues and act with forethought, learning from their experience.

### **Reasons for work life imbalance**

The causes for work-life imbalance may be many, ranging from personal ambition, increasing consumerism, and the pressure of family obligations to the accelerating pace of technology, etc. Whatever the reason, its effect extends beyond the employees work place.

### **Effect on individuals:**

At an individual level, the absence of a healthy work-life balance results in high levels of stress and persistent stress can result in cardiovascular diseases, sexual health problems, a weaker immune system, frequent headaches, stiff muscles or backache. Stress may also perpetuate or lead to binge eating, smoking, and alcohol consumption. Symptoms of stress are manifested both physiologically and psychologically. It can also result in poor coping skills, irritability, insecurity, exhaustion, and difficulty in concentrating.

### **Effect on children**

An increasing number of young children are being raised by childcare provider or a person other than a parent; older children are more likely today to come home to an empty house and spend time with video games, television and the Internet, with less guidance to offset or control the messages coming from these sources. Parents returning home late and totally stressed out are barely able to help or guide the child. They are more likely to adopt the path of least resistance and allow the child to go by his own choices, which may not be in their best interests. Independence, coupled with ignorance, can be a lethal combination, to which a society cannot afford to expose its future generation to.

### **Effect on families**

Spending more time in the office, dealing with clients and meeting deadlines and goals, leaves an individual with no time or

energy to participate/contribute to minimum basic household chores. In case of a working couple, this could be a potential cause of disharmony. Personal life can get all the more demanding, if one has kids or elderly parents/in laws, financial or other problems in the family. Lack of time and attention can put personal life in disarray with serious consequences.

### **Effect on the organization**

At an organizational level, high stress levels in employees and health issues result in reduced productivity and creativity of employees. It can also result in a buildup of resentment, irritability, breeding of inter-personal problems and affecting the health of organization.

### **Work life balance in the Indian scenario**

There have been some professions, like the medical profession and the police, that have traditionally been faced with the hazards of work-life imbalance. Today, employees of BPOs, IT companies and many others also face the brunt of this hazard. Till a decade ago, there were fixed working hours, say 9-5 or 10-5. Work hours were limited to 7-8 hours a day, with a five day week even for private sector employees. Today, these employees spend 12-16 hours at work, which leaves them with less time to meet obligations of their personal lives, leave alone pursuit of hobbies and leisure activities. This hinders personal and spiritual growth of individuals and impacts society.

Despite the nuclear family norm, couples still managed to take care of their children and the family's needs, working to regular timings, with some support from parents/relatives living in the same town/city. Globalization has virtually rocked the boat and has tilted the work-life balance. Employees now work to the timings of foreign clients and markets even while working within the country, which has been a major disruptive factor affecting their personal lives and health. Employees are required to and are willing to move to far away locations within the country, as well as across continents, in search of lucrative careers. The growing talent pool in the country, coupled with technical advancement, has increased competition at the workplace.

Further, the performance/competition driven corporate culture that has taken firm roots, prevents an employee from saying "no" to longer work hours, the situation made worse by the economic downturn that has spawned uncertainty.

There is so far, no true recognition of the issue in India amongst both employees and employers, partly because of the 'if it ain't broken don't mend it' attitude, in other words, one takes cognizance of the need only when matters precipitate into a crisis situation, health being a classic example. Also, work-life balance is seen more as a women's issue due to the traditional mindset, where the woman is considered primarily responsible for the smooth running of the day-to-day affairs of the family/home, irrespective of her job profile and official responsibilities. Work-life balance assumes significance for women, who are virtually into two jobs, one at the office and the other at home. A poor work-life balance manifests broadly, as inadequate time and attention to non-work matters and neglect of important aspects of life, be it the self, family or children.

### **Conclusion**

The following conclusions are emerged in the present study. Success work-life balance has far reaching implications for individuals and organizations. It boosts productivity and makes for better quality of life. It enables employees to contribute more at the workplace, use each working hour more effectively, and look forward to each day at the office. One need not be obsessed with work, to be productive, as seen from the OECD survey report. On the contrary, a relaxed approach to life and work actually enhances productivity and quality work.

Many argue that developing countries cannot afford to put their feet up as yet. While there is no denying that there is much to be accomplished, a better work ethic, rather than obsession with work, should be the approach. Today, even those who had advocated and adopted meritocracy to the exclusion of everything else in the past have come to realize that it is unsustainable. Encouraging meteoric rise of employees, achieving everything within ten years of work life is found to be, neither in

the interest of the individual, nor of the organization. Work life must be treated like running a marathon, where sustaining over the long run is important for achievement in the ultimate analysis. As the economy shifts more towards the service sector, work-life balance assumes greater significance and calls for major changes in attitudes and systems, so that individuals and collective achievement is meaningful and enjoyable for all.

The following Suggestions are needed for a balanced Work Life Balance

### **Steps to Maintain a Healthy Work-Life Balance**

In India, work-life balance issues are seen as areas of individual concern, while in the west, people think of work-life balance in the framework of what the company does for the individual. In reality, it concerns both the employee and the employer, and hence there must be a two-pronged approach to creating work-life balance.

However, conditions in India are vastly different from those in the west. Certain systemic issues pose a challenge and can frustrate individual/organization efforts, in the absence of corrective action in the following areas:

- The lack of professionalism and poor work ethics are a stumbling block to both productivity and work-life balance;
- Endemic inefficiencies and lack of accountability in the system demands more time on the job for all. It penalizes the efficient, for the lack of it, from others;
- The social structure is tilted in favor of men; hence a willingness on their part to spend more time on the job for what can be done in shorter time;
- A laid-back attitude, coupled with a culture of 'let's cross the bridge when we come to it', that gives rise to flexible timelines; and Lack of leisure activities/hobbies, save the TV and cricket.

### **Individual Effort:**

An employee can create a healthy work-life balance, only if, he/she recognizes that work is an aspect of life and not the whole of

life. With that in place, there must be prioritization and scheduling of activities, such that, all important aspects of life are taken care of. Further, employees must ensure the following:

- Follow time discipline, by ensuring 100% commitment when at work, thereby creating time for other things in life.
- Develop an assertive personality, so that he/she is not dumped with work/and becomes a substitute for what somebody else doesn't want to do.
- Adopt a planned approach to life. Think ahead, prioritize and schedule activities, i.e., list out the key areas, things that must be taken care of no matter what.
- Effective time management: - It presupposes a commitment to the schedule planned, maintaining a boundary between home and office and sticking to schedules. Laptops, mobiles, blackberry, et al. – a boon to business is a bane to work-life balance. One must not carry work home, unless it is absolutely imperative.
- Another important tool in time management is delegation, both at home and at work. Delegation at the work place empowers the team members and at home, it fosters strong ties between members, while it frees time that can be put to alternative use. Encouraging children to help out in little ways at home, also helps develop self-confidence in them.
- Suitably modify schedules as priorities change with time.

### **Organizational Effort**

The programs and initiatives that an employer offers and its effectiveness in creating a healthy work-life balance would depend largely on how the employer views the whole issue. Where the initiatives are seen as perks or additional benefit to the employees, employers are likely to raise the performance bar in some way/extract more from employees, defeating the very purpose of the initiative. On the other hand, if employers view the initiatives as part of the

organization's Corporate Social Responsibility (CSR), it is more likely to yield the desired results.

- Employers in the west offer a range of different programs and initiatives, such as flexible working arrangements in the form of part-time, casual and telecommuting work. More proactive employers provide compulsory leave, strict maximum hours and foster an environment that encourages employees not to continue working after the scheduled hours. In India, these are not yet on the horizon for various reasons.
- In India, the programs and initiatives of public and private sector employers would be vastly different. For example, private sector employers have incorporated in the calculation of the CTC of an employee, a financial component for LFC (Leave Fare Concession), which gets credited to the employee's account at the end of the agreed period, if the employee has not actually traveled. While in the public sector, the LFC/HTC facility enables the employee to travel along with the family to any destination in India in each travel block, the travel expenses being borne by the employer and reimbursed against production of proof of travel. Unlike the private sector, it is not a mere monetary entitlement and thereby, encourages taking a vacation with the family. Some Public Sector Banks also sanction an interest free loan, repayable in 10 monthly installments linked to the LTC.
- Employees like Bank of America, ensure that their employees get a weekly off through appropriate work scheduling. They also organize weekend fun activities on the floor and offsite locations, financial allocation for which, is factored into the annual budgets department wise. Indian IT companies that started off on western lines also had such activities that have imperceptibly vanished in the last few years.
- IBM sponsors 'fun and learn' activities for its employees' children to encourage a work-life balance, under the aegis of IBM Global Work/Life Fund. The "Young

Explorers Summer Camp" comprises programs like Explorer's Club, Hobby Club and Yoga Club for employees' children aged 4-12 years, to help children discover, develop and realize their potential.

- While devising policies and programs, employers must bear in mind that a perception about the gravity of the issue differs between various levels of employees, the balancing act getting tougher as one progress in life. For example, young employees with less than three years of service are faced with fewer issues and responsibilities to deal with as individuals. They need to balance their work life with their personal growth and enjoyment needs. While the middle level employees, with 5-15 years of service, with marital/family responsibilities to meet and higher responsibility at the work place, have a more challenging time.
- Flexi- timings, sabbatical and child-care facilities are initiatives that would allow women employees to be gainfully employed and remain productive at the workplace with reduced anxiety, while balancing their dual responsibilities.

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## ROLE OF REVERSE MENTORING IN CORPORATE WORLD

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### Abstract

“Reverse Mentoring” is a novel concept that is gaining popularity in today’s fast-paced, tech-savvy world. Reverse mentoring actually tries to bridge the gap between two generations i.e millenials and boomers. Millenials are people born between 1977 and 2000 whereas boomers are people born between 1946 and 1974. Millenials bring fresh skills and are typically “tech-savvy, racially diverse, socially interconnected and collaborative.” Boomers, on the other hand, typically bring experience, best practices, and a long history of work ethics to the table. In a young country like ours where more than 50 per cent of the population is below the age of 25 and more than 65 per cent below the age of 35, the traditional concept of mentorship may not yield the desired results. This paper intends to discuss the role of reverse mentoring in today’s world.

**Keywords:** Millenials, boomers, mentoring

### Introduction

Mentoring as everyone is aware is a process where an experienced and a senior employee provides guidance and training to a new inexperienced employee. The mentor is responsible for providing support to, and feedback on, the individual in his or her charge. Reverse mentoring is a slight variation of an age old concept of mentoring. Reverse mentoring refers to an initiative in which older executives are paired with and mentored by younger employees on topics such as technology, social media and current trends. In the tech industry or other businesses that rely heavily on technology, reverse-mentoring is seen as a way to bring older employees up to speed in areas that are often second nature to 20-something employees, whose lives have been more deeply integrated with computers and the Web. The idea that senior executives could stand to learn a thing or two from new employees goes against traditional workplace practices, where more experienced workers often provide the

most input, make decisions and provide mentorship to newer employees with less experience. However, the fast-moving developments in technology and trends have reversed this logic in some offices, where older workers may have experience and insight, but lack strong skills in newer technologies. Though reverse mentoring is not a new thing. Jack Welch, former CEO of General Electric, has been credited with helping to spread the popularity of reverse mentoring. Back in the '90s, he realized that GE management had much to learn about the Internet, so he mandated that top executives at the company (including himself) take on a reverse mentor. He ordered 500 top-level executives to reach out to people below them to learn how to use the Internet. . The younger mentors "got visibility," he says. High-profile cases like this have helped to ease the stigma of reverse mentoring, even getting it to the point where some older employees are actually requesting. Here’s how Alan Webber, the co-founder of Fast Company explains reverse mentoring: “Its a situation where the old fogies in an organization realize that by the time you’re in your forties and fifties, you’re not in touch with the future the same way the young twenty-something’s. They come with fresh eyes, open minds, and instant links to the technology of our future”.

### Benefits of reverse mentoring programs

- Closes the knowledge gap for both parties: For example, older employees may learn social media from the younger person and the younger person learns business terminology and industry practices from the older employee.
- Brings different employee generations closer together: “We need to think about reverse mentorship and pairing young people with seasoned executives. We need to stop thinking about it as an ‘us versus them’ conversation. It’s a two-way street.”

- Reverse mentoring gives senior executives an opportunity to stay up-to-date with the latest business technologies and workplace trends. Moreover, it helps junior employees see the larger picture and gives them a glimpse of macro-level management issues. Reverse mentoring also increases retention of Gen Y employees and gives senior executives the satisfaction of sharing their knowledge with the next generation. It increases multi-generational engagement and reduces conflicts between generations in the work place.
- Reverse mentoring can re-energise older employees, keep younger workers engaged and improve relationships between the different generations in the workplace. For example, junior mentors can help managers understand how to motivate and retain young workers. They can also share first-hand knowledge of a younger customer base — critical for companies aiming to tap the youth market.
- Diversity management- When most of us hear the word diversity we think in terms of nationality, race, and gender. But managing diversity in the workplace can—and should—delve even deeper to include the diversity between generations. Creating one-on-one relationships can help to foster positive attitudes and manage generational diversity.

There are noticeably more companies who are modifying their culture to please the younger generation but those modifications require sensitivity to the boomers for generational harmony. A couple of examples of problems that exist bi-generationally in the workplace include:

- Millennials are asking for (and getting!) flexible work hours, higher pay, and quick promotions. Boomers feel they have climbed through the ranks and put in their due diligence and are confused and even angered by the fast track of the Millennials' success.
- Millennials don't understand and don't always appreciate the relentless hours and dedication that the Boomers have devoted to the success of their careers and the business.

These types of problems can create a disconnect between generations. If not properly managed, hostility may ensue, ultimately affecting the company's bottom line. Managing generational diversity in the workplace using a reverse mentoring program is a solution that many companies are already using including GE, Hewlett Packard, and Cisco Systems. Reverse mentoring can be introduced to an organization as a stand-alone mentoring program, or it can be introduced as part of a mentoring program that is already in place.

**For a reverse mentoring relationship to be beneficial, several factors must be in place:**

- Defined expectations: Each party needs to be very clear on their expectations.
- Agreed upon rules: Each party must be fully committed to the mentoring relationship and agree upon the rules that will be followed.
- Willingness to learn: In a reverse mentoring relationship, both parties act in the capacity of a mentor as well as a mentee; so they must both “genuinely want to learn from and share with the other.”
- Trust: Reverse mentoring requires the trust of each party. The goal is to “push one another outside of their comfort zones and try new ways of thinking, working and being.”
- Transparency: Both parties must be open with their feelings and with what they are thinking. They must be able to overcome differences in communication style (since different generations communicate differently) and be open to seeing situations from different angles.

The good news is that reverse or reciprocal mentoring can take place within existing company mentoring programs. It doesn't require a lot in the way of new processes, just the ability to match up employees of different generations and then encourage each team to meet regularly to exchange ideas and challenge each other. Mentoring relationships shouldn't be restricted to people of the same gender or who have similar backgrounds — because there's much we can learn from people who are different from ourselves. Leading organizations

such a Hewlett Packard, Ogilvy and Mather, Cisco and Hartford Financial Services, sing the praises of reverse mentoring.

### Discussion

Ogilvy and Mather, one of the leading Ad agencies in the world, launched a reverse mentoring program to help senior execs enhance their social media skills. Spencer Osborn, World-wide Managing Director of O&M points out that, not only did the program teach him to jazz up his Tweets; it also helped boost morale and retention of younger employees at the firm.

When Hartford Financial Services started a reverse mentoring program in 2011, the aim was to train C-suite execs in the tools and culture of social media. With entry-level employees in their twenties as mentors, the business leaders soon began to appreciate the power of “searching” for answers on the spot, and they wanted others in the company to benefit from the same flexibility. As a result, social networks that were previously off-limits to Hartford employees were unlocked.

For Airtel, reverse mentoring as a concept was initiated in 2008 post the return of CEO Sanjay Kapoor from the Wharton Business School. As part of the reverse mentoring programme of Airtel, leaders across the country, including the Airtel Management Board (AMB), and the function heads are mentored mostly by young managers, hired from the top B-schools of the country, and into their second or third year in the organisation. The topics, the seniors are educated on, include brand activation opportunities, downloading apps, fashion trends, latest gadgets or what young people do in their free time. It’s not always soft stuff, even hard business strategies get discussed and sometimes adopted by the company. Today, with over 20 active pairs nationally, we are successfully leveraging learnings from these engagement programmes across all areas of our businesses.

Younger mentors are tutoring senior executives on new campus recruitment programmes or exciting ways of engaging with young potential employees or the consumption of data on mobile devices and the other technology specific interest areas. Since the youth today uses different tools to express their feelings, like blogging or social networking

sites, the Airtel leadership is proactively working at embedding these insights to enhance our young customers’ experience with the brand. Thanks to reverse mentoring, many of the senior leaders in AMB are now on Twitter and subscribe to numerous blogs and have started using apps that they normally would not have. Encouraged by the success, Airtel has extended the reverse mentoring process. Till three years ago, it was restricted to only the top 15 senior leaders of the company. It was rolled out to the next 50 leaders and to the leadership teams in 15 geographical circles. At Essar, the group uses this tool to ensure its senior leaders adopt the latest technologies like SAP and ERP at a much faster pace by learning it from the tech-savvy juniors. Essar says that by using reverse mentoring, it has seen higher technology usage and yield amongst senior managers that also helps in faster decision-making. Nokia identified 8-9 domain specialists to “coach” seniors. In one-to-one formal sessions, these select juniors pass on their learning to the seniors. These young mentors are part of Nokia's strategy group.

### Steps of starting a reverse mentoring program

#### Make the perfect match

Reverse mentoring involves two people with extremely different, experiences, backgrounds and cultures; therefore creating the ideal mentoring partnership is vital. Choose mentors who possess good social skills and have the confidence to interact with and teach senior management.

- Start the reverse mentoring program with a fun and informal orientation. The orientation should give the mentors and mentees an opportunity to interact with each other as individuals – not as the boss of the whole place or as the newbie who is fresh out of grad school. This will set the stage for the whole program and in time help erase traditional hierarchies.
- Set specific formal goals but allow space for individual innovation
- It is important to list out what the reverse mentoring program aims to achieve in

general, for all participants. However each mentoring partnership is unique. So mentors and mentees may also enjoy and benefit from helping each other in ways not defined by the program. A young mentor might help a C-suite Exec choose a new cell phone. Or a CEO might share tips on how a new entrant can advance his / her career. So factor in the need for informal goals to be met as well.

### **Challenges in implementing reverse mentoring program**

With our population becoming younger, it is essential for organisations to evolve to the needs of new young India. Reverse mentoring programmes could take place within existing mentoring programmes with a little bit of flexibility to match the expectations of employees engaged across different generations. Yet, this comes with a few challenges. Reverse mentors and their mentees can run into a few stumbling blocks. A big challenge is persuading senior managers to embrace the role reversal and start listening instead of talking. They need to let go of their leadership role and learn the art of “followership”. They also need to suspend their judgment of the younger generation, often characterised as being less dedicated and loyal to their employer than older workers. Don’t expect your 20-something mentors to have the same work ethics you had when you were in your twenties. If you do, then you’re likely to shut them out and start coaching them on their careers, which means you’re not going to hear all the ideas they’re just dying to share with you.

### **Conclusion**

Reverse mentoring can be structured or unstructured, formal or informal. Whatever the style, the learning is always two-way. "Both will benefit if we connect senior leaders with younger high performers," .The skill sets and experiences that each generation offers a company can actually help to create a harmonious work environment as long as each generation is able to understand and appreciate the other. Reverse mentoring is a tool that many companies use today to develop talent between generations and to develop unity as well. There is a huge amount of knowledge transfer that can

take place across generations such as the utilization of social media (Millenials) and business best practices (Boomers).The two are partners in a relatively new type of mentoring where the traditional roles are reversed and junior employees take on the role of teacher to their more experienced co-workers. Pioneered just over a decade ago by former General Electric CEO Jack Welch, reverse mentoring has been embraced by a growing number of companies, including Ernst & Young, General Motors and Procter & Gamble.Junior mentors can help managers understand how to motivate and retain young workers. They can also provide first-hand knowledge of a younger customer base – critical for companies aiming to tap into the youth market. reverse mentoring can re-energize older employees, keep younger workers engaged and improve relationships between the different generations in the workplace.

### **Suggestions**

Junior employees must be confident enough to instruct a superior, so it’s important for companies to choose people who can actually make the relationship work

- Companies should vividly communicate the purpose of reverse mentoring to avoid any conflict.
- There should be a level of trust and respect between the mentee and the mentor.
- While some older executives are insulted by the notion of being mentored by a new employee,they should be convinced beforehand that’s it’s a two way process and will benefit both of them.

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• **IMPORTANT DATES**

ISSUES	LAST DATE FOR THE PAPER SUBMISSION	PUBLICATION DATE
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Second Quarterly	1 April	1 May
Third Quarterly	1 August	1 September
Fourth Quarterly	1 November	1 December

• **SUBSCRIPTION CHARGES**

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4 Year	₹3200	₹3800

## SUSTAINABILITY AND HUMAN RESOURCE MANAGEMENT

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### Abstract

Sustainability is an evolving concept that promotes the use of resources to improve economy, society and environment in an integrated manner. HRM is the function with the organization that provides direction for the people working in the organization. This paper focuses upon sustainable HRM practices in the organization. Sustainable HRM is long-term oriented concept aimed at responsible recruitment, selection, retention, motivation, turnover of employees within the organization. This paper suggests that sustainable HRM contributes to strategic success in the long-term outcomes of HR practices.

**Keywords:** Sustainability, Human Resource, Strategies, Organizational Performance

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### Introduction

Globalization has brought dramatic changes across organization over the past two decades. There has been transformation in the structure of HRM, adoption of strategies and decision making process of an organization. HRM aims at developing people through work (Bratton and Gold, 2001). HRM seeks to make organization competitive through strong workforce and proper strategy development. Sustainable HRM is a tool to meet the challenges in organization and handling emergency and non-emergency situations (Cooper, 1998). This paper mainly highlights the concept of sustainable HRM, linkages between sustainability and HRM and need of sustainable HRM which will create long-term approach in managing organizational assets to achieve organizational goal.

**Review of literature:** Sustainable HRM is about meeting the optimum needs of the company and community. The literature linking sustainability and HRM is widely dispersed. The

maximization of organizational performance is possible through sustainable HRM (Ehnert, 2006). Sustainable perspective. Sustainable HRM is 'the opportunity for HR to prove its own legitimacy and strategic position'. According to Ehnert (2009), scarce human resource and exploitation are problem to HRM. Sustainable HRM focus on the better treatment of employees, increase staff turnover, reduces dissatisfaction, decline stress level and work hours and increase firm loyalty (Wilkenson & Hill, 2001). Sustainable HRM can be a source of competitive advantage to firm. De Prins (2011) argues sustainable HRM focuses on optimally utilizing and respecting human workforce within the organization. Elkinton (1997) translated that sustainable HRM leads to long-term financial, ecological, and social success. Schuler and Jackson (2005) identified that 'success requires meeting the present demand of multiple stakeholders while also anticipating the future needs'. Sustainability must be a part of HRM (Bordereau, 2003). Ehnert and Harry (2012) emphasizes relationship of the organization to its economic and social environment and the potential to contribute to sustainable development. Sustainable HRM is a long-term conceptual approach aimed at a socially responsible and economically appropriate recruitment, selection, development, deployment and release of employees (Thon & Zaugg, 2004). HRM aims at developing people through work (Batton and Gold, 2001). Sustainable HRM could help sustaining employee dignity in job market (Thon & Zaugg, 2001). HRM helps an organization to meet its strategic goal by not only attracting and maintaining employee but also to manage them efficiently and affectively (Bratton and Gold, 2001). Sustainability in organization through HRM is a possible perspective that can impart success in organizational performance for long-term success. Sustainability is an important issue in

the field of management research. The word 'sustainability' is today one of the most widely used word in the scientific field (Filho, 2000). Sustainability is a global concept. In 1987, United Nation Commission on Environment and Development (the Brundtland Commission) defined sustainable development as 'development that meets the need of the present without compromising the ability of future generations to their own needs. HRM is a business function that is concerned with managing relations between groups of people within the organization. HRM provides functional and specialized support system for employee engagement, enhancing recruitment, retention, labour-management relations, professional development. Human Resource Policy forms the framework of the culture in the current business management style. Business Organization armed with practices can achieve improved profitability, employee morale, customer satisfaction and excellence in the whole system. Sustainability is now evolving approach to improve the economy, environment and society in an integrated way. HRM has multidimensional approach on organization function. HRM is developing environmental sustainability criteria for HRM. HRM focuses optimally utilizing human workforce within the organization. Organisations are well aware that skilled employees are scarce and they have to be managed effectively. Sustainable HRM help to reduce management practice and improve company's performance indicators.

### **LINKAGES BETWEEN SUSTAINABILITY AND HRM**

In the 21<sup>st</sup> century, companies found themselves in need to focus on sustainability and role of HR function in the process. Sustainable development is taking a far approach in terms of achieving objectives of the organization. Sustainable HRM is a cross-functional task. The synthesis between sustainability and HRM has high effect on performance work system of employees. A society will not achieve sustainable development without the support from organization (Hahn&Figg,2011).By adopting sustainability organization will contribute towards social and environment

integrity. Prior, human resource within an organization had a different outlook which showed job dissatisfaction, distress, unhealthy relationship between employers and employees. Ehnert(2009) emphasizes the importance of sustainability for HRM. Sustainable HRM has bestowed its impact at the macro as well as at the micro level. At the macro level the relationship between and HRM leads to integrate economic and social environment. At the micro level the relationship internally affects the adoption and execution of strategies to achieve organizational goal. Researchers have proved that linking the idea of sustainability to HRM attracts talent, maintain healthy, productive and skilled workforce, creating employee trust and sustained employment relationship. Sustainability and HRM creates an innovation – oriented environment within the organization to use resource optimally and reduce impact on natural resources.

### **Sustainable HRM and strategic HRM**

Strategic HRM is handling the organization's business strategy in the best way. Sustainable HRM is handling human resource to promote their commitment and get competitive advantage. Success within an organization can be determined when there is balance between organizational resource and environmental influences and by developing and adopting strategies, design and function of the firm. The strategic planning of human resources can therefore make a significant contribution to the overall strategic plan by ensuring that the company has the right type of people with required skill. HRM can contribute to overall strategic planning in achieving the goal of the organization. All human resource practices need to be linked to the competitive strategy of the firm. HRM and company's strategic plan helps to retain a flexible and strong workforce. A large number of companies are now using HR practices to support long range business planning process. Human Resource plays a significant role in bringing harmony between HRM and business plan. A growing recognition of human resource as being a company's most important asset has changed the form of strategic planning. Competitive human resource is linked

with sustainable and strategic implementation of HRM.

### **Sustainable HRM and organizational performance:**

Sustainable development within an organization aims to achieve efficient, effective and competitive environment rebuilding employees for maximum productivity. Sustainable HRM reshape the performance of by the kind of training they receive. It prepares employees to face different situation and develop teamwork and team spirit. The basis of organizational performance lies in achieving goal by transforming the inputs to output. Organizational performance also involves the progress towards the goal. Since resources are scarce sustainable HRM is essential for every organization to survive in the long-run. To achieve organizational goal, the interplay between sustainable HRM and organizational performance is clear. Sustainable HRM optimally uses the scarce resources and direct them towards achieving the output which is linked with the organizational performance. These are long-term conceptual approaches

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which results into sustainable HRM outcomes like employee satisfaction and motivation, employee retention and involvement and employee loyalty. Sustainable HRM extensively improve the cultural factor of the organization into a macroscopic organizational aspect through holistic performance of employees of the organization.

### **Conclusion**

Society can never achieve sustainable development without support from organization. Organization should in return work on the integrity between economy, society and environment. With changing environment, organizations have to commit to sustainability for HRM. Sustainability is a possible perspective to broaden the strategic success in HRM. Sustainable HRM above all develops a competitive edge for the organization. Organization should involve more employees towards sustainability and form a Sustainable Work System in the organization. The approach of sustainable HRM should generate mutual benefit to employees and employers ensuring a harmonious work-life balance.

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## COMPANIES ACT 2013 ON WOMEN REPRESENTATION: A STEP TO REMODEL THE BOARD COMPOSITION

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### Abstract

Women in corporate sector occupying top positions have always remained a rare show. The developed countries too follow the trend. Companies site women's inability to give priority to their jobs when it matters most as the top reason for their lack of show in executive positions and board room. However Companies with women representation have fared better than their counterparts with no woman show. To brush aside such inequality in representation in board rooms, countries have come up with mandatory representation of women in board room. The first to head the show was Norway and today it has over 40% women representation in just 11years from the introduction of mandatory provision. Many countries after wards followed the suit and India remained no exception. India became the first developing country to come up with such provision with the introduction of the Companies Act 2013 which made it mandatory for countries to have atleast one female head in their board room. The result has been positive with women share increasing but companies are fighting hard to hire desirable candidates which can have a positive impact on the performance of the company. In the light of the situation, quotas and mandatory provision won't serve the true purpose and heal it. The Women must be given proper training from the initial stages and inspired to achieve on their ability and not on the back end of legislations. The women must lead with an example. There is a high need of social awareness that will help women getting support from their family and society at large. Ultimately you can do all and achieve the sky as long as you have the passion, drive focus and above all support from the priority sectors.

### Introduction

The corporate sector has always been a cup of tea for the men. Women forming a part of the board room or the top position have always remained a rare scene. Even after passing of various legislations and acts, the scenario is no different. Keeping aside the top positions, women hardly make up to the professional world. Who is to be blamed?? The society at large or the female counterparts' inability to dream big and make it large at the professional world??? In the recent years, gender diversity in the board room and more generally in the organisations, has gained considerable interest in public debate, academic research, government agenda and corporate strategy. Previously considered as a social-issue, gender diversity on board of directors is increasingly perceived as a value driver in organisational strategy and corporate governance. Fair employment practices for women are now part of the criteria of many social indices. The stake holders too, search for gender diversity in the board room. Satisfied stake holders signify better customer loyalty and increased employee motivation. Unlike India, the western countries have also implemented legislation to compose women in the board room. For example, Norwegian government requires companies to appoint atleast 40 % of women. Spain and France have also implemented legislations to be adhered by 2015 and 2017 respectively. With the inception of various quotas, for representing the women in the professional field, there has been a slight improvement in the field. The recent legislations and diversity initiatives worldwide have highlighted the significance of female representation in the boards. With only 4% representation of women in the board room in India, last year a landmark was achieved with

the introduction of Companies Act 2013, crafting for atleast one female director in composition of the board of directors.

**Literature review-** Recently, the gender of CEOs and the board diversity have attracted attention from researchers, and a relatively large number of studies on the subject have been conducted in the field of labor economics and financial economics. Studies from the viewpoint of female labor mainly focus on the issue of the gender gap in compensation (e.g., Bell, 2005; Elkinawy and Stater, 2011; Bugeja et al., 2012) and discrimination in promotion by gender (Bertrand and Hallock, 2001; Elkinawy and Stater, 2011; Matsa and Miller, 2011; Gayle et al., 2012; Smith, et al., 2013; Conyon, 2014). While the main interest of the studies mentioned above is not the determinants of female directors, Farrell and Hersch (2005) and Parrotta and Smith (2013) are examples of studies that focus on the determinants for the appointment of female directors. Farrell and Hersch (2005) analyze the determinants and the effects of the appointment of females as new board members. They indicate that institutional ownership and profitability (ROA) are positively related to the likelihood of adding a female to the board and that the percentage of females already on the board has a negative relationship with the likelihood of a female being added to the corporate board.

### Objectives

The study examines the following objectives:

- To determine the impact of Companies Act 2013 on women representation in board room.
- To determine the impact on companies' performance with women representation at executive positions.
- To determine the challenges faced by company and women in the latter's representation in the top levels

The role of women worldwide is undergoing a dramatic change. Women today share the podium with men in almost all fields, be it kitchen or in defence. Working women are no longer a rarity and are now accepted as an integral part of the working force. Indian organization has experienced a steady increase

in the number of women employees and this pattern is bound to continue in the future as well. Women recently began to join the ranks of managers in large numbers. But women at the top management positions are still a rare species. Globally, they comprise only 10 percent of senior managers in Fortune 500 companies, less than 4% are in the uppermost ranks of CEO, president, executive vice-president and COO and less than 3% of them are top corporate earners. In India too, it is no different. Though statistics elude, if we look around, we will not find even a handful of companies headed by women or women at the helm of strategic departments. However Companies having women at the top positions have proved to be more successful than their male counterparts. Evidence suggests that companies with a strong female representation at board and top management level perform better than those without and that gender-diverse boards have a positive impact on performance. A mounting body of research demonstrates that board diversity helps companies access the widest talent pools, respond more effectively to the market, and achieve improved financial performance. In addition, in a volatile economic climate; companies have an opportunity to renew trust and confidence in the market. Diverse perspectives help bring more clarity to board discussions and decisions and help assure that the status quo is challenged. Research shows that including at least three female board members improves the tone and responsibility of boards, and it also increases the focus on risk management. This argument holds good due to the difference in the behaviour of male and women, which is beneficial for decision making. The participation of women on boards can help avoid too risky projects as women are generally less financial risk averse than men and less over confident. A study by Levi, Li and Zhang(2008) examined the role of women in mergers and acquisitions. They noticed the dampening role of independent female directors regarding the bid premium paid. They also noticed that the use of a tender offer negatively correlated to female presence on a corporate board. Similarly some evidences also indicate that women have higher levels of trust worthiness or collaborative styles that can improve board dynamics. Men and

women together forming a part of the board are likely to bring a differentiated belief and a unique solution to issues, different from the male dominated boards which can turn out to be feasible. Female directors can bring in more conflicting views, knowledge, perspectives and more alternatives to solutions. Also women on the board are likely to have an impact on the board attendance where statistics shows women are slated to have higher attendance in comparison to men. The main reasons that gender diverse boards have been shown to add more organisational value than male dominated boards include:

- Fresh thinking and a wider debate
- Increased focus on problem solving
- More productive discussions and greater unity
- Increased conscientiousness
- Greater self-reflexivity
- Women's interpersonal skills improve board dynamics
- Have higher levels of accountability
- More active in promoting non-financial performance measures such as customer or employee satisfaction.
- Good mediators. Women manage conflicts better than men because they can forge consensus better – especially when egos and tempers are running high.
- Have better corporate governance

The gender diversity is eminent in every sector. The picture portrays a poorer picture with only 14 percent of working women in India make it to senior leadership positions in the corporate sector as against 19% in 2013, compared to the global average of 20 percent down from 24% in 2009 as per Grant Thornton, titled International Business Report. The situation is more dismal in the board room where women's representation at the board level was lesser at just 5 percent as compared to 4.6% on an average in 2009.

**International scenario:** The international board room has also witnessed gender diversity in the board room. The developed countries are also lagging behind in representing a decent view of women representation in the board of directors' composition. A survey conducted by catalyst shows the composition of women in board room in the fortune 500 companies.

**Table 3: Fortune 500 Gender Diversity in Board Room**

YEAR	WOMEN (%)	MEN (%)
2009	15.2	84.8
2010	15.7	84.3
2011	16.1	83.9
2012	16.6	83.4
2013	16.9	83.1

The table depicts that though the women in the boards has increased but is very negligible.

**Table 4: Percent of Companies by Number of Board Seats Held by Women in Fortune 500 Cos**

Year	Zero % women	25% or more Women	40 % or more women
2010	12.1	14.5	1.2
2011	11.3	16.3	1.0
2012	10.3	19.3	1.8
2013	10.2	19.3	1.6

#### **Companies Act 1956 and companies Act 2013**

The weak showing up of women at executive positions and in particular in the board room is slated to get boosted with the introduction of Companies Act 2013. The said act has brought a mandatory clause for appointment for women director with companies satisfying the criteria.

Company to have board of directors (Concept of Directors)	Companies Act 2013 Read with Companies (appointment and qualification of directors) Rules 2014	Companies Act 1956
Women Director	<p><b>Section 149:</b> (1) Every company shall have a Board of Directors consisting of individuals as directors and shall have—</p> <p>(a) a minimum number of three directors in the case of a public company, two directors in the case of a private company, and one director in the case of a One Person Company; and</p> <p>(b) a maximum of fifteen directors</p> <p>Provided that a company may appoint more than fifteen directors after passing a special resolution</p> <p><b>Provided further that such class or classes of companies as may be prescribed shall have at least one woman director.</b></p>	No mandatory provision for the appointment of Woman Director.

The categories of companies which need to comply with the requirement of having at least of one woman director are as follows: \* [section 149(1) of 2013 Act]

- (i) Every listed company, within one year from the commencement of second proviso to sub-section (1) of section 149

India is not new in bringing up acts for representation women at board room. The first to show the way, Norway, now has over 40% of women directors in its firms just 11 years after the quota came into effect. Elsewhere, Latvia, for example, has 28% of female board members, the same level as France and only slightly more than Sweden and Finland. The lowest positions in the world league table on the question go to Japan (1.4%), UAE (1.3%), Qatar (0.3%) and Saudi Arabia (0.1%).

#### **Impact of Companies Act 2013 on composition of board room**

India is the first developing nation to make women directors mandatory, noting that Indian companies of the relevant size needed to find 966 women directors by October 1. However the companies were further allowed 6 more months by SEBI to adhere to the new act and now shall be applicable with effect from April 1, 2015.

- (ii) Every other public company that has paid-up share capital of one hundred crore rupees or more, or a turnover of three hundred crore rupees or more within three years from the commencement of second proviso to sub-section (1) of section 149

Women account for nearly 40 per cent of the total workforce of India Inc, but their presence is less than seven per cent when it comes to board-level positions, a survey has found. India is ranked at 28th in terms of the presence of women directors in, a slight improvement from last year's 30th position, according to **Women on Board 2013**. The ranking is better than that of a few major countries like Japan. The largest economies -- the United States, China and Japan—which have no quotas for women and have had the lowest increase in female directors, suggesting that companies do not bring in more women directors unless they are forced to. It was found that in India the women constituted just 6.81 per cent of the total number of board members in 2013. However, this marks an improvement from last year when women accounted for 6.69 per cent of the total board seats. The enactment of the act has brought further improvement in the ratio as stands over

8% in the current year. The picture is better in case of companies listed in BSE100 where women hold 9% of the board positions.

### Performance of companies with women in top positions

Woman not only makes man complete, and serve as a reason for their success but also adds glory to the performance of the companies that has women in their board rooms and in senior executive positions. Having women in board not only improves public image or just meets government norms, but also betters financial returns and performance than those without women in top positions or in board room. An analysis of return on equity (ROE) data of top 100 Indian companies (BSE 100) by **Randstad, a leading HR services provider**, says that companies with women on their boards have a positive impact on ROE. The study reveals that the board of a private sector company, run by a professional CEO with a mix of both men and women, helped ROE rise by 4.4% in 2014 over the last year. In contrast, a similar company with a men-only board saw its ROE rise by a mere 1.8% in the same period. This holds true even for family-run companies. Those which had more than two women directors saw their ROE rise by 1% over last year while those that had only men on their board fared worse, showing a negative difference of 1.6%. When all private companies with women on their boards were considered, the findings held: ROE was higher by 1.4% over 2013 as against no difference for companies with only men on their boards. Even in Fortune 500 companies, the result is the same, portraying highest representation of women board directors attained significantly higher financial performance, on average, than those with the lowest representation of women board directors, according to **Catalyst's** most recent report, **The Bottom Line: Corporate Performance and Women's Representation on Boards**. In addition, the report points out, on average, notably stronger-than-average performance at companies with three or more women board directors. The Study looked at three critical financial measures: return on equity, return on sales, and return on invested capital, and compared the performance of companies with

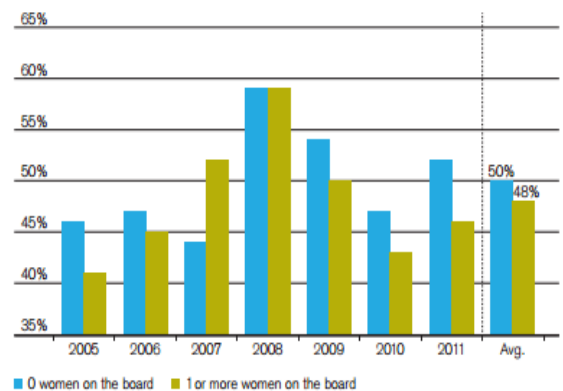
the highest representation of women on their boards to those with the lowest representation. The report found higher financial performance for companies with higher representation of women board directors in three important measures:

- **Return on Equity:** On average, companies with the highest percentages of women board directors outperformed those with the least by 53 percent.
- **Return on Sales:** On average, companies with the highest percentages of women board directors outperformed those with the least by 42 percent.
- **Return on Invested Capital:** On average, companies with the highest percentages of women board directors outperformed those with the least by 66 percent.

**Higher return on equity (ROE):** The average ROE of companies with at least one woman on the board over the past six years is 16%; 4 percentage points higher than the average ROE of companies with no female board representation (12%).

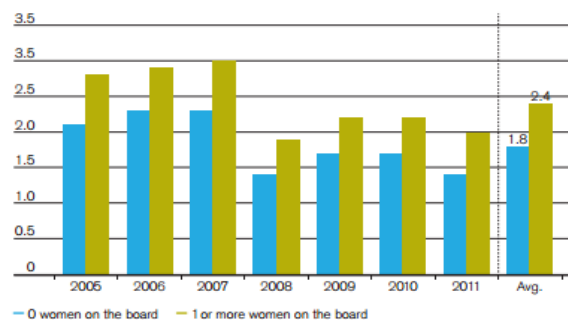
#### Net debt to equity: 0 vs. 1 or more women on the board

Source: Credit Suisse



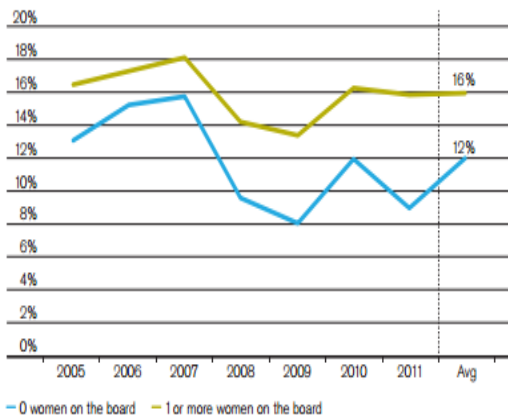
#### P/BV: 0 vs. 1 or more women on the board

Source: Credit Suisse

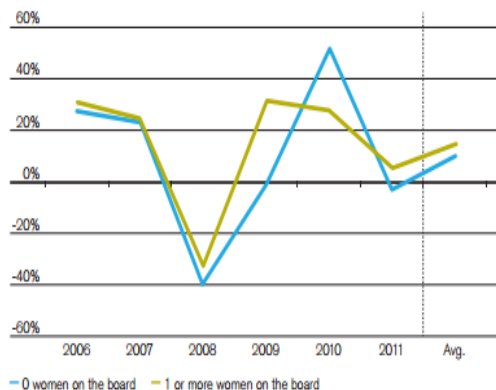


**ROE: 0 vs. 1 or more women on the board**

Source: Credit Suisse

**Net income growth: 0 vs. 1 or more women on the board**

Source: Credit Suisse

**Issues and challenges in appointing women director**

Managing home and career is an uphill task for women. The educated females visualises their career to attain the peaks. However, family responsibility cut shorts their aspirations and ultimately are forced to follow the path of quitting. Women not only in India, but over the world are mostly seen to be juggling with their career and family. Family duties still remain the first priority in a woman's life which eludes them to focus on their career and aim big. A variety of issues were identified that poses challenges for appointing women as their board room member:

- Lack of time: Married women tend to devote their most of their time and attention to their family responsibilities which deprives them to focus on the organisational and leadership roles.

- Lack of flexibility in working patterns offered to employees: The limited flexibility offered in the workplace by Indian companies builds up as an obstacle to women's career progression once they have children. The option to work from home or flexible working hours tends to be few and far between.
- Mid-career guilt and drop out: Many professional women in India experience guilt during their mid-career about neglecting their family. At this point many fall off the corporate ladder or "opt out"
- A limited talent pool: Partly because there are fewer women in corporate India to begin with and partly because of the phenomenon of mid-career drop outs, some women said that the reason there are not more women on boards in India is that there are fewer senior women than men in the pipeline to choose from.
- Barriers for women in the financial sector: A substantial number of highly qualified women in India are in the financial and banking sector. However, senior executives in these industries are often barred, as per regulatory restrictions, from serving on corporate boards of other companies due to concerns about conflicts of interest. Given the relatively high proportion of senior women executives in finance and banking, this phenomenon excludes many qualified women from board opportunities.

**Challenges Faced By Women Counterparts in Representing Themselves in Boards:**

- The toughest challenge that the women face in representing themselves in the board room is to hold on to their job and progress continuously along with looking after their families
- Women coming up with families or children in the middle of their peak time of their career cut short their progression and companies avoids such personality in representing themselves in the board

room as it can bring less commitment towards work and more towards family life

- The male dominated society hardly allows their female counterparts to put forward their voice. In such a scenario women representing in the board room gets lessened and putting forward their opinion seems a hard task.
- Sometimes inter-personal dynamics in the board room make it uncomfortable for women who don't push their way around as much as men do.
- The main challenge is to be more than an equal to be treated as an equal.

### Findings

- Women today have started entering the corporate world or have taken towards the employment sector but women representing in the senior positions is still very low. The family responsibilities cut short their employment and desire to develop in the professional field.
- Companies have very few women in their board room due to women focusing more on family responsibilities and maternity leaves that avoid companies to provide them with challenging jobs as the leaves can hamper the work when it matters the most.
- The lack of qualified women is also a barrier for women occupying the top positions.
- Companies with women in their board room perform better than those with no gender diversity.

### Recommendations for progression of women on corporate boards

The solution to dismal show of women representation on the corporate boards is not only the quotas or legislations passed by governments. Though it may serve as an immediate solution to increase their representation but in the long run it may call for appointing undeserving candidates. To encourage women representation in the executive level, it calls for real development of the women from the very early stage.

- Developing the abilities: The share of women directors can only be increased in the deserving way only if the women are trained in proper way to take higher responsibilities.
- Early Exposure: The girls should be encouraged from nurturing level to look at the top positions. They must be given formal training or coaching by CEOs and chairpersons to look at the prospect of being such in a better way. A practical and formal training will give them an outlook of the job from a very early stage and thus will built up their mind accordingly
- Suitable Time Frame: Companies in India doesn't allow women for any time customised as per their convenience to work so as to bring a balance between professional and personal life. Support from the organisation in the form of suitable time frame will encourage the women to work with full devotion without hampering their either personal or professional life and cut short the dropout rate of employment.
- Social Awareness: The socio-economic environment has played a crucial role in keeping the women confined to the four walls. Thus the society at large should be encouraged to motivate the women in taking big responsibilities and do justice to the position.
- Practical family support: Family support is vital in allowing and supporting women to work outside of home. Support from the husbands and in laws will help the women to progress.
- Companies have a role to play in creating a pool of senior female executives across India with the potential to take on board roles. Companies should be looking within their companies to nurture and to promote women who have the skills, competencies and desire to manage and lead these large companies. There is a need for a true meritocracy where qualified women and men are given every opportunity to succeed.

**Conclusion**

Women representation at the executive level has always been low. The developed countries too suffer from breaking this jinx. A lot of factors hold out in women representation in the top world. However the companies that have women in their board rooms outperformed those without single representation of them. Still Companies fear in appointing females at the top helm of affairs. The enactment of Companies Act 2013 which makes it mandatory for companies to appoint atleast one female director is not the only solution. Quotas are not the permanent aids.

Women must lead by example and not on the back end of legislations and quotas. This will inspire other women and girls to be such. Proper training and support from company, society and family will help in bringing a new phase of life to the aspiring young dynamic and talented girls.

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## FOREIGN DIRECT INVESTMENT IN RETAIL –INDIAN PERSPECTIVE

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### Abstract

Retail is one of the largest private industries in India and the second largest employer after agriculture. The unorganized retail sector in India occupies 97% of the retail business and the rest 3% is contributed by the organized sector. Favorable demographics, increasing urbanization, nuclear family concept, rising affluence amid consumers, growing young and working class, growing preference for branded products and higher aspirations are the key factors driving retail consumption in India. Other than the demand related factors mentioned above, regulatory initiatives for the expected roll-out of the goods and service tax, supply related factors like rapid real estate and infrastructural development, easy availability of credit, innovative physical and online channels, increased service orientation, etc. are all driving growth in the Indian retail industry today. Initially India was conservative regarding FDI; it imposed restriction on foreign companies to limit their share in equity capital of their Indian subsidiaries but over the time Government of India gradually liberalized foreign investment in various sectors. Recently in 2011 India permitted 100% FDI in single brand retail and in 2012, 51% FDI permitted in multi brand.

### Recent Change in FDI in Retail

The Modi Government has decided to disallow foreign direct investment in multi-brand retail.

### Indian Retail Sector

The retail sector in India is divided into three categories. According to the Department of Industrial Policy and Promotion (DIPP) of the Government of India, the single-brand retail comprises those retailers selling products —of a single brand— only, such that products should be

sold under the same brand internationally; and single-brand product retailing covers only products which are branded during manufacturing. —In this category, FDI is allowed to the extent of 51 per cent. From 2006 to March 2010, around 94 foreign firms applied to invest through the single-brand route of which 57 were approved. Consequently, the percentage increase in FDI flows in the retail sector between 2008 and 2010 was even higher than that in sectors such as the services sector, trading and telecommunications, which have a much higher share in the country's overall FDI (DIPP, 2010). The second category is that, in contrast to the first category, no FDI is allowed in the multi-brand retail category. This includes all firms in organized retail that seek to stock and sell multiple brands, such as large international retailers like Wal-Mart, Carrefour & Tesco. This is the sector that is most under dispute. The third segment, called cash and carry, refers to the retailing at wholesale level. The government defines this segment as the —sale of goods and merchandise to retailers, industrial, commercial, institutional or other professional business users or to other wholesalers and related subordinated service providers. In India, FDI of 100 per cent is permitted in this category. Metro Cash and Carry and Reliance Market are the live example in this segment.

The FDI policy has been revised on a continuing basis and several measures has been taken over time for liberalization. Over the last decade several such steps has been taken starting from 2000 when 100% foreign equality allowed in infrastructure projects. In 2002, limited FDI in print media was also allowed. FDI further liberalized in Airlines sector in 2004. In 2005-06, FDI cap has been increased from 49% to 74% in basic and cellular telecom services (Economic survey 2005-06). Likewise many

steps has been taken regarding FDI liberalization in pharmaceutical industry, Banking sector, Insurance sector, Oil corporation power etc. Analysts estimate that the retail market in India, currently worth \$500 billion, will grow to \$1.3 trillion by 2020. Organized retail is expected to reach 20-25% of total retail by 2020 (from a current 5-6%) (Gupta, 2012). For achieving such high growth of retail sector there will be need for capital, proper infrastructure, latest technology, skilled worker etc. FDI can play an important role in fulfilling these need that's why India has liberalized its norms regarding FDI in retail sector. FDI in retail sector will lead to competition and efficiency. Through FDI in retail, Major global Players are expected to be beneficial for consumers, Farmers as well as well as economy as a whole. The Organized retailing market is referring to the trading activities carry out by the licensed retailers; and that is also, those who are registered for sales tax, income tax, etc. The organized retailers include the corporate-funded supermarkets and retail chains, and also the privately owned gigantic retail businesses. On the other hand, the unorganized retailing refers to the traditional players of low-cost retailing, for example, the local kirana shops, owner manned general stores, paan/beedi shops, convenience stores, hand cart and pavement vendors, etc.'. The unorganized retailing is the prevalent form of trade in India, even in present scenario – constituting almost 98% of total trade in retail market, while organized trade accounts only for the remaining 2%. However, this is projected to increase to 15-20 per cent by 2010 (Singhal 2009).

### **FDI in Retail Sector**

The conditions for 51% FDI in MBRT include a minimum investment of \$100 million by each player, 50% of it in back-end infrastructure, 30% procurement from micro, small and medium enterprises (MSMEs), and the government's right to procure the farm produce first. Further, the permission for MBRT has been granted for cities with a population of one million or more, which brings in 53 cities. Some of entrance routes used by them have been discussed in sum as below:

### **Franchise Agreement**

Franchise agreement is written contract between the franchisor and franchisee. It is the easiest mode to enter Indian market. One can enter through this route with RBI approval under the Foreign Exchange Management Act. Many of the players like Spencer, Lacoste, Mango, Nike etc. entered through this route only.

### **Cash And Carry**

Cash & Carry wholesale trading would mean sale of goods/merchandise to retailers, industrial, commercial, institutional or other professional business users or to other wholesalers and related subordinated service providers. 100% FDI is allowed to wholesale trading which include building local infrastructure for manufacturers that will improve distribution. First Global Player entered through this route was Metro AG. Heavyweights such as Walmart, Reliance Retail, Metro AG and Carrefour have been operating in India through this model and have benefited not just themselves but also millions of businesses across India by offering premium brands at wholesale prices.

### **Strategic Licensing Agreements**

Through strategic licensing developer of intellectual property, technology or a product give exclusive license and distribution rights to Indian companies. It is beneficial for both the companies. Using these Indian companies can sell it through their own shops or distribute the brand to franchises. Mango, the Spanish apparel brand has entered India through this with an agreement with Piramyd, Mumbai, SPAR entered into a similar agreement with Radhakrishna Foodland Pvt. Ltd.

### **The pros and cons of FDI in multi-brand retail**

Even as a debate rages in parliament over foreign direct investment or FDI in multi-brand retail, here are a few things that the common man should know about FDI in multi-brand retail. The debate in parliament is whether to give 51% or a controlling stake to foreign companies in multi-brand retail. This means that foreign retail giants like Carrefour, Tesco and Wal-Mart can set up hypermarket chains and can retail many products. Presently, India allows

FDI in single brand retail, which means foreign companies cannot sell multiple brands under one roof.

### Advantages of FDI in Retail

No doubt FDI invites a lot of investment in the country which will turn provide transitional development in technology. The main points of the Government's proposal of pushing the FDI in retail are:

- Farmers were long been left behind and squeezed between the price raise. Worldwide the big retail giants buy the produce directly from the farmers eliminating the middle men and offering them at least 15% – 20% higher prices than they get.
- The increase in FDI will create stronger competition among the retailers and will eliminate the middle man, which will eventually help in reducing food prices and the stocks will help in reducing the supply constraint.
- As per Government's proposal in increasing the FDI in retail each retail giant is supposed to invest a minimum of 100 million dollars. Each retail giant is expected to open at least 15 stores across India and to open each store it may require 10- 15 million dollars which can total in billions of dollars in Forex reserves.
- Today a major chunk of the food that is almost 30% – 40% of the produce is wasted in transportation. A lot of grains are also wasted in the government storage and go-downs. The government has made it compulsory to invest 50% of the investment in the development of infrastructure in logistics. Thus it will become critical to save a lot in storage and logistics.
- Since most of the retail giants work on a large scale, they have large number product varieties which generally the kirana stores in your neighborhood are not able to store.
- As per the government policy for the FDI 30% of the total purchases by these mega giant retailers has to be made from

the small retailers. The perfect example is the existing cash and carry model in Punjab.

### Concerns about Opening up Indian Retail to FDI

A number of concerns have been raised about opening up the retail sector for FDI in India.

The first concern is the potential impact of large foreign firms on employment. Following agriculture, in 2007-2008, the retail sector is the second largest employer in India (National Sample Survey Organization, 64th round). Retail trade employed 7.2% of the total workforce which translates to 33.1 million jobs (DIPP Report, 2010). Moreover, the share of retail employment has risen significantly when compared to its share in 1993-1994. The pattern holds for both males and females, in rural, and in urban areas.

**Table 2: Employment Shares in Retail Trade, 1993-2008**

	Rural		Urban	
	Male	Female	Male	Female
2007-08	5.6	1.7	18.8	8.6
1993-94	3.6	1.4	14.6	6.66

Source: Authors' calculations based on data from DIPP report. Each cell has the average percent of the retail sector in total employment over the given time period.

A second related concern is that opening up FDI may lead to unfair competition and ultimately result in large-scale exit of incumbent domestic retailers, especially the small family-owned business. Given the large unorganized component of the retail sector, this is a major concern. Kalhan (2007) highlights how small shops in Mumbai are adversely affected, in terms of falling sales, by the growing influence of shopping malls in the city. If employment too is adversely affected, it is not clear how organized retail may absorb this displaced labor. A third concern raised by domestic incumbent firms in the organized retail sector is an infant industry argument: that this sector is underdeveloped and in a nascent stage. In this view, it is important that the domestic retail sector grow and consolidate first, before being exposed to foreign investors. Domestic firms in this sector

oppose liberalizing retail to FDI as they view multinational companies as direct competitors. A newspaper article describes opposition from an incumbent: “Kishore Biyani [chief executive of the largest retailer in India] argues that the retail sector should not be given away to foreign players while it is too young to compete on a level playing field. He lacks the capital to build even average-sized Wal-Mart stores of 200,000 square feet—four times larger than his flagship Big Bazaar” (“Wal-Mart Assault,” India Daily, July 24, 2005).

### Conclusion

Today each and every nation is trying to liberalize its economic policies in order to attract FDI to enhance a substantial level of economic and social development. The Indian retail sector is in a boom period and attracting global retail giants due to its market opportunities. It can be observed from the above analysis that an entry of the global players in retailing leads to inflow of latest technical know-how, establishment of well integrated supply chains, availability of quality products at cheaper prices to consumers, the development of SSIs and SMEs, creation of more jobs, interest free capital, benefits to farmers, control inflation and contributes for capital formation to increase nation’s GDP. Taking into consideration, above necessities, FDI in retailing Cannot be avoided in India. The above analysis shows that FDI has positive and negative effects on the Indian economy. It can be concluded that to keep pace with the forecast of Indian GDP, government should encourage foreign investment. To avoid its negative impact on the local players’ regulatory framework should be redesigned. Government should encourage FDI on gradual basis like currently it is allowed for a single brand. Evidence from developed countries like, the United States suggests that FDI in organized retail could help to curb the increasing trend of inflation, particularly with wholesale prices. One can also expect that technical knowledge from foreign firms, such as warehousing technologies and distribution systems, for example, will also help

to improve the supply chain in India, especially for the perishable goods, like agricultural produce. It can also create better linkages between demand and supply; and this way it create the potentiality to improve the price signals that farmers receive. Thus, it eliminates both wastage of food items and middlemen. And it also increases the division of the final sales prices that is paid to farmers. An added benefit of improved distribution and warehousing channels may also come from enhanced exports. The government should play, in this respect, a leading role with legal provisions and institutional mechanisms for helping the cooperatives of the farmers, producer companies and producer groups in a smooth functioning of the retail market linkage and to avoid its ill effects.

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## ROLE OF ENTREPRENEURS IN INDIAN CONTEXT

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### Abstract

Entrepreneurship is a multi-faceted phenomenon. In simple words, we define an entrepreneur as “an individual who establishes and manages a business for profit and growth”. Entrepreneurship is more than mere creation of business; it is dynamic process of vision, change and creation. Entrepreneurship education helps people to be well equipped with skills and knowledge, which could be transformed into business and employment generation tool. Management studies can be a pathfinder for a suitable job for an individual however entrepreneurship education creates innovation, foster job creation and improves global competitiveness. Poverty elevation and creation of new jobs in India is very important which can be achieved through promoting entrepreneurship culture in the country. Education, training and the work experience are considered as the most common indicators of human capital.

**Entrepreneurship Education in India** India has a pioneering status among developing countries for its early start on a variety of entrepreneurship education programs. For the most part, entrepreneurship education in post-independence India has been focused on measures designed to encourage self-employment and founding of Small and Medium Enterprises (SMEs). The Industrial Policy Resolution of 1956 has, for instance, a very strong emphasis on the SME sector. As the economy transitioned from being primarily agrarian into one that has significant contribution from other sectors, it was felt that the most pressing requirement was education that would enable need-based entrepreneurs to make forays into these emerging sectors. Consequently, in the 1960s and 70s, entrepreneurship education was almost exclusively delivered in the form of training programs, offered by institutions under the aegis of State and Central

Governments, and by financial institutions receiving support from the Government. In early 80s, entrepreneurship education primarily focused on entrepreneur training and self-employment ventures. In the same period entrepreneurship education entered into the curriculum of management institutions.

As the result of liberalizations in 90s, entrepreneurship not only became the entry level job creator but also became the source of wealth creation. Success stories, especially in the IT sector, were viewed by entrepreneurs as role models. The country as a whole saw a growing interest in entrepreneurship, fuelled by factors such as growth potential of economy, changing social and cultural milieu, global success of several Indian firms, emerging opportunities in different sectors and lower capital requirement in IT and service sectors.

The past two decades have witnessed the entry of industry associations, NGOs, consultants and voluntary organizations into the entrepreneurship education space. In general, this time period saw the strengthening of the entrepreneurial ecosystem, with the establishment of modes of education. The latest surveys of the trends of entrepreneurship education in India conducted in 2012 indicate that 44,500 students are currently enrolled in entrepreneurship programs across the country. This number is expected to grow at a CAGR of 20.4% to reach 54,700 by end of 2012.

### Entrepreneur's role in India

Entrepreneurs can and should pivot a very important role in our country's development by creating jobs. It's evident that Entrepreneurs create initiatives, which in turn creates opportunities, which in turn creates jobs. The latest Census reports the unemployment rate as 9.4%, and to further lower this percentage, we need more job opportunities. At a large scale, it should be done by Entrepreneurs. It's worth noting that both the reports prepared by Planning

Commission to generate employment opportunities for 10 crore people over the next ten years have strongly recommended self-employment as a way-out for teaming unemployed youth. One such example can be pointed to Mr. N.R Narayana Murthy, whose company Infosys now employs over 145,088 employees. However, the most important role that Entrepreneurs can play in the country's development is by creating wealth for the country, which in turn can fund further start ups and budding Entrepreneurs. Entrepreneurial companies offer the greatest opportunity for wealth creation, simply because they have the potential of capturing the market, especially international. Creating and sharing wealth can enable entrepreneurs to do what India's government has failed to do since Independence, such as transforming education and rural India, making wealth an instrument for bringing the revolutions to build the new India. Think of the next Google or Microsoft from India, and the amount of social change it can bring to our country from the wealth generated. Considering India's increased poverty rate of 37.2%, Entrepreneurs should create wealth overflow in the country for its development. Lastly, Entrepreneurs should create more innovations for India's development. It's a known fact that Entrepreneurs are the harbingers of new innovations and fresh ideas. And our country, with its increased literacy rate, has a plentiful

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quality number of innovators, as evident by the increasing number of R&Ds shifts in our country. Entrepreneurs can therefore nurture a great change in the society with their fair set of innovations. Be it technological changes or social changes, the innovative ideas that an Entrepreneur brings in the society contributes towards the betterment of our country by the creation of better products and services. And the thing with innovation is that it creates a ripple effect in such a way that one innovation leads to another, with each innovation contributing some changes towards the society.

#### Conclusion

From the above discussion it is evident that entrepreneurs can play a pivotal role in uplifting the Indian Economy. Entrepreneurs can create new and more jobs, they can also create wealth for the country which in turn would contribute to economic development. Government, NGOs, Private Institutions and Corporates should actively participate in promoting entrepreneurship culture in the country. Noted Media baron Mr. Subhas Chandra is playing a crucial role in implanting entrepreneurship traits in young generation through his live programme on Zee Media. Eliminating poverty and creation of employment opportunities in the country can be easily achieved through trained entrepreneurs and new ventures through entrepreneurship.

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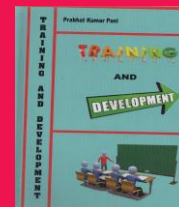
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